

**OPTION AGREEMENT**

Date: October 1, 2021

**SELLER:** Earth Energy Resources LLC, a Colorado limited liability company  
6665 S Jay Drive  
Littleton, CO 80123

c/o: Bonnie Paffenroth, bonnie.paff@gmail.com

**PURCHASER:** Board of County Commissioners of Summit County, Colorado (undivided 50% interest)  
P.O. Box 68  
Breckenridge, CO 80424

Town of Breckenridge, a Colorado municipal corporation (undivided 50% interest)  
P.O. Box 168  
Breckenridge, CO 80424

(Collectively referred to as "**Purchaser**")  
c/o: Christine Zenel, Christine.Zenel@SummitCountyCO.gov

In consideration of the sum of \$1,000 (One thousand dollars) paid to Seller, the receipt and sufficiency of which are hereby acknowledged, Seller hereby gives and grants to Purchaser the exclusive option to purchase the following real estate located in Section 11 of Township 8 South, Range 78 West; 6<sup>th</sup> Prime Meridian in the counties of Summit and Park, Colorado, to wit:

- WHITE METAL, DOUBLE STANDARD, FREE COINAGE MS# 14091
- GOLD ROCK MS# 4213
- MAGNOLIA MS# 3694
- PROSPECT MS# 7250
- PALMETTO MS# 18729
- REPUBLIC MS# 16619

together with all interest of Seller in vacated streets and alleys adjacent thereto, all easements and other appurtenances thereto, all improvements thereon and all attached fixtures thereon in their present condition and free of encumbrances, except as herein provided (collectively the "Property").

If Purchaser decides to purchase the Property, Purchaser must notify Seller on or October 27, 2021 (Notification Date) which notice must be in writing and sent by fax, email with return receipt, registered or certified mail or delivered personally. Such notice shall be effective when mailed or delivered to Seller at the address set forth above. The total purchase price of the Property shall be \$240,147.00 which shall be paid as follows:

\$1,000.00 paid directly to Seller in the form of a check provided with this Option Agreement and as part payment of purchase price.

\$1,000.00 in the form of a check, as an earnest money deposit and part payment of purchase price. Said earnest money payment will be deposited in escrow with a title company with offices in Summit County chosen by Purchaser when purchase notice is given and shall be paid to Seller at

the time of closing.

\$238,147.00 plus closing costs to be paid by Purchaser at closing in funds which comply with all applicable Colorado laws, which include cash, electronic transfer funds, certified check, savings and loan teller's check, and cashier's check (Good Funds).

If the Option is not exercised on or before the Notification Date, the option money paid hereunder will not be refunded to the Purchaser, but shall be retained by the Seller, and all obligations of both the Purchaser and the Seller arising under this Option Agreement shall terminate.

In the event the option is exercised, the Property will be transferred and the closing will take place upon the following terms and conditions:

1. The purchase price shall include all minerals appurtenant to the Property and owned by Seller. The purchase price shall also include all water rights owned by the Seller appurtenant to or used in connection with the Property including the following: all water, water rights, ditches, ditch rights, springs, spring rights, wells, well rights, storage rights, reservoirs, reservoir rights, appropriative rights of exchange, plans for augmentation, temporary substitute supply plans, State Engineer filings, rights to water represented by shares of stock in mutual ditch or reservoir companies, water taps, nontributary and not nontributary groundwater, and other rights in and to the use of water, whether or not adjudicated, which now or at any time are or have been underlying, appurtenant to, or used on or in connection with the Property, together with all structures and equipment used for or associated with the diversion, conveyance, measurement, storage, or use of the foregoing water and water rights, and all easements, rights of way, licenses, permits, and contract rights therefor or pertaining thereto, and all rights associated with the historical use of water on the Property.
2. Purchaser will furnish, at Purchaser's expense, a current commitment for owner's title insurance policy in an amount equal to the purchase price on or before seven (7) days after Purchaser notifies Seller of its intent to purchase the Property. Copies of all documents referred to in the title commitment shall be obtained by Purchaser, at Purchaser's cost, along with the commitment. Purchaser shall have the right to inspect the title commitment and provide Seller written notice of unmerchantability of title or of any other unsatisfactory title condition shown by the title documents prior to closing. If any unsatisfactory title condition is not corrected prior to closing, then Purchaser shall have the option to terminate this Option Agreement in whole or in part as to any such unsatisfactory condition on a pro rata basis as well as demand and receive the return of all monies paid pertaining thereto.
3. Purchaser will obtain, at Purchaser's expense, an ALTA title insurance policy to Purchaser at closing or as soon thereafter as possible pursuant to the title commitment accepted by Purchaser. Such title policy shall have owner's extended coverage (title insurance with standard exceptions deleted and including gap coverage) at Purchaser's expense, provided, however, this paragraph shall not require Purchaser to procure a new survey of the Property.
4. The date of closing shall be on or before December 3, 2021. The location, date and time of closing shall be designated by Seller and Purchaser upon mutual agreement. The title company's costs of performing the closing shall be paid by the Purchaser.
5. Seller shall convey merchantable title to the Property by a good and sufficient special warranty deed, free and clear of all taxes and encumbrances, except as provided for in Paragraph 7 below. If

