

**CLOSING AGREEMENT**  
**(Lot P-19, Idarado Legacy Subdivision)**

**THIS CLOSING AGREEMENT** ("Agreement"), dated as of December 6, 2004 ("Effective Date"), is made by and between Idarado Legacy, LLC, a Colorado limited liability company ("Seller"), Idarado Mining Company, a Delaware corporation ("IMC") and Conovitz Family Trust dated July 15, 1993 ("Buyer"). Seller, IMC and Buyer are sometimes individually referred to herein as a "Party" and sometimes collectively as the "Parties".

**RECITALS**

- A. By written agreement dated July 16, 2004 ("Contract"), Seller agreed to sell to Buyer and Buyer agreed to purchase from Seller certain unimproved real property, commonly referred to as follows ("Subject Lot"):
- Lot P-19, Idarado Subdivision Exemption Plat and Plan for Cluster Development Lots, Subdivision Exemption Plat for Employee Housing Parcel and Subdivision Exemption Plat for Association Parcel recorded in the Office of the Clerk and Recorder of San Miguel County, Colorado ("**Official Records**") on February 10, 2004 in Plat Book 1, Page 3238 and in accordance with the Declaration recorded on June 17, 2004 at Reception No. 367146
- B. In 1992, IMC agreed with the State of Colorado to implement measures known as the Remedial Action Plan ("**RAP**") on portions of its real property to prevent any further potential contamination from historic mining operations. The RAP was reviewed and approved by the United States District Court, evidenced by a Consent Decree filed with the Court under case captioned Civil Action No. 83-C-2385, which Consent Decree was signed by IMC, the State of Colorado and other parties of interest, of record ("**Consent Decree**"). Copies of the Consent Decree, RAP and related documents are of record and are available for review by the Buyer and can also be found on the website for the Idarado Legacy Subdivision at [www.idaradolegacy.com](http://www.idaradolegacy.com).
- C. By Resolution of the Board of County Commissioners ("**BOCC**") for San Miguel County, Colorado, which Resolution was captioned Resolution # 2004-4, recorded on February 10, 2004 in Reception No. 364047 in the Official Records, San Miguel County, Colorado ("**County**") approved, subject to conditions, an application by Seller and IMC seeking approval to record a certain Subdivision Exemption Plat and Cluster Development Plan ("**County Cluster Plan Approval**"). Seller and IMC thereupon recorded its Subdivision Exemption Plat and Cluster Development Plan on February 10, 2004 in Reception No. 364049 in the Official Records ("**Subdivision Exemption Plat**").
- D. By Resolution of the BOCC captioned Resolution #2003-30A, recorded on September 22, 2003 in Reception No. 360442 in the Official Records, the County approved, subject to conditions, an application by Seller and IMC seeking approval of its 1041 Environmental Hazard Review, Historic and Archeological Resource Area Review and Wetland Special Use Permit ("**County 1041 Review Approval**") associated with the development contemplated in the Subdivision Exemption Plat.

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- E. Seller and County entered into a Subdivision Improvement Agreement recorded on February 10, 2004 in Reception No. 364051 in the Official Records, as the same may be amended from time to time (“SIA”).
- F. The County Cluster Plan Approval, the Subdivision Exemption Plat, the County 1041 Review Approval and the SIA are collectively referred to herein as the “**County Approvals**”.
- G. With the recordation of the Subdivision Exemption Plat, as described above, and of the Declaration of Covenants, Conditions and Restrictions for Idarado Legacy Subdivision recorded on June 17, 2004 at Reception No. 367146 (“**Declaration**”), thirty-seven Lots (“**Lots**”), as well as certain Parcels, Tracts and Outlots were created and annexed into the Idarado Legacy Subdivision (“**Common Interest Community**”). Seller has also caused to be created the Idarado Legacy Homeowners Association, a Colorado nonprofit corporation (“**Association**”), evidenced by the filing of its Articles of Incorporation and Bylaws. Certain real property and improvements within the Common Interest Community is anticipated to be owned by the Association (“**Association Property**”).
- H. On May 14, 2004, MFG, Inc. prepared for IMC a “Management Plan for Miscellaneous Mill-Related Wastes at the Idarado Legacy Project” (“**Soil Management Plan**”), which IMC is implementing in accordance with the County Approvals.
- I. On July 24, 2000, pursuant to the Consent Decree, IMC and the State of Colorado entered into a Grant Deed of Conservation Easement and Agreement (Telluride and Red Mountain Tailings Piles), recorded on December 5, 2000, in Reception No. 338369 in the Official Records (“**Tailings Easement**”), which requires consent by the State of Colorado to any use by IMC of the two tailings piles in the vicinity of the Subject Lot, which are described on Exhibits A-6 and A-7 to the Tailings Easement (“**Tailings Piles**”), other than those concurrent uses by IMC which are allowed by Section 2.3 of the Tailings Easement in connection with the remediation under the RAP.

