

**LOT RESERVATION AGREEMENT
Kingsbridge Subdivision - Phase 2**

THIS LOT RESERVATION AGREEMENT ("Agreement"), is made and entered into this ____ day of _____, 2006 ("**Effective Date**"), by and between **Kingsbridge Properties L.L.C., an Idaho limited liability company ("Seller")** and

_____ ("**Buyer/Builder**"), wherein Seller does hereby grant to Buyer/Builder a reservation to purchase the following described real property located in the Kingsbridge Subdivision – Phase 2 in the City of Meridian, Ada County, State of Idaho (this "**Agreement**"), to wit:

Lot _____, Block _____, Kingsbridge Subdivision - Phase 2 (the "Property").

1. TERMS & CONVERSION TO PURCHASE & SALE AGREEMENT: Seller does hereby conditionally agree to sell the Property to Buyer/Builder, upon recordation of the final plat for Kingsbridge Subdivision – Phase 2 (the "**Plat**") and satisfaction of the terms and conditions stated in this Agreement, for the sum of _____ and no/100s Dollars (\$_____.00) ("**Purchase Price**") plus those fees and deposits set forth in Paragraphs 5, 8 and 9, in lawful money of the United States of America, provided said amount is paid in full to Seller on or before the close of business on the **thirtieth (30th)** day after the Plat is recorded ("**Closing Date**").

On the third (3rd) business day after recordation of the Plat ("**Reservation Expiration Date**"), this Agreement, without further action or execution of documents by either party, shall automatically convert to a binding Purchase & Sale Agreement and the Reservation Fee defined in Paragraph 2 shall become nonrefundable earnest money (the "**Earnest Money**"), unless Buyer/Builder delivers written notice to Seller of Buyer/Builder's decision to terminate this Agreement prior to 5 p.m. on the Reservation Expiration Date. In the event no such notice is given, then the Escrow Agent shall immediately disburse the Earnest Money to Seller and it shall be non-refundable, except in the event of a default by Seller. In the event the Buyer/Builder gives the Seller written notice that it elects to terminate this Agreement, as set forth above, the Reservation Fee shall be returned to the Buyer/Builder. If the Closing occurs, the Earnest Money shall be credited against the Purchase Price for the Property at Closing.

2. RESERVATION FEE: As consideration for Seller's conditional offer to sell the Property and Seller's grant of this reservation, Buyer/Builder, concurrent with the execution of this Agreement, hereby delivers to the Seller the sum of **One Thousand and no/100s Dollars (\$1,000.00)** as a refundable reservation fee (the "**Reservation Fee**"), to be deposited in Escrow, held by the Escrow Agent (as defined in Paragraph 6) and applied toward the Purchase Price paid at the Closing, if Buyer/Builder's reservation to purchase the Property is not revoked on or before the Reservation Expiration Date. In the event the Purchase Price, plus those additional costs, fees and deposits set forth in Paragraphs 5, 8 and 9 ("**Additional Fees**"), less the Earnest

Money, is not fully paid on or before the Closing Date, this Agreement shall cease and terminate without further action or notice by Seller, Seller shall retain the Earnest Money and Seller may then convey the Property to others without regard to this Agreement, and Buyer/Builder shall have no claim to the Property.

3. ONE-TIME CLOSING EXTENSION: Buyer/Builder shall be entitled to receive one (1) extension of the Closing Date of not more than thirty (30) days, upon payment to the Escrow Agent, on or before ten (10) days prior to the Closing Date, of a nonrefundable extension fee in the amount of **Fifty and no/100s Dollars (\$50.00) per day** from the Closing Date through the new projected Closing Date (the “**Extension Fee**”). The Extension Fee shall be immediately disbursed to Seller, shall NOT be applicable to the Purchase Price, and shall be subject to adjustment at Closing if the Closing occurs sooner or later than the projected Closing Date (the “**Closing Extension**”). If Buyer/Builder does not close its purchase of the Property by the Closing Extension, this Agreement shall cease and terminate without further action or notice by Seller, and Seller shall retain the Earnest Money and the Extension Fee. Seller may then convey the Property to others without regard to this Agreement, and Buyer/Builder shall have no claim to the Property.

