

PURCHASE AGREEMENT

THIS AGREEMENT is made this ___ day of _____, _____, by and between:
(Name(s)) _____, (Street) _____

_____, (City) _____,
(State) _____, (Zip) _____ ("Purchaser") and Vista Towers Limited Partnership,
a South Dakota limited partnership, 230 South Phillips Avenue, Suite 202, Sioux Falls, South Dakota,
57104 ("Seller") for the purchase of Unit # ___ in Vista Towers Condominiums located at 2908 West
37th Circle, Sioux Falls, South Dakota, legally described as follows:

Unit No. ___ in Building 1 of the Vista Towers Condominiums located on a parcel of land
described as Tract 2 of Vista Park Addition to the City of Sioux Falls, Minnehaha County,
South Dakota; including Licensed Parking Stall(s) Number(s) _____.

WHEREAS, Seller is the owner of various Condominium Units in Vista Towers Condominiums,
a Condominium Project established pursuant to the provisions of SDCL Chapter 43-15A
("Condominium Act"); and

WHEREAS, the Condominium Project and the Condominium Unit set forth above have been
registered pursuant to the provisions of the Condominium Act; and

WHEREAS, Purchaser wishes to purchase the above-designated Condominium Unit;

NOW, THEREFORE, in consideration of the payment of the Deposit to Seller, it is mutually
agreed as follows:

1. Basic Terms. The Seller shall sell to Purchaser and Purchaser shall purchase from Seller the
Condominium Unit designated above on the following terms:

Purchase price, exclusive of settlement costs as determined on the Condominium Purchase
Worksheet attached as Exhibit A is to be (\$ _____) _____
_____ DOLLARS and no/100-----.

The purchase price shall be payable as follows:

Earnest Money in the amount of (\$ _____) _____
_____ DOLLARS and no/100----- Cash ___ Check ___
("Deposit") which is hereby acknowledged receipt thereof, to be deposited the next legal
banking day after acceptance of this offer, and the balance in cash at closing.

Seller shall pay the following settlement costs:

- (a) One-half of the Owner's policy of title insurance insuring title in the amount of the
purchase price;
- (b) Real property taxes on the Unit prorated to the date of closing;

- (c) The transfer fee due the State of South Dakota to record the Unit deed;
- (d) The cost of preparation of a Warranty Deed to the Unit;
- (e) One-half the title company's closing fee;
- (f) Prorated homeowner association fees for the month in which closing occurs.

Purchaser shall pay all other closing costs, including, but not limited to:

- (a) Mortgage insurance premiums;
- (b) Loan origination fees;
- (c) One-half of the title company closing fees;
- (d) Prorated homeowner association fees for the month in which closing occurs;
- (e) Fee for recording the deed and any mortgage;
- (f) One-half of the Owners policy of title insurance insuring title in the amount of the purchase price.

2. **Deposit.** Seller acknowledges receipt of the Deposit. Purchaser acknowledges that the Earnest Money Deposit shall be remitted directly to Seller. Upon default hereunder or any termination of this Agreement, the Deposit shall be paid to the person lawfully entitled thereto pursuant to the terms of this Agreement.
3. **Financing.** This offer _____ is _____ is not contingent upon the Purchaser's ability to obtain a mortgage loan in the amount of \$_____. Purchaser agrees to immediately apply for financing, to include ordering the appraisal and title insurance. Purchaser agrees to furnish Seller a copy of the mortgage commitment on or before (date) _____ or this agreement may, at the option of Seller, without notice to Purchaser, be voided. Purchaser reserves the right to obtain alternative financing as long as there are no increased costs to Seller. This offer _____ is _____ is not subject to the property appraising for at least the purchase price. If the appraisal report reveals any deficiencies to be corrected, Purchaser and Seller may agree to negotiate in good faith to correct such deficiencies.

Purchaser shall have the right to cancel and rescind this Purchase Agreement and to receive a refund of the Deposit if the Purchaser is unable, after a bona fide application for financing, to secure a commitment from a commercial or savings bank, savings and loan association, insurance company, or other institutional lender for a mortgage secured by a pledge of Purchaser. Purchaser's inability to obtain the described financing must be evidenced by letters of rejection from lender.