#### AGREEMENT

**NOW, THEREFORE**, for and in consideration of the mutual covenants, conditions, restrictions and agreements set forth herein, and for other good and valuable considerations, including the above recitals, which are incorporated herein, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties agree as follows:

- 1. **Representations and Warranties of IMC.** IMC hereby represents and warrants the following matters to Buyer (“**IMC’s Representations**”), which are made as of the Effective Date:
  - 1.1. There are no written notices that have been properly issued by the State of Colorado and delivered to IMC, stating that IMC is currently in violation of any of its obligations under the RAP or the Consent Decree.
  - 1.2. IMC is obligated to implement the provisions of the RAP and Consent Decree as properly determined by the State of Colorado. These obligations include, but may not be limited to, the following undertakings to the extent and in the manner provided for by the RAP and Consent Decree (“**RAP Requirements**”):

(a) the management and maintenance of existing facilities and structures constructed pursuant to the RAP and the Consent Decree, (b) continued monitoring, and (c) future remediation, if any, as agreed to between IMC and the State of Colorado.

- 1.3. Neither Buyer nor the Association will be obligated to assume or undertake any of the current or future duties or obligations of IMC under the RAP, the Consent Decree or the Soils Management Plan.
  - 1.4. Neither the Subject Lot nor the Association Property are included in the lands covered by the RAP or the RAP requirements or are otherwise subject to the jurisdiction of the United States District Court pursuant to the Consent Decree.
2. **Post Closing Agreements and Undertakings of IMC.** IMC hereby agrees that it will implement the following specific obligations ("**IMC's Undertakings**"):
- 2.1. **Implementation of the RAP Requirements.** Although as set forth in Section 1.4 above, no RAP Requirements are currently applicable to the Subject Lot or the Association Property, to the extent that any RAP Requirements become applicable to the Subject Lot or the Association Property in the future, IMC agrees that it will comply with such RAP Requirements, as such applicability and compliance is properly determined by the State of Colorado.
  - 2.2. **IMC's Environmental Hazard Indemnity.**
    - 2.2.1. **Buyer's Indemnification Concerning Third Party Claims.** Subject to the obligations of Buyer to provide timely and proper notice as provided for below in Section 2.2.4, IMC hereby agrees to indemnify, defend and hold harmless Buyer from and against any and all third party claims, liabilities, judgments, penalties, costs or expenses, including reasonable attorney fees ("**Claims or Liabilities**"), that arise from: (a) liability or obligations concerning the Subject Lot which arise under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, which are directly attributable to IMC's historic metal ore milling and processing activities; or (b) the presence of recognized environmental conditions on the Subject Lot, as defined by ASTM E 1527-00 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* (ASTM 2000), that (1) were reported in the Phase I Environmental Site Assessment of the Subject Lot, dated July, 2004 and Addendum thereto dated October,, 2004 ("**Subject Lot ESA**"); or (2) are attributable to historic metal ore milling and processing activities whether or not such conditions were identified in the Subject Lot ESA ("**Recognized Environmental Condition**"); provided however, that IMC's indemnity obligations under this paragraph exclude any and all Claims or Liabilities that are the result of the negligence, wrongful conduct or intentional acts of Buyer, or which arise from or are attributable to a use by Buyer of the Subject Lot which is not permitted by the Declaration. Buyer shall immediately notify IMC, as provided for below in Section 2.2.4, upon becoming aware of any of the following on or with respect to the Subject Lot: (i) the presence of any historic mine tailings, or other

metal ore milling or processing related materials; and (ii) any notice, claim, action or proceeding by any governmental authority or private party for which Buyer intends to seek indemnity from IMC pursuant to this section (hereafter referred to as an “**Indemnification Event**”). Buyer shall promptly provide IMC with a copy of any written materials Buyer has received with respect to the Indemnification Event.