title is not merchantable, or if the Property should be damaged prior to closing, the Purchaser may elect to demand and receive the return of all monies paid hereunder. In the event Purchaser demands and receives the return of all monies paid hereunder pursuant to this paragraph number 5, all obligations of both Purchaser and Seller as set forth in this Option Agreement shall terminate.

6. Any real estate commission due upon the sale of the Property to Purchaser shall be paid by Seller. Purchaser represents to Seller that it is not a party to a contract which requires the payment of any real estate commission upon sale of the Property to Purchaser.
7. At the time of closing on the Property, Seller shall warrant that the Property is free and clear of any liens, encumbrances and other matters, except for easements, rights-of-way, restrictions and mineral reservations accepted by Purchaser pursuant to Paragraph 2 above, and except for taxes and assessments for the year of closing. Taxes, as determined by the current levy and assessment, assessments, and all pre-paid items shall be apportioned to the date of closing when the deed and possession of the Property shall be delivered to Purchaser.
8. During the term of this Option Agreement the Purchaser, its agents, employees, contractors, and engineers, shall have the right from time to time to enter upon the Property at their risk for the purpose of inspecting the same and conducting surveys, engineering studies, borings, soil tests, investigations, feasibility studies and the like. Within a reasonable time after such entries Purchaser shall, to the extent practicable, restore the Property to its prior condition. The Purchaser agrees to indemnify and save the Seller harmless from all claims arising by reason of such entries.
9. Seller represents that Seller has no knowledge of any hazardous materials or environmental contamination on the Property. Purchase is subject to a Phase I environmental assessment satisfactory to Purchaser of hazardous substances and conditions being completed by Purchaser or its agent at Purchaser's expense prior to closing, and a finding that there are no hazardous substances or conditions on the Property. If notice is not provided to Seller by Purchaser on or before five days prior to closing then this provision shall be deemed to have been met.
10. In the event of a default hereunder by Purchaser, all obligations of both Purchaser and Seller arising under this Option Agreement shall terminate and Seller shall be entitled to keep the option money without accounting to Purchaser therefor, and if the option to purchase has been exercised by Purchaser and the Earnest Money has been deposited in escrow, the title company holding such escrow shall deliver such Earnest Money to Seller and Seller shall be entitled to keep and retain such Earnest Money without accounting to Purchaser therefor. In the event Seller defaults under the terms and conditions hereof, Purchaser may demand and receive the return of the option money and earnest money paid hereunder or Purchaser may elect to treat this Option Agreement as being in full force and effect and Purchaser shall have the right to an action for specific performance of this Option Agreement.
11. This option proposal shall expire unless accepted in writing by Seller, as evidenced by Seller's signature below, and Purchaser receives notice of such acceptance on or before October 8, 2021. Signatures by telefax and scanned email are acceptable for all purposes. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.
12. Seller shall not be obligated to cure any unsatisfactory title condition or environmental condition pertaining to the Property that is identified by Purchaser pursuant to Paragraphs 2 or 9 above. Purchaser's remedy for any such unsatisfactory condition that is not cured by Seller shall be the

termination of this Option Agreement as provided for herein.