Purchaser hereby elects the following method of financing:

- Long Term Conventional Financing arranged through Wells Fargo Bank
- Short Term Financing arranged through _____ (Lender)
- No financing necessary – cash transaction

- (a) Cash. If Purchaser elects to pay the purchase price in cash, then this agreement shall be in no way contingent upon financing and Purchaser assumes full responsibility to initiate and pursue all steps necessary to obtain the funds required for settlement. If Purchaser thereafter fails to pay the purchase price due at settlement, then this Agreement, at the sole option of Seller, may be terminated and the Deposit retained by Seller or Seller may pursue other remedies including an action for specific performance of the Agreement.
- (b) Purchaser's Lender. If Purchaser elects to place a mortgage on the Unit with a lender of his choice, then Purchaser assumes full responsibility to initiate and pursue all steps necessary to obtain the funds required for settlement within the time frame for removal of such contingency set forth above. As set forth above, if Purchaser fails to remove the contingency within the time frame, then this Agreement shall no longer be contingent upon financing and if Purchaser thereafter fails to pay the purchase price due at settlement, then this Agreement, at the sole option of Seller, may be terminated and the Deposit retained by Seller or Seller may pursue other legal remedies, including an action for specific performance.

4. Disclosure. Purchaser acknowledges having received copies of the following instruments:

- (a) The Master Deed declaring the Condominium;
- (b) The Articles of Incorporation of Vista Towers Condominium Unit Owners Association, Inc.;
- (c) The Bylaws of Vista Towers Condominium Unit Owners Association, Inc.; and
- (d) A copy of the South Dakota Real Estate Commission's final or substitute public report on the Condominium together with all supplementary public reports. This Agreement may not be entered into until a period of 10 days has passed from receipt of such report.

PROPERTY INFORMATION IS DEEMED RELIABLE BUT NOT GUARANTEED. A representation of the square footage is only an approximation of the number of square feet the property contains.

INFORMATION DISCLOSURE. The sale price and terms may be disclosed to the REALTORS Association of the Sioux Empire who may use it in the ordinary course of their business.

5. **Acceptance of Offer.** Purchaser's execution of this Agreement constitutes an offer to contract with Seller for the purchase of the property on these terms. If Seller does not accept this offer within 20 days after the date hereof by delivery or mailing to the Purchaser a copy of this Agreement executed by Seller, Purchaser may elect to withdraw this offer at any time thereafter prior to its acceptance. Upon such withdrawal, all sums paid hereunder will be paid to the Purchaser forthwith upon demand. If Seller rejects this offer, then all sums paid hereunder by Purchaser shall be returned to Purchaser forthwith with notice of such rejection. Upon return to Purchaser of all sums paid hereunder, all parties shall be released from all obligations under this Agreement.
6. **The Project.** Seller will construct up to thirty-eight Condominium Units in Building One and other improvements substantially in accordance with the plans and specifications prepared by the Seller, subject, however, to modifications approved by the Seller. Such plans and specifications are available for inspection by Purchaser at Seller's office. The Unit will be completed in accordance with Exhibit A and the plans and specifications for that Unit as modified by Exhibit A. Seller believes that Units in the project will first be available for occupancy on or about April 1, 2005.
7. **Closing.** The date of closing of this transaction (the "Date of Closing") shall be on or before _____, 200___. Possession shall be given at time of closing or _____.

At closing, the balance of the purchase price shall be paid and Seller shall convey by Warranty Deed fee simple title to the Unit subject to the following exceptions:

- (a) The provisions of the Master Deed, including such regulations and service contracts as shall be in force under the Master Deed.
- (b) Taxes for the year in which the sale is closed, if not paid.
- (c) Restrictions of record (including covenants, easements, conditions and restrictions set forth in the Condominium Instruments) and such zoning or other restrictions upon the use of the property as may be imposed by governmental authorities having jurisdiction thereof.
- (d) Liens for work done or materials furnished at the request of Purchaser not contemplated within the base Unit price.