- 2.2.2. **Association’s Indemnification Concerning Third Party Claims.** Subject to the obligations of Association to provide timely and proper notice as provided for below in Section 2.2.4, IMC hereby agrees to indemnify, defend and hold harmless Association from and against Claims or Liabilities, that arise from: (a) liability or obligations concerning Association Property which arise under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, which are directly attributable to IMC’s historic metal ore milling and processing activities; or (b) Recognized Environmental Condition; provided however, that IMC’s indemnity obligations under this paragraph exclude any and all Claims or Liabilities that are the direct result of the negligence, wrongful conduct or intentional acts of the Association, or which arise from or are attributable to a use by Association Property which is not permitted by the Declaration. The Association shall immediately notify IMC, as provided for below in Section 2.2.4, upon becoming aware of any Indemnification Event on or with respect to the Association Property. The Association shall promptly provide IMC with a copy of any written materials the Association has received with respect to such Indemnification Event.
- 2.2.3. Claims meeting each of the criteria described in either Section 2.2.1 or 2.2.2 above are referred to herein as “**Environmental Indemnification Qualifying Claims.**”
- 2.2.4. In the event that an Environmental Indemnification Qualifying Claims is made, Buyer or Association shall immediately provide written notice to IMC. Buyer or the Association, as applicable, shall immediately tender all pleadings served upon Buyer or the Association to IMC. Buyer or the Association shall each cooperate and assist IMC in the defense of the Environmental Indemnification Qualifying Claims. Provided that timely written notice has been sent to IMC, IMC shall defend the Environmental Indemnification Qualifying Claims in the manner deemed appropriate by IMC. IMC may engage counsel of IMC’s choosing, and IMC shall have the ability to defend, file counterclaims of IMC all in IMC’s sole discretion. IMC may negotiate or settle such Environmental Indemnification Qualifying Claims, in IMC’s sole discretion, provided that the resolution shall not unreasonably affect the Buyer’s interest in the Subject Lot or the Association’s interest in any Association Property in a materially, adverse manner. IMC agrees to consult with and obtain the consent of Buyer or the Association (as the case may be) concerning any resolution of the Environmental Indemnification Qualifying Claims, which consent Buyer or the Association shall not unreasonably delay, condition or withhold. By its execution of this Agreement, Buyer and the Association each consent to IMC’s control over the method and manner

in which IMC elects to defend the Environmental Indemnification Qualifying Claims.

- 2.2.5. IMC will not be obligated to pursue any claims, assertions, counterclaims and the like that Buyer or the Association may raise or wish to raise in any ensuing action and any such counterclaims must be prosecuted by separate counsel retained by Buyer in connection with such suit.
- 2.2.6. Nothing contained in this Agreement shall be construed as a waiver of any right that the Buyer (or the Buyer's successors and assigns), may have to seek damages from IMC (or IMC's successors and assigns), and/or the Seller (or the Seller's successors or assigns) for personal injuries or property damage caused by Recognized Environmental Conditions present on the Subject Lot or the Association Property as of the date of closing.
- 2.3. **Soils Management Plan.** IMC hereby agrees that it will implement the Soils Management Plan, as the same relates to the Subject Lot, in accordance with the requirements of the County Approvals as properly determined by the County.
- 2.4. **Tailings Piles.** IMC hereby agrees that it shall not construct any buildings or structures on the Tailings Piles, other than the Permitted Structures defined below. Nothing in this paragraph shall be deemed to prohibit IMC from including the Tailings Piles or any portion thereof as the open space component of an open lands protection or cluster development type of plan, or as part of any lot or lots comprising 35 acres or more, so long as the Tailings Piles themselves are restricted from the construction of any buildings or structures thereon, other than the Permitted Structures. In addition, nothing in this paragraph shall be deemed to prohibit any use of the Tailings Piles which is necessary to ensure the continued, unimpeded operation and maintenance of all components of and all structures and improvements resulting from or related to all remedial, mitigative, corrective, and other actions, schedules, plans, terms, and conditions prescribed by or described in the Consent Decree, the RAP or the Tailings Easement ("**Permitted Structures**").
- 2.5. **No Mineral Extraction.** IMC shall not mine or extract any minerals from the Subject Lot or elsewhere in the Common Interest Community or from the Tailings Piles or on other real property owned by IMC which is located in the east San Miguel River valley and is adjacent to or in the vicinity of the Subject Lot or Association Property, other than to the extent such activities may be required in connection with the fulfillment of obligations of IMC under the Consent Decree, the RAP, the Tailings Easement or pursuant to the County Approvals or pursuant to any other obligations or requirements imposed by the government.
- 2.6. **Transformers.** Should: (a) Buyer locate any old transformers on the Subject Lot, or (b) the Association locate any old transformers on any Association Property, IMC, at its cost and expense, shall remove and dispose of such transformer out of the Common Interest Community, provided that Buyer has provided timely written notice to IMC. Should Buyer or Association discover

