

1111 Reservation Policy and Procedure

Updated 4-7-08

The information contained herein is intended to provide a comprehensive understanding of our reservation and pricing policy. These "Policies and Procedures" are subject to change and update at any time without notice.

Over the last few months, the 1111 team has been working hard to create a reservation system that allows early reservation access to as many interested Buyers as possible, while at the same time, providing the Developers the flexibility needed to ensure the success of the project over its duration.

1111 Camino has announced plans to postpone construction on the project until the national economic environment is more favorable. Full information is available in the "News and Updates" section of the blog on the website, 4-7-08 post. The earliest that such construction would begin is Spring, 2009. During this delay, we will continue to advance the project, focusing on marketing and construction details, such as parking, HOA agreements, underground utilities, etc. Until there is a firm date for start of construction, prices will not be set. At the same time, we value the importance of allowing our current Buyer prospects to secure their position by making a reservation. It is with this in mind, that we have created this Policy.

The key aspect of our Reservation Policy is that 33 (of the total 37) condominiums are available for reservation via a system whereby Buyers can immediately reserve a "position in line" to choose a specific unit when prices are set.

Phase I Reservation Process:

First Step: Securing a Reservation Position

Purpose: To retain a "position" for later unit selection and reservation (after prices are set and specific units are available). For Buyers who are ready to move to the next step in the buying process, the next number in the picking order will be assigned on a "first come/first served" basis for those who are ready to pay the \$1,000 refundable deposit and sign a Reservation Agreement. Essentially, this determines the "picking order", the right to choose any condo from the remaining available units.

How do I secure my reservation position? Simply download and print the **Reservation Priority Agreement** under the Project tab of the www.1111camino.com website and follow the instructions. If you need further help, call or email Mynders Glover (970-259-7207, ext 102) or mynders3@gmail.com.

Notification: Once your signed Reservation Priority Agreement and funds are received, you will be assigned the next priority number, and a copy of your Agreement will be returned to you. This is something you will want to keep close track of and have on hand for the future specific unit reservation event.

Deposit Required: \$1,000 refundable deposit and signing of a Reservation Agreement is required within 3 Business days of notice of reservation position to you via email or phone. Funds received must be in the form of a cashiers check (or wired funds) and made payable to the Escrow Title Company we have designated. Again, see the **Reservation Priority Agreement** for complete details. All monies deposited will accrue interest at a bank rate for the duration it is held in escrow, and will be payable to the Buyer. Additionally, any deposit made can be applied to your Contract Earnest Money Deposit at time of contract. Both Buyer and Developer may terminate (cancel) the reservation at any time by giving written notice to the other party. Upon written notice of cancellation by either party, the entire Deposit and any accrued interest will be promptly returned to the Buyer.

The Reservation Agreement will be made available prior to start of single unit reservations.

Second Step: Reservation Event

Purpose: To convert a "Reservation Position" into a Reservation on a specific condominium.

When: At the point in which a firm construction date is determined, unit prices are set, and individual condos are available for reservation.

How to participate in reservations: At such point as specific condos are ready to go to Contract, those individuals with "Reservation Positions" will pick their unit from the released and remaining available units. At this time, only four (4) units are reserved...for the Developers and a Buyer who is combining two units (18,19,31,37). A Buyer will be able to reserve and go to contract on any unit in which he (she) is willing to meet the terms attached thereto. If a Buyer with a Reservation Position does not reserve a specific condo, then that Buyer will receive a full refund, plus interest. Developer reserves the right to determine the pricing and Contract Earnest Money Deposits on specific units, as well as the right to withhold units at any time for later release.

Qualification Letter: At the time of converting a "Reservation Position" into a reservation on a specific condominium, Buyer shall provide to Developer a "Qualification Letter" from a bank of Buyer's choice stating that the Buyer is pre-qualified to purchase the unit. (Developer will supply the form for this letter.) Seller has the option to choose not to go under specific unit Reservation and refund the deposit, after review of the Qualification Letter.

Third Step: Going to Contract

Three (3) categories of special units: All condos have been placed into three (3) categories, depending upon the amount of Contract Earnest Money Deposit required. **Platinum condominiums** (6 of the 37); full purchase price required for Contract Deposit over two installments. **Gold condominiums** (5 of the 37); 20% down required for Contract Earnest Money Deposit over two installments. All other units (26 of the 37) are **Silver condominiums** and require 10% down over two installments.

Contract Deposits: Each unit on the "Floor Plan & Individual Unit Information" sheet indicates the required escrow deposit at contract time as a percentage, for example "**10%** (5/5)". The percentage in bold equals the total Contract Earnest Money Deposit that will need to be paid over two installments. The numbers in parentheses, in the example, show that one-half, or 5%, is due at Contract signing (**1st Payment**), and the other half (5%) is due at Building Top-Out (**2nd Payment**), when the highest part of each building is installed...approximately six months after the start of construction.

Further, at Contract signing, the Reservation Deposit will be credited to the 1st Payment. The Contract Earnest Money Deposit amounts advanced are non-refundable.

Contract Earnest Money Deposit amounts advanced will be placed in an interest-bearing account, with interest accruing to the benefit of the Buyer on the outstanding balance of the escrow account. However, interest does not accrue on the funds paid out of Escrow into the Development account.

Contract Earnest Money Deposit amounts placed on condominiums indicated as "**Platinum**" shall be held in Escrow until a "percentage of completion" schedule (to be determined) calls for its release into the Development account. All other Contract Earnest Money

Deposits are subject to release into the Development account as needed.

No Assignment of Contracts: Buyer must “close” on the unit under the name on the Reservation Agreement and Contract. There will be no Assignments or flipping of a unit to another Buyer before “Closing” on the unit.

Dealing with currently unresolved issues: Our expectation is to have all unknowns resolved at the time of reservations on specific units, such as:

- Initial HOA budget
- Parking spaces in garage
- Options and Upgrades
- CC & R’s
- Standard Features
- Amenities

Other Items to Note:

Why are the Platinum and Gold unit Contract Deposit minimums higher than Silver? Our Bankers require that a certain number of units be under Contract with solid \$ amounts in reserve, for their comfort, before they will grant a Construction Loan. To meet these stipulations, we are placing greater requirements on Contracts for the highest demand condominiums.

What if a condominium goes back on the market after initial unit Reservations?

Under that scenario, the “re-released condo” would go back on the market, presented first to existing Reservation-Holders. Any Reservation-Holder may transfer that reservation to the re-released condo provided they are willing and able to pay the Purchase Price and Contract Earnest Money Deposit indicated for the individual unit. Developer may require a new Qualification Letter on the re-released condo. After that, if no Reservation-Holder wishes to purchase the re-released condo, then the unit will be made available to the general public. Developer reserves the right to change the pricing.

Reserving more than one condo:

After all “Reservation Positions” have had an opportunity to reserve specific units, Existing Reservation Holders will have the opportunity to reserve an additional condo(s) on a first come, first served basis, subject to availability.

Bridge Loan program: Several lenders will have packages to offer 1111 Buyers who wish to convert home or other equity into cash in order to raise the Contract Earnest Money Deposit at the appropriate future date.