

OPTION AND PURCHASE AGREEMENT

This Option and Purchase Agreement (this “**Agreement**”) is made effective as of October 28, 2014, by and between Colonial Mining Company (“**Seller**”), and Wasatch Canyons Foundation a Not For Profit 501(c)3 company (“**Buyer**”). Buyer and Seller may be referred to herein singularly as a “**Party**” or collectively as “**Parties**” as the context warrants.

RECITALS

- A. Seller claims to be the owner of approximately 300 acres of real property (the “**Land**”) in Big Cottonwood Canyon, previously known as Colonia Mining and currently known as Colonial Mining. The Real Property is located in Salt Lake County, State of Utah, as specifically described in Exhibit A attached hereto.
 - B. The Land is currently under litigation with Salt Lake City Public Utilities, case number
 - C. Buyer desires the option and right to purchase from Seller the Land as soon as the terms and conditions for purchase are met.
- C. The Parties wish to effectuate this purchase and sale upon the terms and conditions, and for the consideration, set forth in this Agreement.

AGREEMENT

NOW THEREFORE, for good and valuable consideration received, and based upon the mutual covenants and promises hereinafter set forth, the Parties mutually agree as follows:

1. **OPTION.** For and in consideration of one-hundred dollars (\$100.00), paid by Buyer to Seller upon execution of this Agreement (the “**Option Price**”), Seller grants to Buyer the exclusive option to purchase the Land (the “**Option**”), all upon the terms and provisions and for the consideration set forth in this Agreement.
2. **TERM.** The term of this Option shall continue through November 15, 2014; *provided however*, that at any time before the expiration of this Option, Buyer may extend the Option Date to November 28, 2014, by paying to Seller \$1,000.00 and

concurrently giving written notice of extension to Seller. The extension payment shall not be applicable to the Purchase Price.

3. **PURCHASE PRICE:** The total purchase price (the “**Purchase Price**”) for the Land is \$200,000.00, to be paid in one single payment as set forth in Section 4 below. Consideration paid for the Option and any extension(s) shall not be applicable to the Purchase Price. Except as otherwise agreed to by the Parties in writing, payment shall be in cash or equivalent.

4. **SETTLEMENT WITH OTHER POSSIBLE COLONIAL MINING PARTNERS.** The Wasatch Canyons Foundation accepts the responsibility to negotiate satisfactory settlement with other possible partners of Colonial Mining Company.

5. **LANDS DEEDED TO WASATCH CANYONS FOUNDATION.** Upon closing of subject transaction, any and all lands (fee simple, sub surface) and assets will be deeded to Wasatch Canyons Foundation.

6. **CONSERVATION EASEMENT.** Utah Open Lands will prepare a conservation easement for the subject lands. Seller, Wayne Crawford will be included in the easement process as well as other interested parties (hiking clubs, back country users, heli birds, Forest Service, Salt Lake County, Salt Lake City, etc) Conservation easement will be placed on subject lands once the land is unencumbered and approved by Utah Open Lands.

7. **DEEDING SUBJECT LANDS.** Once the Conservation easement is in place, Wasatch Canyons will deed the subject lands to Salt Lake County.

8. **RELEASE WITH PREJUDICE.** All parties to the Colonia/Colonial Mining Company lawsuit will release with prejudice.

9. **CASH DONATION.** Colonial Mining Company will donate \$20,000.00 to Wasatch Canyons Foundation to be used for fund raising efforts.

10. **TAX DONATION.** Wasatch Canyons Foundation and Utah Open Lands will facilitate the tax donations on behalf of Colonial Mining Company

There will be no penalty if the purchase is completed prior to the outlined dates. The Purchase Price will NOT be adjusted upward or downward if accelerated closings occur, unless agreed to by both Parties.

11. **TITLE.**

11.1 Promptly after the execution of this Agreement, Seller shall deliver to Buyer copies of any and all Title Reports, Claims, Legal Descriptions, Surveys, Entity structure, etc. relating to the Real Property which are in Seller’s possession or control. Buyer may also obtain its own preliminary title reports. Buyer is responsible for all costs in obtaining a title insurance policy and any and all due diligence and research of title

costs. Seller covenants and agrees not to lien, lease, or otherwise encumber the Land during the term of this Agreement.

11.2 At closing, Buyer may elect, at its cost, to purchase an owner’s policy of title insurance for Buyer covering the Land being acquired.