such a transformer, Buyer or Association shall immediately provide written notice to IMC of such discovery, including the specific location of the transformer.

3. **Representations and Warranties of Seller.** Seller hereby represents and warrants the following matters to Buyer (“**Seller’s Representations**”), which are made as of the Effective Date:
  - 3.1. There are no written notices that have been properly issued by San Miguel County to Seller, stating that Seller is currently in violation of any of its obligations under the Soils Management Plan.
  - 3.2. Neither Buyer nor the Association will be obligated to assume or undertake any of the current or future duties or obligations of the Seller under the Soils Management Plan.
  
4. **Post Closing Agreements and Undertakings of Seller.** Seller hereby agrees that it will implement the following specific obligations contained in the County Approvals (“**Seller’s Undertakings**”):
  - 4.1. **Installation of Roads and Utilities.**
    - 4.1.1. Seller, at its sole cost and expense, shall install all roads, utilities and other improvements, as the same are established and required in the SIA and Declaration, to the extent those improvements serve the Subject Lot and, if applicable, the Association Property, in accordance with the terms, conditions and obligations stated in the SIA as properly determined by the County.
    - 4.1.2. In addition, Seller, at its sole cost and expense, shall complete the installation of the Road and Utility Improvements as provided for in the Contract, which shall be installed or constructed in substantial compliance with the approved plans and specifications for such elements as reasonably determined by the engineer retained for the project.
    - 4.1.3. The foregoing provisions of Section 4.1.1 and 4.1.2, do not obligate Seller to install other improvements not provided for in the SIA or in the Contract. Certain obligations to construct improvements, such as the installation of Driveways, are the responsibility of the owners of Lots as provided for in the Declaration.
  - 4.2. **No Mineral Extraction.** Seller, as the Owner of a Lot and/or as Declarant under the Declaration, shall not mine or extract any minerals from the Subject Lot or elsewhere within the Common Interest Community, other than to the extent such activities may be required in connection with the County Approvals.
  
5. **East Colorado Avenue.**
  - 5.1. Seller, upon reasonable inquiry, believes the following background information to be true as of the Effective Date.