At least five days prior to closing, Purchaser shall make arrangements for an appointment with Seller or a representative of Seller to make an inspection of the Unit. At the inspection, a Unit Inspection Form shall be completed and executed by the parties. Failure of the Purchaser to arrange an appointment or keep such an appointment shall constitute a waiver of Purchaser's right to inspect the Condominium Unit prior to closing.

Those expenses required to be prorated pursuant to Section 1 hereof shall be prorated at closing.

8. **Common Expenses.** Effective the first day of the first month when a Unit in the Condominium building is capable of habitation, Seller shall cause Vista Towers Condominium Unit Owners Association, Inc., a South Dakota nonprofit corporation charged with the administration of the Condominium, to make assessments pursuant to the Condominium Instruments so that Common Expenses may be deferred. Seller shall pay assessments upon Units owned by it, and on terms as stated in the Bylaws of Vista Towers Condominiums Unit Owners Association.

In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of title closing, the apportionment of real property taxes shall be based on the Unit's pro rata share (in proportion to its Common Interest) of the then current real property taxes assessed against the Property. If the Unit has been separately assessed but the closing occurs before the tax rate is fixed, then the apportionment of real property taxes shall be based upon the latest tax rate applied to the most recent assessed valuation. Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing.

9. **Warranty.** Seller gives Purchaser the warranty identified in Exhibit B as Unit Limited Warranty and no other. No agent, representative, or employee of Seller is authorized to make any warranty regarding the Unit subject to this Agreement. Other than the warranty set forth herein, Purchaser is purchasing the Unit, the appliances, and all fixtures contained therein subject to this Agreement "AS IS" with all faults. SELLER EXPRESSLY DISCLAIMS ANY WARRANTY OF FITNESS, HABITABILITY, OR MERCHANTABILITY NOT CONTAINED IN EXHIBIT B.
10. **Risk of Loss.** Risk of loss is assumed by Seller until the Deed of Conveyance is delivered to the Purchaser.
11. **Assignment.** Purchaser may not assign or transfer this Agreement. Any purported assignment of transfer by Purchaser in violation of this Agreement shall be voidable at the option of Seller. Seller may assign its rights hereunder, and if its assignment shall be for the purpose of securing a lender, Purchaser's rights hereunder shall, at the option of such lender, be subject and subordinate to lender's rights.
12. **Notices.** Any notice to be given hereunder by one party shall be in writing and sent by registered or certified mail, postage prepaid, return receipt requested, to the other party at the address given above, or at any other address that either party may hereafter designate to the other in writing.
13. **Liquidated Damages.** The parties have agreed that in certain circumstances Seller, at its option, may retain Purchaser's Deposit upon Purchaser's default. In this regard, the parties agree that Seller may retain this Deposit, at its option, in those circumstances as liquidated damages, the parties agreeing that accurate damages likely to accrue to Seller in such circumstances are presently incapable of precise measurement.

ethical conduct to all parties. Donald A. Dunham, Jr., Brenda Clow and other General and Limited Partners of Seller are licensed real estate broker in South Dakota.

Purchaser agrees that should any claim be made against Seller for commissions by any broker not identified herein, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Seller free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph shall survive closing.

PURCHASER (S): _____

DATE: _____

SELLER: Vista Towers Limited Partnership

BY: _____
ITS: _____

DATE: _____

This is a legally binding contract between Purchaser and Seller. If you do not understand it, seek legal advice.

CONDOMINIUM PURCHASE WORKSHEET

UNIT ____

FLOORPLAN: _____

BASE PRICE:

\$ _____

Deletions to Base Unit:

- 1. _____
- 2. _____
- 3. _____
- 4. _____

\$ _____
 \$ _____
 \$ _____
 \$ _____

Total Deletions:

(\$ _____)

Unit Finishes:

	Purchaser Allowance	Less Base Allowance	Allowance Upgrade Added to Base Price
Flooring	\$ _____	\$ _____	= \$ _____
Wall Tile	\$ _____	\$ _____	= \$ _____
Painting/Staining	\$ _____	\$ _____	= \$ _____
Wall Finishes	\$ _____	\$ _____	= \$ _____
Millwork	\$ _____	\$ _____	= \$ _____
Cabinets & Countertops	\$ _____	\$ _____	= \$ _____
Plumbing Fixtures	\$ _____	\$ _____	= \$ _____
Fireplace	\$ _____	\$ _____	= \$ _____
Window Treatments	\$ _____	\$ _____	= \$ _____
Light Fixtures w/ Install	\$ _____	\$ _____	= \$ _____
Bathroom Accessories	\$ _____	\$ _____	= \$ _____
Appliances	\$ _____	\$ _____	= \$ _____

Total Additions:

\$ _____ *

*5% Allowance Upgrade Fee (to cover increased excise tax, transfer fee, title insurance)

\$ _____

Extra Parking Stalls (s) # _____ @ \$15,000 Each

\$ _____

Storage Unit(s) # _____ @ \$1,500 Each

\$ _____

ADJUSTED UNIT PRICE

\$ _____ **

Agreed and acknowledged this ____ day of _____, _____.

VISTA TOWERS LIMITED PARTNERSHIP

PURCHASER(S)

By: _____

By: _____

Its: _____

By: _____

**Commissions Paid on Adjusted Unit Price

Purchaser understands a Reserve Replacement Fee of \$ _____ will be paid to the Association at Closing. _____ (Purchaser Initials)

EXHIBIT A

Attach the following items, each being signed and dated by both Seller and Purchaser:

Floor Plan of Unit

Detailed Allowance Breakdown from Unit Finish Information Book

WARRANTY

THIS WARRANTY given this ____ day of _____, _____ by Vista Towers Limited Partnership of 230 S. Phillips Avenue, Suite 202, Sioux Falls, South Dakota, hereinafter referred to as "Seller", and _____ of _____, hereinafter referred to as OWNER.

Seller hereby warrants that Unit ____ of Building One of Vista Towers Condominiums at 2908 West 37th Circle, Sioux Falls, SD is free from structural defects and this Warranty is in effect for one (1) year from the above date.

Seller further warrants that there are no structural defects in the common areas and this Warranty is for a period of one (1) year from the above date.

Upon receiving written notice from OWNER of any alleged structural defect within the prescribed time limits, Seller agrees to repair or replace any structural defect within a reasonable time.

VISTA TOWERS LIMITED PARTNERSHIP

By: _____

Its: _____

**VISTA TOWERS CONDOMINIUMS
PROJECTED BUDGET FOR THE FIRST YEAR
OF CONDOMINIUM OPERATION (1)**

Estimated Annual Expenses

Water/Sewer/Soft Water	\$ 12,000
Insurance (2)	\$ 30,000
Accounting Fees	\$ 1,200
Refuse Service (3)	\$ 1,200
Telephone Expense	\$ 1,200
Lawn Care (Estimated)	\$ 6,000
Snow Removal (Estimated)	\$ 3,600
Landscaping Maintenance	\$ 1,200
Cleaning/Maintenance Supplies	\$ 1,200
Elevator Maintenance	\$ 1,200
Maintenance Personnel (4)	\$ 30,000
Incidental Expenses	\$ 1,200
Repair / Replacement Reserve	\$ 2,400
Contingency	\$ 873
Management Fee (5)	<u>\$ 9,327</u>
Total Annual Expense	\$ 102,600

NOTES

(1) This estimate was prepared based on the assumption that the first year of condominium operation will be from November 1, 2004 to October 31, 2005. The actual first year of operation may be later than that time period.

(2) Based on an estimate provided by American Family Insurance – Mike Vinson Agency.

(3) Based on an estimate provided by Novak Sanitary Services.

(4) This cost will be shared when/if Building Two is completed.

(5) Per terms of Management Agreement with Dunham Property Management.

IN SELLER'S OPINION, THE FOREGOING SCHEDULE IS ACCURATE, HOWEVER IT IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY. IT IS LIKELY THAT ACTUAL EXPENSES AND VENDORS WILL VARY FROM THE AMOUNTS SHOWN ON THE SCHEDULE.

Acknowledged this ___ day of _____, _____. PURCHASER(S): _____