4. MULTIPLE PROPERTY CLOSINGS: In the event the Buyer/Builder enters into one or more Agreements to purchase two or more Properties, notwithstanding the language contained in this Agreement, the Closing Date for the purchase of two or more Properties shall be as follows:

a. If two Properties are purchased, then the Closing Date for the first Property shall be within thirty (30) days of the recordation of the Plat and the Closing Date for the second Property shall be within sixty (60) days of the recordation of the Plat.

b. If three Properties are purchased, then the Closing Date for the first Property shall be within thirty (30) days of the recordation of the Plat, the Closing Date for the second Property shall be within sixty (60) days of the recordation of the Plat and the Closing Date for the third Property shall be within ninety (90) days of the recordation of the Plat.

c. If four Properties are purchased, then the Closing Date for the first and second Property shall be within thirty (30) days of the recordation of the Plat, the Closing Date for the third Property shall be within sixty (60) days of the recordation of the Plat and the Closing Date for the fourth Property shall be within ninety (90) days of the recordation of the Plat.

d. If five Properties are purchased, then the Closing Date for the first and second Property shall be within thirty (30) days of the recordation of the Plat, the Closing Date for the third and fourth Properties shall be within sixty (60) days of the recordation of the Plat and the Closing Date for the fifth Property shall be within ninety (90) days of the recordation of the Plat.

e. If six Properties are purchased, then the Closing Date for the first and second Property shall be within thirty (30) days of the recordation of the Plat, the Closing Date for the third and fourth Properties shall be within sixty (60) days of the recordation of the Plat and the Closing Date for the fifth and sixth Properties shall be within ninety (90) days of the recordation of the Plat.

5. ADDITIONAL CONSIDERATION PER PROPERTY: In addition to the Purchase Price, Buyer/Builder shall pay the following sums for the Property at the Closing:

Total purchase price of Property:	\$ _____
Street Tree & Watering Fee	\$325.00
Portable Outhouse:	\$100.00
Street Sweeping Fee:	\$200.00
Trash Box & Debris Removal Fee	\$500.00
Mailbox and stand provided by ARC:	\$175.00
Architectural Review Fee:	\$500.00
Homeowners' Association Setup Fee:	\$195.00
Construction Deposit	\$1,000.00
Marketing Fee	\$3,500.00
Less Earnest Money	<u>(1,000.00)</u>
Balance due at Closing:	\$ _____

6. ESCROW: The parties shall cause an escrow (the "**Escrow**") to be established with Title One Insurance Company, Attn.: Stephanie Busie, Escrow Officer, 12592 W Explorer Drive, Boise, Idaho 83707 (208) 323-4888 ("**Escrow Agent**"). Escrow shall be deemed open on the date when Escrow Agent has received a fully executed copy or counterpart copy of this Agreement, together with the Reservation Fee.

7. CLOSING: The Buyer/Builder shall close its purchase of the Property by delivering the balance due on the Purchase Price plus the Additional Fees to the Escrow Agent in cash, certified check or federal wire transfer of immediately collectible funds on or before the close of business on the Closing Date (the "**Closing**"). At the Closing, Seller shall convey to Buyer/Builder, by executed and acknowledged Grant Deed (the "**Deed**"), good and marketable title to fee simple interest in the Property, free of liens and encumbrances created or permitted by Seller or any parties claiming by, through or under Seller, except: (i) liens for taxes and assessments not yet due and payable, (ii) the recorded Master Declaration of Covenants, Conditions and Restrictions for Kingsbridge ("**CC&Rs**"), and (iii) those matters of record which have not been objected to by the Buyer/Builder on or before the Reservation Expiration Date. At Closing, the Escrow Agent shall record the Deed, and possession of the Property shall transfer to Buyer/Builder.

8. TITLE & CLOSING COSTS: Seller shall not be obligated to provide a title insurance policy for the Property. Taxes, assessments, utility payments and water assessments, if any, shall be prorated as of the Closing. Seller and Buyer/Builder shall

Seller's Initials _____
 Buyer's Initials _____

each pay fifty percent (50%) of the escrow fees charged at the Closing, and Buyer/Builder shall pay the recording fees for the Deed.

9. ADDITIONAL TERMS POST-CLOSING: In the event Buyer/Builder purchases the Property, the following additional terms and conditions shall apply and shall not merge into the Deed and shall survive the Closing:

