

**ESCROW AGREEMENT
LINCOLN HIGHLANDS III LIMITED
THE HIGHLANDS AT BRECKENRIDGE**

1. Parties. The parties to this agreement are Lincoln Highlands III Limited, a Colorado limited partnership (“Seller”), _____ (“Buyer”) and Title Company of The Rockies (“Escrow Agent”).

2. Recitals. The parties agree the following facts are true:

2.1 Buyer and Seller have executed a Vacant Land Contract to Buy and Sell Real Estate, dated _____, 20____ (the “Contract”) with respect to certain real property located within The Highlands at Breckenridge Lot _____, _____ Subdivision, (“The Highlands”) and more particularly described in the Contract (the “Property”);

2.2. The Contract provides that all funds paid by Buyer prior to delivery of the deed conveying the Property to Buyer shall be held in trust by the Escrow Agent pursuant to the terms of this agreement.

3. Deposit. In connection with the Contract, Buyer hereby deposits with Escrow Agent the sum of \$ 7,500.00 as earnest money deposit and part payment of the purchase price (the “Deposit”).

The Deposit shall be held by Escrow Agent subject to the terms and conditions of this Escrow Agreement and the Contract. Escrow Agent shall hold this Deposit in trust and disburse it as provided herein unless Buyer timely gives notice of cancellation and rescission of the Contract within seven calendar days after the date of execution of the Contract. Escrow Agent shall promptly return the Deposit to Buyer upon receipt of timely notice Buyer’s rescission of the Contract.

4. Funds Held in Connection With Contract. Unless Buyer timely gives notice of rescission of the Contract, (a) all funds paid by Buyer to Seller, including without limitation the earnest money deposit and the consideration for the purchase of the Property, shall be held by Escrow Agent in trust on behalf of both Buyer and Seller, and (b) the Escrow Agent is to close the sale of each lot, and no closing of the Contract shall occur, until all the following conditions have been met:

4.1 Plat Recorded. The plat for the Highlands Subdivision or a portion thereof which includes the Property has been recorded;

4.2 Declaration Recorded. The Declaration of Land Use Restrictions for The Highlands at the Golf Course Subdivision has been recorded, and the Property is included within the terms of such Declaration;

4.3 Warranty Deed Delivered. A deed conveying the Property from Seller to Buyer, free and clear of any underlying blanket encumbrance, has been executed and delivered to Escrow Agent for recordation following closing;

4.4 Improvements Agreement / Surety Bond. A Subdivision Improvements Agreement between Seller and the Town of Breckenridge has been executed with respect to that portion of the subdivision in which the Property is included, and a surety bond in the amount required to satisfy requirements imposed by such Subdivision Improvements Agreement has been issued to fully guarantee the completion of the proposed improvements ; and

4.5 Lender Consent. The Lender under any Deed of Trust recorded prior to the recordation of the Declaration or any plat has consented to the recording of the Declaration and plat and has released any common areas and road easements from the underlying encumbrance and has restricted its lien to only the lots.

5. Closing; Release of Funds to Seller. Upon satisfaction of each of the conditions set forth in Section 4 above, Escrow Agent shall effect the closing of the Contract and release all funds, including without limitation, the Deposit, to Seller.

6. No Amendments. This Escrow Agreement may not be amended or revoked except by a writing (a) signed by all parties hereto and (b) approved by the Colorado Real Estate Commission.

7. Limited Liability of Escrow Agent. Escrow Agent shall not be liable for any act it may do, or omit doing, hereunder as Escrow Agent while acting in good faith and in the exercise of its own best judgment. Any act done or omitted by Escrow Agent pursuant to the advice of its counsel shall be conclusive evidence of good faith.

8. Orders of Court. Except as otherwise expressly provided herein, Escrow Agent is hereby expressly authorized and directed to disregard any and all notices or warnings given by any of the parties hereto or by any other person if such notice or warnings are not required hereunder or provided for herein. Escrow Agent is specifically authorized and directed to comply with and obey any and all orders and judgments of any court of competent jurisdiction, and in the event Escrow

Agent obeys or complies with any such order or judgment, it shall not be liable to any of the parties hereto, or to any other person or entity, by reason of such compliance.

