

## OPTION TO PURCHASE AGREEMENT

THIS OPTION TO PURCHASE AGREEMENT (the "Agreement") is made this \_\_\_\_ day of September, 2023, by and between by and between the Town of Palmer Lake, a Colorado statutory town (the "**Town**"), and EcoSpa, LLC, a Colorado limited liability company ("**EcoSpa**"). Town and EcoSpa are sometimes individually referred to as a "**Party**" and collectively referred to as the "**Parties**."

### RECITALS

A. The Town owns that certain real property commonly referred to as the Elephant Rock Property consisting of approximately 28 acres (hereinafter referred to as the "**Entire Elephant Rock Property**"). The Town acquired the Entire Elephant Rock Property pursuant to that certain warranty deed dated June 8, 2021. The Entire Elephant Rock Property was a gift from Living Word Chapel who expressed the desire that the Town develop "a well-articulated plan for how this property will benefit the residents of Palmer Lake" and "the Town will not sell or otherwise dispose of the property for a period of 10 years."

B. There are certain improvements on approximately 2.8 acres of the Entire Elephant Rock Property that have been leased to EcoSpa ("**Leased Property**") consisting of a gymnasium, maintenance shed, a swimming pool and an outdoor amphitheater ("**Improvements**") which are in disrepair. The Leased Property is more fully described in Exhibit A which is attached.

C. As part of the development of the Leased Property, the Town wishes to provide for the development of the Leased Property for the benefit of the community. EcoSpa wishes to redevelop the Leased Property and refurbish the Improvements and construct additional building(s) and improvement(s) ("**Project**"). The uses of the Leased Property are restful and tranquil.

D. Because the Project will require the investment of significant capital, EcoSpa wishes to purchase the Leased Property. The Town does not wish to sell the Leased Property until after June 8, 2031. To allow the immediate redevelopment of the Leased Property, the Town has leased the Leased Property to EcoSpa ("**Lease**") and EcoSpa desires the Town to grant EcoSpa this Option to Purchase the Leased Property ("**Option Agreement**"). The Town will also require a Redevelopment Agreement once EcoSpa has a more definite plan of Redevelopment and before redevelopment begins.

THEREFORE, the Recitals above are incorporated herein and made a material part of the Agreement and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

#### OPTION TO PURCHASE

1. The Town grants EcoSpa, LLC the exclusive option to purchase the Leased Property on the following terms and conditions set out below on and after June 8, 2031 or on an earlier date as the Town advises EcoSpa that it may sell and EcoSpa may purchase the Leased Property.
2. If EcoSpa can cure or otherwise address the issue, the Lease may continue and the Option to Purchase will remain in effect. If the Board determines that EcoSpa has failed to, or is unable to cure or otherwise address the issue, and the Board terminates the Lease, the Option to Purchase will also terminate.
3. The purchase price is One Hundred Twenty Thousand dollars (\$120,000.00) (“Purchase Price”). The purchase price is one tenth (1/10) of the appraised value as appraised and established by the Opteon Appraisal, for a total purchase price of one hundred and twenty thousand dollars (\$120,000.00).
4. To exercise its purchase option, EcoSpa shall give the Town written notice of its exercise of the option. The sale shall be closed at place and on a date and time mutually agreeable between the parties which shall be no later than one hundred and twenty (120) days after the exercise of the option and no later than ninety (90) days after the passage of an ordinance by the Town to sell the Leased Property, whichever is later. At the closing, EcoSpa shall pay the Town the Purchase Price in cash, and the Town shall convey the Leased Property to EcoSpa by general warranty deed containing no exceptions or liens, subject only to ad valorem taxes for the year of such conveyance (which will be prorated as of the date of such conveyance), and other restrictions, easements, and encroachments affecting the premises which are required by the Town in its sole discretion.
5. The Lease will continue until the closing and the exercise of its option will not relieve either party of any of its obligations, covenants, or agreements under the Lease until closing. Upon the closing this Lease will terminate. If the then-existing term of the Lease expires while the closing of the purchase of the premises is pending, the Town may in its sole discretion extend the Lease from day to day at the then-existing lease terms until closing has occurred. The Town and EcoSpa agree to cooperate in order to assure the closing of

the sale and purchase of the Leased Property and to take those actions necessary to complete the sale.

6. The terms of this Option Agreement will bind and benefit the Town and EcoSpa and their respective successors. This Option Agreement shall not be assignable without the written consent of the Town, such consent not to be unreasonably withheld.
7. All offers, acceptances, and any other notices or statements contemplated or required by this Agreement shall be sent by certified or registered United States mail, return receipt requested, to the intended recipient thereof at the addresses stated on the first page of this Agreement, or to such other addresses as may be designated in writing by any party or available from a document recorded in the chain of title to the Leased Property. Any periods of time within which action is to be taken hereunder shall commence on the date notice thereof is received.
8. This Agreement shall be binding upon and shall inure to the benefit of the heirs, successors, and personal representatives of the parties hereto. This Option Agreement shall not be assignable without the written consent of the Town, such consent not to be unreasonably withheld.
9. This Agreement is made in Colorado and shall be governed by and interpreted in accordance with the law of Colorado.
10. Notices. Notices permitted or required to be given under this Agreement shall be in writing and shall be deemed given upon personal delivery or upon deposit in the United States Mail, certified, return receipt requested, postage fully prepaid, addressed as follows or to such other address as the parties may designate from time to time by notice given in accordance with this Section:

**To EcoSpa: EcoSpa, LLC  
Attn: Richard and Lindsay Willan  
P.O. Box 216  
Palmer Lake, CO 80133  
[digbycrofts@gmail.com](mailto:digbycrofts@gmail.com)  
719 648-1419**

**To the Town: Town of Palmer Lake  
Attention: Dawn Collins  
42 Valley Crescent  
PO Box 208  
Palmer Lake, CO 80133**

**dawn@palmer-lake.org**

**Copy To: Matthew Z. Krob, Town Attorney**  
**8400 E. Prentice Avenue**  
**Penthouse**  
**Greenwood Village, CO 80111**  
[matt@kroblaw.com](mailto:matt@kroblaw.com)  
**303 694 0099**

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals as of the day and year first above written.

**TOWN OF PALMER LAKE**

---

Glant Havenar, Mayor

ATTEST:

---

Dawn Collins

**ECOSPA**  
**EcoSpa, LLC**  
**By:**

---

Richard Willan, member and manager

---

Lindsay Willan, member and manager