

## Lot Reservation Agreement

(THIS IS NOT A BINDING AGREEMENT TO SELL OR PURCHASE REAL ESTATE)

Buyer: \_\_\_\_\_ Lot No. \_\_\_\_\_  
Address: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_ Time: \_\_\_\_\_

This Reservation Agreement (“Agreement”) is entered between Loafer Rim Properties (“Seller”) and Buyer. Seller is in the process of obtaining full governmental entitlements necessary to record a final plat for the development of Harvest Ridge, a Planned Unit Development, located in the City of Salem, Utah, Utah County (“the Development”) and satisfying other conditions and contingencies related to the development and construction there of (collectively, the “Conditions”). Upon satisfaction of the Conditions, Buyer desires to reserve the opportunity to enter into a real estate purchase contract in form and substance acceptable to seller as determined by Seller in Seller’s sole and absolute discretion (“the Contract”) to purchase the Lot identified above (“the Lot”) in the Development. In consideration of the above, the parties agree as follows:

1. Buyer hereby deposits with Seller’s agent, Prudential Utah Real Estate, the sum of \_\_\_\_\_ Dollars (\$) (“Reservation Fee”) evidenced by a check payable to Prudential Utah Real Estate, receipt of which is hereby acknowledged. The Reservation Fee may, but shall not be required to be, placed in an interest-bearing account. Buyer acknowledges and agrees that no interest shall be paid on the Reservation Fee.
2. Subject to satisfaction of the Conditions, Seller reserves unto Buyer the right to enter into the Contract with Seller to purchase the Lot at the higher of: the purchase price listed by Seller (plus the cost of any upgrades to the lot), the purchase price offered by Buyer, or the going market purchase price as evidenced by bona fide offers made by third parties for the Lot. The determination of what constitutes the “highest” purchase price shall be made in the sole discretion of Seller.
3. After satisfaction of the Conditions, Seller will notify Buyer in writing of Seller’s willingness to enter into the Contract for the Lot, subject to the terms and conditions of paragraph 6 below, and, within ten (10) days after the date of such notice, Buyer shall have the opportunity to enter into the Contract to purchase the Lot at the price specified in paragraph 2 above. If Buyer and Seller enter into the Contract, the Reservation Fee shall become part of the earnest money deposit under the Contract.
4. This Agreement shall be terminated upon the occurrence of any of the following: (a) Buyer terminates this Agreement at any time and for any reason prior to entering into the Contract by providing a written notice by certified mail to Seller; (b) Buyer fails to enter into the Contract to purchase the Lot within ten (10) days after the date of Seller’s notice that Seller is willing to enter into the Contract for the Lot; (c) Seller defaults or fails to perform any of Seller’s obligations under this Agreement; or (d) the Conditions are not satisfied by \_\_\_\_\_. Seller will refund the Reservation Fee, without interest, to Buyer within five (5) business days after the termination of this Agreement. The return of the Reservation Fee and termination of this Agreement are Buyer’s sole and exclusive remedies for any claim arising under or from this Agreement. If this Agreement is

terminated for any reason, Buyer agrees that buyer shall have no claim, cause of action rights, remedies, damages or recourse whatsoever, except to the return of the Reservation Fee, against any third parties, Seller or Seller's agents and hereby releases Seller and Seller's agents from the same.

5. Buyer hereby acknowledges that the Development is preliminarily approved with full City entitlements and that the final conditions have not all been satisfied. This Agreement merely provides Buyer with an opportunity to enter into the Contract after the satisfaction of the Conditions, subject to the terms and conditions herein, and does not under any condition whatsoever convey any rights title or interest in or to the Lot or the Development to Buyer nor obligate Seller to sell the Lot to Buyer. The reservation granted to Buyer herein is personal to Buyer and may not be assigned or transferred by Buyer without the prior written consent of Seller. The Seller reserves the right to transfer or assign its interest in this Agreement. Subject to the above, this Agreement shall inure to the benefit of and be binding upon the parties' heirs and successors and Seller's assigns.
6. Buyer hereby acknowledges and agrees that Seller may enter into other Reservation Agreements with other parties for the Lot. Buyer's reservation herein is subject and subordinate to any reservations granted to other potential buyers of the Lot who entered into a Reservation Agreement for the Lot prior to Buyer. Likewise, Buyer acknowledges that Seller reserves the right to enter into Reservation Agreements for the Lot with other buyers after entering into this Agreement with Buyer. Buyer's reservation contained herein shall have preference over any reservation granted to another buyer after the execution of this Agreement.
7. This Agreement represents the entire agreement between the parties related to the subject matter hereof. Any and all other verbal or written representations, comments, statements or understandings are incorporated herein and are superseded by the terms and conditions of this Agreement. Modifications to this Agreement must be in writing. Time is of the essence in the performance of the parties' obligations hereunder. All notices, demands and correspondence shall be in writing and sent to Buyer at the address set forth above and to Seller, by certified United States mail, at the following address:  
  
\_\_\_\_\_.
8. Any disputes arising from this Agreement shall first be submitted to mediation in accordance with the Utah Real Estate Buyer/Seller Mediation Rules of the American Arbitration Association. The parties shall bear their own costs for the mediation and any decision derived there from shall be binding upon the parties. This Agreement shall be construed in accordance with and governed by the laws of Utah. Jurisdiction and venue for any legal proceedings shall be in Utah County, Utah, and the prevailing party shall be entitled to recovery of all costs, including reasonable attorney fees, witness and expert fees, copy costs and other related costs.
9. Seller hereby represents to Buyer and Buyer hereby acknowledges that Prudential Utah Real Estate is a real estate broker and represents Seller in this transaction.

IN WITNESS WHEREOF, the Seller and Buyer have executed this Agreement as of the date first above written.

Buyer:

\_\_\_\_\_

\_\_\_\_\_

Seller:

LOAFER RIM PROPERTIES, LC

By: \_\_\_\_\_  
Bill Young - Manager