9. Indemnity of Escrow Agent. Seller shall defend, indemnify and hold Escrow Agent harmless from and against any claims, demands, liabilities, and expenses, including reasonable attorneys' fees arising out of the performance by Escrow Agent of its duties hereunder. Notwithstanding anything to the contrary herein, this indemnity shall not extend to Escrow Agent's gross negligence or willful misconduct in the performance of its duties hereunder.

10. Miscellaneous Provisions.

10.1 Counterparts. This Escrow Agreement may be executed separately in counterparts and, when so executed, all such counterparts shall be deemed a single instrument binding upon all parties hereto.

10.2 Facsimile Transmissions. Original signatures of the parties hereto on copies of this Escrow Agreement transmitted by facsimile shall be deemed originals for all purposes hereunder and such copies shall be binding on the parties hereto.

10.3 Attorneys' Fees. The prevailing party in any action or proceeding arising out of this Escrow Agreement, its performance or breach shall be entitled to recover from the nonprevailing party all of the litigation costs, expenses and reasonable attorneys' fees incurred by such prevailing party in the action, including appellate and execution-of-judgment proceedings.

10.4 Amendments. No amendments to this Escrow Agreement or waivers of rights hereunder shall be valid or binding unless in writing and signed by the parties hereto.

10.5 Notice. All notices or demands which may or are required to be given pursuant to this Escrow Agreement must be in writing and shall be deemed to have been given when deposited in the United States mail, return receipt requested, postage prepaid, to the addresses set forth below:

Seller:

LINCOLN HIGHLANDS III LIMITED
0069 Marksberry Way
Post Office Box 8029
Breckenridge, Colorado 80424
Telephone: (970) 453-6900
Facsimile: (970) 453-7900

Buyer:

(Print Name)

(Print Address)

Telephone:

Facsimile:

Escrow Agent:

Title Company of The Rockies
108 North Ridge Street
Post Office Box 510
Breckenridge, Colorado 80424
Telephone: (970) 453-6120
Facsimile: (970) 453-9077

Notice shall also be deemed to have been given when made in writing and hand delivered to any party or telecopied to any party whose facsimile number is set forth above. The address or facsimile number to which any notice, demand, or writing may be given or sent to any party may be changed by giving notice as provided herein.

10.6 Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

10.7 Venue for Legal Actions. Any action or proceeding which arises out of this Escrow Agreement shall be brought in the City and County of Denver, or Summit County, Colorado.

10.8 Time. Time is of the essence of this Escrow Agreement. If any payment is not made on the date due or if any obligation hereunder is not performed as herein provided, the party failing to timely perform or pay shall be deemed to be in default hereunder.

10.9 Successors in Interest. This Escrow Agreement shall bind and inure to the benefit of the heirs, personal representatives, successors in interest and permissible assigns of the parties hereto.

10.10 Assignment. No party to this Agreement may delegate its duties or assign its rights hereunder, in whole or part, to any third party without the prior written consent of all other parties.

10.11 Construction of this Escrow Agreement. The parties agree that this Escrow Agreement shall be deemed to have been drafted by all of the parties hereto and shall not, in the event of any vagueness or ambiguity in any provision hereof, be construed or interpreted against any party hereto.

10.12 Entire Agreement. This Escrow Agreement constitutes the entire agreement of the parties on the matters and issues addressed hereunder and supersedes any prior oral or written agreements on the same subject matter between the parties hereto. No parol evidence may be admitted in any proceeding between the parties hereto to vary the terms or provisions of this Escrow Agreement.

Executed as of this ____ day of _____, 20 ____.

SELLER:

LINCOLN HIGHLANDS III LIMITED,
a Colorado limited partnership

By: _____
a Colorado corporation
and General Partner

By: _____

Name: _____
Its: _____

BUYER:

(Signature)

(Signature)

ESCROW AGENT:

Title Company of The Rockies

Name: _____

Title : _____