



June 2017

Towne Park Homeowners,

RE: Lot Process Processing

The TPHOA Board offers the following information. The purpose of this document is to explain your options and pricing. If you choose to purchase your lot.

At this time, the purchase price for each lot is \$27,000. You may choose to purchase your lot at any time or not purchase at all, but if you wish to purchase the lot now, this is the processing information.

If you want to purchase your lot, there are two options for completing your lot purchase. The first option is for those homeowners who wish to purchase the lot with cash. The second option is for those homeowners who may wish to borrow money secured by their home to purchase their lot or who wish to refinance an existing loan and purchase the lot as part of that refinance. With any lot purchase the homeowner will be responsible for all costs and closing. Two options are provided in the following documents.

A sample lot purchase agreement is included herewith.

The Board recommends First American Title Company as the title company to prepare the closing documents. First American was the title company selected by LANB as the company to prepare the closing on the purchase. First American offers lot purchasers a discount of the title insurance based on the previous work they have already completed. The Board suggests that if you have any questions regarding First American you should contact.

Rosary Conner, Sr. Escrow Officer

Email: rconnor@firstam.com

9400 Holly Ave NE, bldg #1

Albuquerque, NM 87122

Direct line: 505-888-8241

You and your realtor may choose any title company to arrange for closing. In any case the Title company must contact Glenn Herrington Email to: gwwh@mail.com to sign the lot purchase agreement during closing.



First American Title Insurance Company

OPTION 1: Cash purchases of Lots

When you bought your home you received a leasehold owner's policy of title insurance in the amount of the purchase price of your home. When you buy your Lot, that policy goes away, because the unit lease goes away. You will own the land outright. You have the option of purchasing title insurance for the \$27,000 price of the Lot or for the value of your home (the Lot plus the improvements). If you purchase title insurance for only \$27,000, at closing you will be asked to sign a document that confirms your understanding and agreement that the amount of title insurance is less than the value of the home, and as such, will not cover the full value of the home in the event of a claim under the title policy.

A. If you purchase title insurance for only the \$27,000 Lot price, your closing costs with First American will be as follows:

Closing Fee	\$107
Title Binder	\$100
Bank Release Fee	\$700
Recording Fees	\$60 (to record deed and release)
Estoppel Certificate	\$150.00
Tax Proration Charge	There will be a charge for real estate taxes that the HOA will have already paid and the amount will vary depending on the date you close
Rent Proration Credit	You will receive a credit for prepaid lease payments during the month you close.
**Title Policy	\$327 (you may be eligible to some discount based on your prior owner's title policy)

B. If you wish to purchase title insurance for the value of your home, your closing costs with First American will be the same as state above, EXCEPT that the cost of the title insurance policy (***) will be based on the amount of insurance. For example, if you purchase a title insurance policy for \$150,000 the cost of the policy would be \$1,078 (subject to some discount which may be available based on your prior owner's title policy). Please call if you would like an estimate of that cost would be.



First American Title Insurance company

OPTION 2: Using borrowed funds to purchase a Lot or doing a complete refinance

If you do not wish to purchase your Lot with cash, you have two choices: first, you may be able to get a new second mortgage loan secured by the Lot; second, you may wish to refinance your existing mortgage loan, and include the purchase price of the Lot as part of your refinanced loan amount.

A. If you wish to pursue a second mortgage loan, your First American dosing costs will be as follows:

Closing Fee	\$107
Title Binder	\$100
Bank Release Fee	\$700.00
Recording Fees	\$60 (to record deed and release)
Estoppel Certificate	\$150-.00
Tax Proration Charge	This is a charge for real estate taxes that the HOA will have already.. paid and the amount will vary depending on the date you close
Rent Proration Credit	You will receive a credit for prepaid lease payments during the mo you close.
**Owner Title Policy	\$327 (you may be eligible to some discount based on your prior owner's title policy)
***Lender Title Policy	\$105 (this includes typical lender requested coverage's)

The foregoing costs DO NOT include your lender or other costs related in obtaining a new loan.

B. If you wish to pursue a complete refinance of your home and include the cost of the Lot into the new refinanced loan, the costs will be the same except that the cost of the owner's title policy (***) and the cost of the lender's title policy (***) will depend on the value of your home and the terms and conditions of your refinanced loan.

Towne Park Lot Purchase Worksheet

Owners Name: _____

Address of Home: _____

Legal Description: _____

Source of Funds

Homeowner's Funds

Bank or Credit Union Financing

____ Total Refinance of Home

Expected Date of Closing: _____

Attachments

____ Copy of Warranty Deed

____ Copy of Past title Policy

____ Copy of Survey or Land Improvements

_____ Date: _____

Homeowner Signature

REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement (referred to as the "Agreement") is entered into as of the _____ day of _____ 20____ (the "Effective Date"), by TOWNE PARK HOMEOWNERS ASSOCIATION, INC., a New Mexico not for profit corporation (referred to as "Seller"), whose address is 425 Towne Park Drive NE, Albuquerque NM 87123 and the following (whether one or more, referred to as "Buyer"):

Name(s): _____

Address: _____

Introductory Provisions

- A. Seller is the owner of fee simple interest (referred to as the "Fee Interest") in the Lot described below, and Seller is the Unit Lessor under the ground lease (referred to as the "Unit Lease") covering the Lot
- B. Buyer is the Unit Lessee under Unit Lease and owns the residence and all other improvements and fixtures on the Lot (collectively referred to as the "Leasehold Interest").
- C. Buyer wishes to purchase the Fee Interest in the Lot from Seller, and Seller wishes to sell the Fee Interest in the Lot to Buyer.