- 5.1.1. By quitclaim deed dated November 7, 1994 (“**CDOT Deed**”) from the Department of Transportation, State of Colorado (“**CDOT**”), to the Town of Telluride (“**Town**”), recorded on November 7, 1994 in Reception No. 295612 in the Official Records, the Town was quitclaimed a specific interest in the State Highway 145B Spur (East Colorado Avenue). The CDOT Deed provides as follows: “[i]t is the intent of the grantor herein to abandon that portion of S.H. 145B and highway right-of-way commencing at the eastern limit of the Town of Telluride (M.P. 4.201) to the end of the Non-Federal Aid section of the highway (M.P. 5.534) at the Idarado Mine at Pandora, the width of which is that width along the entire length of highway as historically and currently occupied, maintained, and used as a public highway, including shoulder, it being the intent of the grantor to abandon and convey all highway and right-of-way as possessed and maintained by the grantor as public highway to the Town of Telluride.”
- 5.1.2. The Official Records contain no documentation evidencing either a deed or dedication by IMC or its predecessors in title to the County, CDOT, the Town or any other public body of this portion of S.H. 145B. Rather, it appears that CDOT held only an easement for a public highway acquired by prescription or other implied rights of usage pursuant to Colorado law.
- 5.2. **Acknowledgments.** The Parties acknowledge that the Town has asserted a claim relating to the use, ownership and/or width of the right-of-way for East Colorado Avenue, which claims appear to be beyond the interests contained in the CDOT Deed (“**Town ROW Claim**”), notwithstanding the apparent limitations contained in the CDOT Deed.
- 5.3. **Possible Conveyance to the Association.** After Closing, Seller may, but shall not be obligated, to convey title to some or all of the East Colorado Tract to the Association, but if Seller decides to make such conveyance, it shall not be made unless and until such time as Seller reasonably determines that the Town ROW Claim is resolved or is no longer an issue.
- 5.4. **Seller’s Indemnification Relating to the Town ROW Claim.**
- 5.4.1. Subject to the obligation of the Buyer to provide written notice to Seller of a Qualifying Claim (defined below) as provided for in Section 5.4.3 below, Seller hereby agrees to indemnify, defend and hold harmless Buyer from and against any and all claims, liabilities, judgments, penalties, damages, losses, costs or expenses, including attorney fees, raised in any judicial proceeding, commenced by the Town, which meets each of the following criteria:
- A. The Town specifically asserts a claim for usage or ownership of a portion of the Subject Lot;
  - B. The Town names and serves Buyer as a party in such a proceeding, if the Qualifying Claim is filed after Closing; and

- C. The claim for usage or ownership by the Town of a portion of the Subject Lot is based upon the Town ROW Claim and the CDOT Deed.
- 5.4.2. Subject to the obligation of the Association to provide written notice to Seller of a Qualifying Claim as provided for in Section 5.4.3 below, Seller hereby agrees to indemnify and hold harmless the Association from and against any and all claims, liabilities, judgments, penalties, damages, losses, costs or expenses, including attorney fees, raised in any judicial proceeding, commenced by the Town, which meets each of the following criteria:
- A. The Town specifically asserts a claim for usage or ownership of a portion of the Association Property;
- B. The Town names and serves the Association as a party in such a proceeding, if the Qualifying Claim is filed after Closing; and
- C. The claim for usage or ownership by the Town of a portion of the Association Property is based upon the Town ROW Claim and the CDOT Deed.
- 5.4.3. Claims meeting each of the criteria described in either Section 5.4.1 or Section 5.4.2 above are referred to herein as "**Qualifying Claims.**" The indemnifications of Seller contained in those Sections shall not extend to any other claims that the Town may bring concerning the usage or ownership of the Subject Lot or the Association Property, for any reasons unrelated to the Town ROW Claim and the CDOT Deed, which may include by way of illustration and not exclusion, an action by the Town to condemn all or any portion of the Subject Lot or the Association Property, or an action by the Town to annex the Subject Lot or the Association Property, whether those claims are made in the same action as the Qualifying Claim or in a separate action.
- 5.4.4. In the event that a Qualifying Claim is made by the Town, Buyer or the Association, as applicable, shall immediately tender all pleadings served upon Buyer or the Association to Seller. Seller shall defend the Qualifying Claim in the manner deemed appropriate by Seller, engaging counsel of Seller's choosing, and Seller shall have the ability to defend, file counterclaims of Seller, and negotiate or settle such Qualifying Claim, all in Seller's sole discretion, provided, however, that the consent of the Buyer of the Subject Lot will be required should such resolution or settlement require a conveyance of a portion of the Subject Lot or the granting of an easement over a portion of the Subject Lot to the Town or other person or party, which consent shall not be unreasonably delayed, conditioned or withheld. By its execution of this Agreement, Buyer and the Association each consent to Seller's control over the method and manner in which Seller elects to defend the Qualifying Claim. Buyer and the Association shall each cooperate and assist Seller in the defense of the Qualifying Claim.