- a. Buyer/Builder acknowledges receipt of a copy of the CC&Rs and the Architectural Control Summary for Kingsbridge Subdivision, and agrees to abide by the terms therein.
- b. Buyer/Builder shall close its purchase of the Property prior to start of construction.
- c. Buyer/Builder is responsible to see that all architectural reviews as required per the CC&Rs are obtained prior to construction. Buyer shall submit home construction plans to the Architectural Review Committee (the "**ARC**"), as defined in the CC&Rs, c/o Vision Land Management, L.L.C., at 661 S. Rivershore Lane, Suite 120, Eagle, ID, no less than ten (10) business days prior to commencement of construction for the ARC's approval of all plans, specifications, and colors.
- d. Buyer/Builder shall start construction of the home on the Property not more than six (6) months after the Closing, shall pursue construction in a diligent and workmanlike manner, and shall complete construction and obtain an occupancy permit not more than twelve (12) months after the start of construction.
- e. It is the Buyer/Builder's responsibility to determine the depth and location of the sewer and water connections serving the Property from the appropriate governmental agencies.
- f. Buyer/Builder shall inspect the Property for damages to streets, curbs, sidewalks, fences (if any), and utility facilities prior to the Closing. Any damage reported prior to the Closing shall be the responsibility of the Seller. Any damage not reported to the Seller prior to the Closing shall be the responsibility of the Buyer/Builder. Except as otherwise disclosed to Seller prior to the Closing, Buyer/Builder has inspected the Property and accepts the Property in "AS IS" condition. Buyer is aware that the Property may require additional fill and/or top soil, and any such fill, topsoil; compaction and grading shall be the Buyer/Builder's expense.
- g. Buyer/Builder shall pay Seller \$200.00 on the Closing date for the cost of street sweeping.

- h. Buyer/Builder shall pay Seller \$325.00 on the Closing date for the cost of installing one street tree in the parking landscape strip in front of the Property and watering said tree until Buyer/Builder has completed construction of the dwelling on the Property.
- i. Buyer/Builder shall deposit with the Seller a \$1,000.00 Construction Deposit which is to secure the Buyer/Builder's construction and completion obligations, as well as to secure the Buyer/Builder's compliance with the Builder's Rules ("**Builder Rules**"), which are attached hereto as **Exhibit A** and made a part hereof. If the Buyer/Builder fails to timely complete its construction of the residence on the Property or if the Buyer/Builder violates any of its construction obligations, the Buyer/Builder will be subject to a forfeiture of all or a part of the Construction Deposit. Additionally, the Seller may impose such fines, fees and/or costs as the Seller deems necessary out of the Construction Deposit, in its sole and absolute discretion, for the purpose of correcting damage caused by, or deterring violations by, the Buyer/Builder's failure to comply with the Builder Rules. These obligations are in addition to those rules, regulations and requirements set forth by the ARC, any governmental authority, and the CC&Rs.
- j. Buyer/Builder shall pay Seller \$500.00 on the Closing date for a trash box and debris removal. The trash box will be provided by Seller and delivered to the Property within 5 business days after closing on the Property. Debris removal will take place at least once per week.
- k. Buyer/Builder shall pay Seller \$100.00 on the Closing date for the use of a portable outhouse, which Seller will provide in close proximity to the Property purchased or leased, in compliance with local health codes.
- l. Buyer/Builder shall pay Seller \$175.00 on the Closing date for the mailbox and stand. Buyer/Builder will be responsible for installing the mailbox and stand provided by Seller, either at a shared location identified by Seller on the sidewalk, if attached to the curb, or on a shared cement pad (poured at Seller's expense) in the landscape strip if the sidewalk is detached from the curb.
- m. Buyer/Builder shall pay Seller on the Closing date, the Kingsbridge Homeowners' Association one-time set-up fee assessment of \$195.00, and a prorated share of the current year's annual fee of \$500.00, prorated between Seller and Buyer/Builder as of the Closing date. A \$100 lot transfer fee shall be charged Buyer/Builder at the closing of the finished home sale.
- n. A Three Thousand Five Hundred Dollars (\$3,500.00) marketing fee will be paid by the Buyer/Builder to Coldwell Banker Aspen Realty on the Closing

Seller's Initials _____
 Buyer's Initials _____

Date. This fee will be credited against the three percent (3%) listing commission paid to Coldwell Banker Aspen Realty if Buyer/Builder lists its finished home for sale with Coldwell Banker Aspen Realty.

10. AGENCY REPRESENTATION AND DISCLOSURE: All finished homes listed for sale in the Property shall be listed with a real estate broker licensed in the State of Idaho. At the time of signing this Agreement, the agent working with the Buyer represents the Buyer, and the agent working with the Seller represents the Seller. If both agents are representatives of Coldwell Banker Aspen Realty, Seller's Agent, those agents are Limited Dual Agents. Each party signing this document confirms that prior written disclosure of agency was provided to him/her in this transaction. Each party to this transaction has received from its agent, has read and understands the contents of the agency disclosure brochure.

11. SALE OF HOME TO NON-RESIDENT INVESTORS PROHIBITED: Buyer/Builder shall be obligated, in consideration for Seller's agreement to grant this Reservation and sell the Property to Buyer/Builder, to sell Buyer/Builder's finished home on the Property to a buyer who agrees in writing, as part of the purchase & sale agreement, to move into the Property within thirty (30) days after closing its purchase and who thereafter occupies the Property as said buyer's primary residence for a minimum of one (1) year, unless ill health, job transfer or other circumstance beyond the buyer's control require earlier resale of the home.

