

RESOLUTION NO. 19

SERIES 2000

A RESOLUTION APPROVING A REAL ESTATE OPTION AGREEMENT BETWEEN THE TOWN OF BRECKENRIDGE, THE BOARD OF COUNTY COMMISSIONERS OF SUMMIT COUNTY AND PAUL HARDWICK
(Golden Rule Lode; Adelaide, Brisbane, Melbourne, Auckland, Sydney, Dunedin and Manila Lodes)

WHEREAS, the Town of Breckenridge, together with the Board of County Commissioners of Summit County ("County"), desires to enter into an Option Agreement with Paul Hardwick granting to the Town and the County the right and option to acquire the Golden Rule Lode, U.S. Survey No. 14121, and the Adelaide, Brisbane, Melbourne, Auckland, Sydney, Dunedin and Manila Lodes, U.S. Survey No. 6193, all located in Summit County, Colorado; and

WHEREAS, an Option Agreement between the Town, the County, and Paul Hardwick has been prepared, a copy of which is marked Exhibit "A", attached hereto and incorporated herein by reference ("Agreement"); and

WHEREAS, the Town Council of the Town of Breckenridge has reviewed the proposed Agreement, and finds and determines that it would be in the best interests of the Town and its residents for the Town to enter into the proposed Agreement; and

WHEREAS, Rule 6.1(b) of the Council Procedures and Rules of Order provides that a Resolution may be used to approve a contract.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE, COLORADO, as follows:

Section 1. The Option Agreement between the Town, the County and Paul Hardwick (Exhibit "A" hereto) is approved; and the Town Manager is hereby authorized, empowered and directed to execute such Agreement for and on behalf of the Town of Breckenridge.

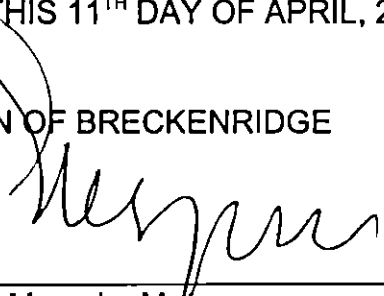
Section 2. At such time as the Town Manager is advised by the Town Attorney that it is appropriate to do so, the Town Manager is hereby authorized, empowered and directed to give notice of the exercise of the option granted to the Town by said Agreement prior to the April 28, 2000 deadline provided for in the Agreement, and thereafter to take all necessary and appropriate action to close the purchase of the real property contemplated by the Agreement. In connection therewith, the Town Manager shall have full power and authority to do and perform all matters and things necessary to the purchase and acquisition of the property described in the Agreement, including but not limited to the following:

1. The making, execution and acknowledgment of settlement statements, closing agreements and other usual and customary closing documents;
2. The acceptance of delivery of the Deed for the Town's interest in subject real property;
3. The recording of the Deed for the Town's interest in the subject property with the Summit County Clerk and Recorder; and
4. The performance of all other things necessary to the acquisition of the subject property by the Town.

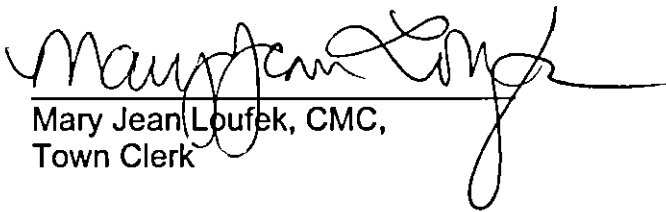
Section 3. This Resolution shall become effective upon its adoption.

RESOLUTION APPROVED AND ADOPTED THIS 11TH DAY OF APRIL, 2000.

TOWN OF BRECKENRIDGE

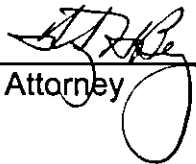

By _____
Sam Mamula, Mayor

ATTEST:



Mary Jean Loufek, CMC,
Town Clerk

APPROVED IN FORM



Town Attorney

4/11/00
date

OPTION AGREEMENT

Date: March 30, 2000

SELLER: Paul Hardwick
P.O. Box 2365
Breckenridge, CO 80424

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

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

(Collectively referred to as "Purchaser")

In consideration of the sum of \$50.00 (Fifty 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 described real estate in the County of Summit, Colorado, to wit:

Golden Rule Lode, U.S. Mineral Survey No. 14121, more particularly described in Patent recorded in Book 85 at Page 10, and

Adelaide, Brisbane, Melbourne, Auckland, Sydney, Dunedin, and Manila Lodes, U.S. Mineral Survey 6193, more particularly described in Patent recorded in Book 47 at Page 253,

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 before April 28, 2000 (Notification Date) which notice must be in writing and sent by 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 \$120,000.00 which shall be paid as follows:

\$5,000.00 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 Seller when purchase notice is given and shall be paid to Seller at the time of closing.

\$115,000.00 plus closing costs customarily paid by Purchaser, 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 water rights appurtenant to or historically used in conjunction with the Property, and all minerals appurtenant to the Property and owned by Seller.
2. Seller will furnish to Purchaser, at Seller's expense, a current commitment for owner's title insurance policy in an amount equal to the purchase price on or before fourteen (14) days after Purchaser notifies Seller of its intent to purchase the Property. Copies of all documents referred to in the title commitment shall be provided to Purchaser, at Seller'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 contract and demand and receive the return of all monies paid hereunder.

3. Seller will furnish, at Seller's expense, an ALTA title insurance policy to Purchaser at closing or as soon thereafter as possible. Such title policy shall have owner's extended coverage (title insurance with standard exceptions deleted and including gap coverage) at Seller's expense.
4. The date of closing shall be on or before June 30, 2000. 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 split equally between Purchaser and Seller.
5. Seller shall convey merchantable title to the Property by a good and sufficient general 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 Contract 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 being completed by Purchaser or its agent at Purchaser's expense prior to closing, and a finding that there are no hazardous substances on the Property. If notice is not provided to Seller by Purchaser on or before three 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 contract as being in full force and effect and Purchaser shall have the right to an action for specific performance of this contract or damages, or both. In the event a civil action is filed regarding the terms of this contract, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney's fees.
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 April 12, 2000. Signatures by telefax 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.

PURCHASER

Board of County Commissioners of Summit County, Colorado

By: _____

Robert C. Taylor, County Manager

Date: _____

Town of Breckenridge

By: _____
Kate Boniface, Town Manager
Date: _____

SELLER

Paul Hardwick
Date: _____

STATE OF COLORADO)
)
County of Summit)

The foregoing instrument was acknowledged before me this _____ day of _____, 2000, by Robert C. Taylor as County Manager of Summit County, Colorado.

My commission expires _____, _____. Witness my hand and official seal.

Notary Public

STATE OF COLORADO)
)
County of Summit)

The foregoing instrument was acknowledged before me this _____ day of _____, 2000, by Kate Boniface as Town Manager of the Town of Breckenridge.

My commission expires _____, _____. Witness my hand and official seal.

Notary Public

STATE OF COLORADO)
)
County of Summit)

The foregoing instrument was acknowledged before me this _____ day of _____, 2000, by Paul Hardwick.

My commission expires _____, _____. Witness my hand and official seal.

Notary Public