5.4.5. Seller will not be obligated to pursue any counterclaims that Buyer or the Association may raise or wish to raise in any ensuing action with the Town, and any such counterclaims must be prosecuted by separate counsel retained by Buyer in connection with such suit.

6. **Representations and Warranties of Buyer.** Buyer represents and warrants the following to Seller and IMC, as of the Effective Date ("**Buyer's Representations**").
- 6.1. Buyer has reviewed and understands the Inspection Documents and the County Approvals, as defined in the Contract.
- 6.2. In developing the Subject Lot, Buyer shall comply with all duties, requirements and obligations contained in the Inspection Documents, including the County Approvals, which apply when the Subject Lot is being developed.
- 6.3. Buyer acknowledges and agrees that neither IMC nor Seller have made any further or additional representations or warranties, other than those specifically stated herein or in the Contract. Buyer hereby waives any and all other warranties or representations, express or implied, other than those specifically stated herein or in the Contract.
- 6.4. To Buyer's knowledge, neither IMC nor Seller are in breach of the Contract or of any of the provisions of this Agreement, as of the Effective Date, and that the sole obligations of Seller and/or IMC with respect to the Subject Lot and to Buyer are as specifically stated in the Contract, as amended and/or this Agreement.
- 6.5. Buyer will comply with Buyer's stated obligations under the Soils Management Plan.
- 6.6. Buyer will allow IMC access to the Subject Lot, upon reasonable prior notice, in order that IMC may perform soils inspection, removal of soils or testing of soils on the Subject Lot in accordance with the Soils Management Plan and also to allow IMC access to remove transformers on the Subject Lot in accordance with Section 2.6 above.
7. **Miscellaneous.**
- 7.1. This Agreement, including each right, duty and obligation of IMC, Seller and Buyer, together with each term, condition, limitation and exclusion relating to the representations, warranties, liabilities, agreements and undertakings of Buyer, Seller and/or IMC as provided for herein, shall be binding upon and shall inure to the benefit of, and be a burden upon, the heirs, designees, successors and assigns of the undersigned Parties.
- 7.2. By accepting a deed or other instrument conveying title to the Subject Lot, each subsequent owner of the Subject Lot expressly acknowledges and agrees that he/she has reviewed and understands this Agreement and agrees to be bound by this Agreement, including the provisions and limitations relating to IMC's Representations, IMC's Undertakings, Seller's Representations, Seller's

Undertakings, issues relating to the Town ROW Claim and the Buyer's Representations.

- 7.3. This Agreement, including each right, duty and obligation of IMC, Seller and Buyer, together with each term, condition, limitation and exclusion relating to IMC's Representations, IMC's Undertakings, Seller's Representations, Seller's Undertakings, the Buyer's Representations and issues relating to the Town ROW Claim as provided for herein, are each deemed to be a covenant running with the land, which shall benefit and burden title to the Subject Lot.
- 7.4. There are no third party beneficiaries created or intended to be created by this Agreement.
- 7.5. This Agreement, the Contract and any written and executed amendments to the Contract, together contain the entire understanding of the Parties. There are no other representations, warranties, covenants or undertakings other than those expressly set forth in this Agreement or in the Contract.
- 7.6. This Agreement may not be modified or amended except in writing signed by all the Parties hereto.
- 7.7. In the event of an alleged default hereunder, the Party alleging the default shall send written notice to the Party allegedly in default stating the grounds for the alleged default and the specific steps that the defaulting party must take to cure the alleged default. A Party shall have not less than 30 days to cure the default. A Party may pursue all remedies provided for under Colorado law in the event of a default under this Agreement.
- 7.8. All notices, demands or writings in this Agreement provided to be given or made or sent that may be given or made or sent by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, certified and postage pre-paid, and addressed to the party at the following address:

**IMC:**

Idarado Mining Company  
1700 Lincoln Street  
Denver, Colorado 80203  
Attention: David A. Baker, President

**with a copy to:**

Legal Department  
Idarado Mining Company  
1700 Lincoln Street  
Denver, Colorado 80203

**Seller:**

Idarado Legacy, LLC

P.O. Box 1039  
Telluride, CO 81435

**with a copy to:**

Chaffin, Light, Hegberg and Associates  
C/O Bill Hegberg  
24398 Highway 82  
P.O. Box 620  
Basalt, CO 81621