12. GENERAL: This Agreement shall be binding on the executors, heirs, administrators, personal representatives, successors, and assigns of the respective parties. Time is of the essence of this Agreement. There are no prior written or verbal agreements modifying this Agreement, and this Agreement shall only be modified by a written amendment executed by both parties. Should any provision of this Agreement be unenforceable or illegal, the remainder of this Agreement shall be enforced according to its terms. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument, and shall be effective upon execution of one or more of such counterparts by each of the parties hereto. If legal action is instituted to enforce this Agreement, the prevailing party shall be entitled to its reasonable attorney fees and court costs, both at trial and on appeal.

13. DEFAULT:

13.1 Upon the expiration of ten (10) days' written notice from either party stating the other party has failed to perform its obligations hereunder, such party shall be deemed to be in default unless such failure to perform is cured within the ten (10) day period. If cured within the ten (10) day period, no default shall be deemed to have occurred. Upon a default occurring, the non-defaulting party may at its election:

13.2 If the defaulting party is Seller, Buyer/Builder may either seek specific performance of this Agreement or terminate this Agreement and seek return of the

Earnest Money; provided, however, in either event, the remedy elected by Buyer/Builder shall be Buyer/Builder's sole and exclusive remedy;

13.3 If the defaulting party is Buyer/Builder, Seller may terminate this Agreement and retain all Earnest Money deposited hereunder as liquidated damages as its sole and exclusive remedy. The parties agree that the Earnest Money provided for herein is a reasonable estimate of the damages Seller will incur as a result of Buyer/Builder's failure to close, it being recognized that the Property is uniquely valuable, and that by entering into this Agreement Seller has lost the ability to pursue other marketing opportunities with respect to the Property. The parties hereto expressly agree and acknowledge that Seller's actual damages in the event of a default by Buyer/Builder would be extremely difficult or impracticable to ascertain and that the Earnest Money represents the parties' reasonable estimate of such damages. The parties hereto expressly agree and acknowledge that the payment of such amount as liquidated damages is not intended as a forfeiture or penalty, but is intended to constitute liquidated damages to Seller.

14. NOTICES: Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been properly given when (i) actually received or personally served, including without limitation facsimile transmittals, (ii) deposited with Federal Express or equivalent overnight delivery service, postage fully prepaid, or (iii) deposited in the United States mail, postage fully prepaid, registered or certified mail, return receipt requested, addressed as follows:

To Seller: Randy Clarno
Kingsbridge Properties, L.L.C.
661 S. Rivershore Lane, Suite 120
Eagle, ID 83616

To Buyer/Builder: _____

This Agreement was executed and made effective as of the Effective Date.

Seller:
Kingsbridge Properties, L.L.C.

Buyer/Builder:

(Print name)

By: Vision First, LLC, Managing Member

Signature: _____

Print name: _____

Title: _____

By: _____
Randal S. Clarno, Managing Member

Address: _____

Phone: _____
Cellular Phone: _____

Seller's Agent:
Coldwell Banker Aspen Realty
By: _____

Buyer/Builder's Agent:

By: _____

Seller's Initials _____
Buyer's Initials _____

Exhibit A

Kingsbridge Builder Team Rules and Regulations

1. All construction debris/trash shall be picked up on a daily basis and put into the trash boxes provided, before leaving the job site each night. This includes your lot, plus the front of street and any trash from your site that might blow into the street or adjacent lots.
2. Builders shall keep stored materials in an organized fashion.
3. Fires of any nature are strictly prohibited.
4. No animals are permitted on the building site.
5. Noise is prohibited between the hours of 7:00 pm and 7:00 am.
6. Builders will not have access to water or electricity from homes without obtaining permission from home-owner/builder.
7. Builders shall dump concrete and cleanout concrete trucks in designated areas ONLY!
8. Builders shall dump clean excess soil free of organic material in designated areas ONLY!
9. Builders may use excess soil from the designated soil dumping areas. Excavation below grade in the designated soil dumping areas and/or in future phase areas is prohibited.
10. Builders will not store materials on adjacent lots or on the street.
11. Loud music, drugs, alcohol or dogs are strictly prohibited on site.
12. Builders shall not track or allow debris and soil on the street.
13. Builders shall not park in front of occupied homes/driveways or mailboxes.
14. Storm water pollution prevention plan (SWPPP) must be posted on each lot under construction. Violations may result in fines imposed by the City and/or EPA.