12. CLOSING. At closing, Seller shall deed the Land to Buyer by Quit Claim Deed to the recipient thereof. Closing will be at Select Title Insurance Agency, Inc., located in Lehi, Utah. What title company?

13. ASSIGNMENT. Buyer may assign its rights under this Agreement, subject to Seller’s approval of the new Buyer, which approval by Seller shall not be unreasonably withheld or delayed, and provided that the assignee assumes all of Buyer’s obligations under this Agreement. The original Buyer hereunder shall thereupon be relieved of all obligations and liabilities arising hereunder after the date of the assignment.

14. ACTIONS PRIOR TO CLOSING. Seller agrees that prior to each closing, Seller shall not convey, transfer, or encumber the Real Property to Buyer as outlined herein. Seller agrees that prior to closing no material changes will be made to any existing leases on the Real Property, no new leases will be entered into with respect to the Real Property, and no substantial alterations or improvements shall be made to the Real Property without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed. Buyer may record a Notice of Option against the Real Property, provided Seller first approves the form and content of the Notice of Option, such approval not to be unreasonably withheld or delayed. During the pendency of this Agreement, Buyer may (i) enter the Real Property to conduct site inspections, engineering, surveying, conservation easement, etc., and (ii) negotiate for the sale of the Real Property to any local, state, federal, or nonprofit entity. Seller further authorizes Buyers to negotiate with Salt Lake County, U.S. Forest Service, Salt Lake City, State of Utah, Wasatch Canyons Foundation, and other public and private entities and or parties for the purchase of the Real Property.

15. SUCCESSORS. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors, assigns, personal representatives, and heirs of the respective parties hereto, and to any entities resulting from the reorganization, consolidation or merger of the respective parties hereto.

16. SELLER REPRESENTATIONS. Seller hereby represents and warrants that the execution, delivery and performance of this Agreement by the Seller and the consummation of the transactions contemplated herein will not (i) result in a breach or

acceleration of or constitute a default of event of termination under the provisions of any agreement or instrument to which Seller is party or bound; or (ii) constitute or result in the violation or breach by the Seller of any judgment, order, writ, injunction, or decree issued against or imposed upon the Seller or result in the violation of any applicable law, ordinance, rule or regulation known to Seller.

17. BUYER REPRESENTATIONS. Buyer hereby represents and warrants that the execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated herein will not (i) result in a breach or acceleration of or constitute a default or event of termination under the provisions of any agreement or instrument to which Buyer is party or bound; or (ii) constitute or result in the violation or breach by the Buyer of any judgment, order, writ, injunction, or decree issues against or imposed upon the Buyer or result in the violation of any applicable law, ordinance, rule or regulation known to Buyer.

18. NOTICES. Any and all notices, demands, or other communication required or desired to be given hereunder by either Party shall be in writing, shall be given by US Certified Mail with delivery confirmation or by a recognized overnight delivery service, and shall be directed to the following individuals representing the respective Parties. Each Party identified below deems notice or demand complete upon receipt of said notice at the location indicated below. Each Party is responsible to notify the other party of any changes in their address or contact person and each Party agrees to cooperate in being available to receive said notices or demands. If this Agreement is assigned, the assignee must notify the other Parties of the address, phone number and contact individual.

If to Seller: Colonial Mining Company LLC

If to Buyer: Wasatch Canyons Foundation

19. DEFAULT. If either Party fails to fulfill its obligations under this Agreement, the Party at fault agrees to pay all costs associated with enforcing this Agreement, or any right arising out of the breach thereof, including a reasonable attorney’s fee. Before seeking legal action, each Party agrees to meet in mediation to attempt amicable resolution of any claim of default of this Agreement. All parties agree that the Third District Court, in and for Salt Lake County has jurisdiction and venue to adjudicate any dispute over this Agreement.

In the event Buyer defaults in its obligations under this Agreement, Seller's sole remedy shall be to terminate this Agreement and retain all funds paid to Seller to the date of termination. In the event Seller defaults in its obligations under this Agreement, Buyer's sole remedies shall be (i) to terminate this Agreement, or (ii) specifically enforce this Agreement. Neither Party shall have the right to sue the other for damages, or seek other remedies beyond those stated.

20. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

IN WITNESS WHEREOF, the parties sign this Agreement effective as of the date set forth above.

Seller:

By: _____

Name: _____

Its: _____

Buyer:

Wasatch Canyons Foundation

By: _____

Name: _____

Its: _____