Agreements

1. Sale and Purchase. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the Fee Interest in Lot — in Block of Phase — of the Towne Park Planned Residential Community, in the City of Albuquerque, Bernalillo County, New Mexico (referred to as the "Lot") including all appurtenances thereto, on the terms and conditions set forth in this Agreement. The Lot has the following street address:
_____ Albuquerque, New Mexico, 87123
2. Purchase Price. The Purchase Price for the Fee Interest is \$_____
3. Closing; Title Company. Payment of the Purchase Price and conveyance of the Fee Interest and delivery of all other documents called for in this Agreement (referred to as the "Closing") will take place on _____ (referred to as the "Closing Date") at First American Title Insurance Company, 9400 Holly Ave., NE, Building 1, Albuquerque, NM 87122, Attn: Rosary Connor, Escrow Officer (referred to as the "Title Company").
4. Title. The Fee Interest in the Lot will be conveyed from Seller to Buyer by Special Warranty Deed, free and clear of any liens on the Fee Interest, but subject to all reservations, restrictions and easements of record, and subject to the Unit Lease (unless this Agreement provides below for the Unit Lease to be terminated) and subject to any mortgages and other liens encumbering the Leasehold Interest, Buyer acknowledges that Buyer has been responsible for all real estate taxes and assessments on the Lot

under the terms of the Unit Lease, and so the Fee Interest will be conveyed subject to all real estate taxes and assessments.

5. Unit Lease; Leasehold Mortgage. (Check box A or B below)

A. There is presently a mortgage on the Leasehold Interest (referred to as a "Leasehold Mortgage") and the Leasehold Mortgage is not going to be paid off at Closing: In this case, the Unit Lease will not be terminated at Closing and Seller will assign all of its interest as Unit Lessor under the Unit Lease to Buyer by Seller signing and delivering to Buyer an Assignment of Unit Lease at Closing. The Assignment of Unit Lease will acknowledge that Buyer will be both the Unit Lessor and the Unit Lessee after the Closing, but the Unit Lease will remain in full force and effect until a Termination of Unit Lease is filed of record.

OR

B. There is not presently a Leasehold Mortgage on the Lot or there is presently a Leasehold Mortgage but the Leasehold Mortgage will be paid in full at Closing: In this case, the Unit Lease will be terminated at Closing by Seller signing and the Title Company filing of record at Closing a Termination of Unit Lease.

6. Warranties and Representations; Disclaimer.

A. Seller represents and warrants that it has the authority to enter into this Agreement and to perform the obligations to be performed by Seller hereunder, that this Agreement is valid and binding upon Seller in accordance with its terms, and that Seller has good and marketable title to the Fee Interest in the Lot, free and clear of liens and mortgages, but subject to all reservations restrictions and easements of record, and subject to the Unit Lease.

B. Buyer understands that Buyer is acquiring the Fee Interest in the Lot under this Agreement. Buyer acknowledges that Buyer is familiar with the Lot and all improvements situated on the Lot, because Buyer is the present Owner of the Leasehold Interest, including all improvements.

C. BUYER ACKNOWLEDGES AND AGREES THAT EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 6.A ABOVE AND IN THE SPECIAL WARRANTY DEED TO BE DELIVERED AT CLOSING, SELLER HAS NOT EMIDE, AND HEREBY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, CONCERNING THE FEE INTEREST AND THE LOT, INCLUDING WITHOUT LIMITATION THE VALUE, QUALITY OR CONDITION OF THE LOT AND ANY IMPROVEMENTS AND FIXTURES SITUATED ON THE LOT, THE WATER, SOIL AND GEOLOGY OF THE LOT AND COMPLIANCE OF THE LOT WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY.

7. Prorations; Closing Costs and Fees. Rent under the Unit Lease will be prorated at Closing. Real estate taxes have been and will remain the responsibility of Buyer, and so will not be prorated at Closing. Seller will not be responsible for any fees, costs or expenses in connection with the sale of the Fee Interest in the Lot. Buyer will be responsible for all fees, costs or expenses in connection with the sale of the Fee Interest in the Lot, including the following to be paid at Closing:

A. To Seller, the amount of any Homeowners Association dues or assessments that are delinquent as of the Closing Date, together with any accrued interest and penalties, and any unpaid rent under the Unit Lease through the date of Closing, and a \$150.00 estoppel fee;

B. To Los Alamos National Bank, a \$700.00 administrative partial release fee for releasing the Lot from the mortgage on the Fee Interest held by Los Alamos National Bank;

C. To the Title Company, all closing costs charged by the Title Company and any recording fees, estoppel certificate fees and escrow charges, and the premium for all title insurance policies that Buyer elects to purchase, and any other customary closing costs or fees.

8. Notices. Notices given in relation to this Agreement must be given in writing and served either personally or delivered by mail, postage prepaid certified mail, return receipt requested, addressed to the intended recipient at the address of the party set forth above. All notices shall be deemed given upon the earlier to occur of actual receipt of the notice or three (3) business days following mailing as required above.

9. Miscellaneous. Seller and Purchaser may not assign their interests under this Agreement. The headings of this Agreement are for reference only and shall not limit the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument. No modification or amendment of this Agreement shall be valid unless in writing and signed by Seller and Buyer. This Agreement constitutes a legally binding contract. If a party to this Agreement files suit to enforce or interpret this Agreement, the prevailing party will be entitled to recover reasonable attorney's fees and expenses and court costs. This Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the parties. This Agreement shall be governed and construed in accordance with the laws of the State of New Mexico. The foregoing constitutes the entire agreement between the parties regarding the subject matter of this Agreement. If the time for the performance of any obligation under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the Effective Date set forth above.

Signature of Seller:

TOWNE PARK HOMEOWNERS ASSOCIATION INC.,

a New Mexico non-profit corporation

By: _____

By: _____

Signature of Buyer(s):

Print Name: _____

Print Name: _____