**Buyer:**

Conovitz Family Trust dated July 15, 1997

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The address to which any notice, demand or writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

- 7.9. The laws of the State of Colorado shall govern this Agreement. Venue for any action to enforce this Agreement is limited to the District or County Court for San Miguel County, Colorado. In the event of litigation arising from a dispute under this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorney fees.
- 7.10. Seller and IMC's obligations relating to the provisions and limitations stated herein relating to IMC's Representations, IMC's Undertakings, Seller's Representations, Seller's Undertakings and issues relating to the Town ROW contained in this Agreement shall survive Closing on the Subject Lot for a period of 30 years from the Effective Date.

IN WITNESS WHEREOF, the Parties have executed this Agreement and intend that it be made effective as of the Effective Date.

**SELLER:**

Idarado Legacy, LLC,  
a Colorado limited liability company

By: CLH-Telluride Associates, LLC,  
a Colorado limited liability company,  
Member of Idarado Legacy, LLC

By: Wildcat Land Company, its Manager

By: William R. Hegberg, Pres  
William R. Hegberg, President

Date: 12/3/04

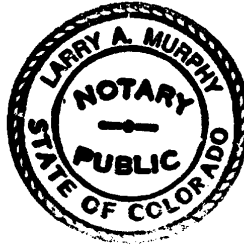
STATE OF COLORADO     )  
  ) ss.  
COUNTY OF Pitkin     )

Acknowledged, subscribed and sworn to before me this 3rd day of December, 2004 by William R. Hegberg, President of Wildcat Land Company.

Witness my hand and official seal.

Larry A. Murphy  
Notary Public

My commission expires: July 2, 2005



**BUYER:**

Conovitz Family Trust dated July 15, 1993

By: *[Signature]* Date: 12/6/04

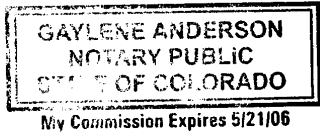
STATE OF Colorado )  
COUNTY OF San Miguel ) ss.

Acknowledged, subscribed and sworn to before me this 6<sup>th</sup> day of December, 2004 by Roy Conovitz + Diana Conovitz, as the Trustees of the Conovitz Family Trust dated July 15, 1993.

Witness my hand and official seal.

*[Signature]*  
Notary Public

My commission expires: \_\_\_\_\_.



IMC:

Idarado Mining Company,  
a Delaware corporation

By: *William S. Lyle*  
William S. Lyle, Vice President

Date: *Dec 3, 2004*

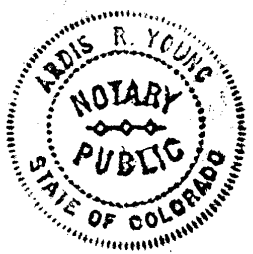
STATE OF COLORADO )  
) ss.  
COUNTY OF SAN MIGUEL )

Acknowledged, subscribed and sworn to before me this 3 day of December, 2004  
by William S. Lyle, as the Vice President of Idarado Mining Company.

Witness my hand and official seal.

*Ardis R Young*  
Notary Public

My commission expires: December 27, 2006



ASSOCIATION CONSENT

The Idarado Legacy Homeowners Association executes this Agreement, as of the date set forth below, for the sole purpose of acknowledging and agreeing to the provisions of Sections 2.2 and 4.4 and any other applicable provisions, and agrees that nothing in this Agreement shall be deemed to give the Association any cause of action with respect to the Subject Lot, or with respect to any other property within the Common Interest Community, other than the Association Property.

Idarado Legacy Homeowners Association,  
a Colorado nonprofit corporation

By: [Signature]  
J. Christopher Chaffin, President

Date: 12/6/04

STATE OF COLORADO )  
COUNTY OF San Miguel ) ss.

Acknowledged, subscribed and sworn to before me this 6<sup>th</sup> day of December, 2004 by J. Christopher Chaffin, President of Idarado Legacy Homeowners Association.

Witness my hand and official seal.

[Signature]  
Notary Public

My commission expires: \_\_\_\_\_.