- 13. Except as otherwise provided in this Option Agreement, Purchaser acknowledges that the Seller is conveying the property to Purchaser in an “As Is” condition, “Where Is” and “With All Faults.”
- 14. Purchaser and Seller agree that at the time of closing, Purchaser will provide an Access Easement in substantially the form shown in Attachment A to provide the Seller or his representative(s) access across the properties as they have had in the past.
- 15. The individuals executing this Option Agreement on behalf of each of the parties have all requisite powers and authority to cause the party for whom they have signed to enter into this Agreement and to bind such party to fully perform its obligations as set forth in this Option Agreement.

**PURCHASERS**

Board of County Commissioners of Summit County, Colorado


By:   
Scott Vargo, County Manager

STATE OF COLORADO     )  
                                                          )  
County of Summit            )

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of October, 2021, Scott Vargo, as County Manager of Summit County, Colorado.

My commission expires August 21, 2022. Witness my hand and official seal.



  
Notary Public

**Town of Breckenridge. a Colorado municipal corporation**

By: \_\_\_\_\_  
Rick G. Holman, Town Manager

STATE OF COLORADO     )  
                                                          )  
County of Summit            )

Rick G. Holman, as Town Manager of the Town of Breckenridge, a Colorado municipal corporation, acknowledged the foregoing instrument before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

My commission expires \_\_\_\_\_, \_\_\_\_\_. Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

**SELLER**

**EARTH ENERGY RESOURCES LIMITED LIABILITY COMPANY**

By:

\_\_\_\_\_ )  
John M. Reiber, Manager

STATE OF \_\_\_\_\_ )

\_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by John M. Reiber, as Manager of Earth Energy Resources Limited Liability Company.

My commission expires \_\_\_\_\_, \_\_\_\_\_. Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**

**ROAD EASEMENT AGREEMENT**

This ROAD EASEMENT AGREEMENT is made and entered into this \_\_\_\_\_ day of December, 2021, by and between the Town of Breckenridge, a Colorado municipal corporation, and the Board of County Commissioners of Summit County, Colorado, collectively hereinafter referred to as “Grantor”, and Earth Energy Resources Limited Liability Company, a Colorado limited liability company, hereinafter referred to as the “Grantee”.

**Recitals:**

The Grantors are the owners of the following real property located in Section 11 of Township 8 South, Range 78 West; 6<sup>th</sup> Prime Meridian in the counties of Summit and Park, Colorado (the “Property”): :

WHITE METAL, DOUBLE STANDARD, FREE COINAGE MS# 14091  
GOLD ROCK MS# 4213  
MAGNOLIA MS# 3694  
PROSPECT MS# 7250  
PALMETTO MS# 18729  
REPUBLIC MS# 16619.

Grantee owns certain interests in the following real property in Summit and Park Counties, Colorado (“ the Grantee Property”):

**SUMMIT COUNTY**

WHITE METAL MS# 14091  
DOUBLE STANDARD MS# 14091  
GOLD ROCK MS# 4213  
FREE COINAGE MS# 14091  
MAGNOLIA MS# 3694  
PROSPECT MS# 7250  
PALMETTO MS# 18729

**PARK COUNTY**

MAGNOLIA MS #3694  
PROSPECT MS #7250  
REPUBLIC MS #16619.

The Grantor has agreed to grant to Grantee an easement for an existing road across a portion of the Property subject to the terms, conditions and limitations of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Easement. Grantor hereby conveys to Grantee a permanent non-exclusive 10-foot wide road easement over and across that portion of the Property in the location

of the existing road, more particularly described on Attachment 1, which is incorporated herein.

2. Purposes. Said easement shall be for purposes of maintaining and utilizing an existing unpaved roadway for motorized and non-motorized ingress, egress and access across the Property to the Grantee Property from Park County Road 2. Grantee shall not use the easement for any other purpose without the prior written consent of the Grantor.

3. Grantee Responsibility. Grantee's use and maintenance of the easement and all loss, cost or expenses arising therefrom shall be the sole responsibility of Grantee and shall be at Grantee's sole risk. Grantor reserves the right, in the event of public necessity as determined by Grantor, to relocate the easement at its own expense. In such a situation, Grantor shall provide Grantee with a mutually agreeable replacement location for the easement of similar size, grade and entrance to the Grantee Property. Grantor shall ensure continued access to the Grantee Property in the event of an easement realignment or relocation. In the event Grantor places a gate or other restriction on the road, Grantee shall receive a key or other mechanism to ensure Grantee's continued access.

4. No Unauthorized, Hazardous or Annoying Activities. Any activity on or use of the easement not specifically allowed herein or otherwise inconsistent with the purposes of this Easement Agreement is prohibited. No noxious or offensive activity shall be carried on upon any part of the easement granted herein, nor shall anything be done, approved, permitted or placed on or in any part of the easement which is or may become a nuisance, disturbance, annoyance to others or violation of any federal, state or local statute, rule, ordinance or regulation. No activity shall be conducted on any part of the easement and no improvements shall be made or constructed on any part of the easement which would or might be unsafe or hazardous to any person or property.

5. Run With Land. The covenants, easements and restrictions hereby created are and shall be construed as covenants running with the land pursuant to the conditions and limitations set forth herein. Each and every person accepting an interest in the Property and in the Grantee Property shall be deemed to accept said interest with the understanding that each and every other party with an interest in the Property and the Grantee Property is also bound by the provisions herein contained, and by accepting and obtaining such interest shall thereby consent and agree to be bound by this Agreement

6. No Effect on Other Rights. The Easement is granted subject to prior recorded grants or agreements. The US Forest Service has identified a public route across the Property and the Grantee's Property, and Park County has identified portions of this route as Park County Rd 2. Acceptance of this easement shall not negate any of the Grantee's existing rights associated with the Grantor's Property. Grantor shall not make or authorize any use of the property within the Easement that interferes with the use authorized herein.

7. Grantor's Reserved Right. Grantor and its successors reserve the right to use, or authorize others to use, the area included within this Easement for purposes consistent with Grantee's use authorized herein and which uses that are consistent with this Agreement.

8. **Governmental Immunity.** The Town and County do not intend to waive by any provision of this Agreement, the monetary limits or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S. or any other provision of law.

9. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding between the parties and supersedes any prior agreement or understanding relating to the subject matter of this Agreement

10. **Modification.** This Agreement may be modified or amended only by a duly authorized written instrument executed by the parties hereto.

11. **Attorney's Fees.** If an action is brought to enforce this Agreement, the prevailing party shall be entitled to costs and reasonable attorney's fees.

12. **Third Parties.** This Agreement does not, and shall not be deemed to confer upon any third party any right to claim damages or to bring suit, or other proceeding against either party because of any term contained in this Agreement.

13. **Applicable Law.** This Agreement shall be interpreted in all respects in accordance with the laws of the State of Colorado. Venue shall only be proper in Summit County, Colorado.

14. **Waiver, Severability.** The failure of either party to exercise any of its rights under this Agreement shall not be a waiver of those rights. The invalidity or unenforceability of any provision of this Agreement in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Agreement.

15. **Indemnification.** Grantee agrees to indemnify and defend the Grantor from and against all liability, claims, and demands, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever (including not limited to, attorneys' fees and costs incurred by Grantor), arising out of the use of the easement herein granted by the Grantee or any person Grantee authorizes to use the easement.

**GRANTOR**  
**Board of County Commissioners of Summit County, Colorado**

By: \_\_\_\_\_  
Scott Vargo, County Manager

STATE OF COLORADO    )  
                                  )  
County of Summit        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
by Scott Vargo, as County Manager of Summit County, Colorado.



My commission expires \_\_\_\_\_, \_\_\_\_\_. Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

**Town of Breckenridge, a Colorado municipal corporation**

By: \_\_\_\_\_

Rick G. Holman, Town Manager

STATE OF COLORADO     )

)

County of Summit     )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
by Rick G. Holman as Town Manager of the Town of Breckenridge, a Colorado municipal corporation..

My commission expires \_\_\_\_\_, \_\_\_\_\_. Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

**GRANTEE:**

**EARTH ENERGY RESOURCES LIMITED LIABILITY COMPANY,**  
a Colorado limited liability company

By: \_\_\_\_\_

Manager

STATE OF COLORADO     )

)

County of Summit     )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
by \_\_\_\_\_ as Manager of Earth Energy Resources Limited Liability Company, a Colorado  
limited liability company.

My commission expires \_\_\_\_\_, \_\_\_\_\_. Witness my hand and official seal.

\_\_\_\_\_  
Notary Public