

MEMORANDUM OF AGREEMENT AND OPTION

This MEMORANDUM OF AGREEMENT ("**Memorandum**"), entered into as of this 28 day of Aug, by and between DRONET DEVELOPMENT GROUP, a Texas limited liability company ("**Developer**"), and SPRINGS PARTNERS, LLC, a Colorado limited liability company (the "**Land Owner**"). Developer and Land Owner are individually referred to herein as "**Party**" and collectively as the "**Parties**."

WITNESETH:

THAT, Developer and Land Owner have heretofore entered into a certain Master Development and Contribution Agreement dated August 28, 2018 (the "**Agreement**") covering certain Property consisting of, among other things, approximately 18 acres of certain real property and all associated water rights located along the San Juan River and Hot Springs Blvd., Pagosa Springs, CO 81147, more particularly described on Exhibit B attached hereto (together the "**Property**"), and

WHEREAS, the Agreement grants Developer the exclusive right to purchase, or have contributed, the Property under terms more fully defined in the Agreement ("**Option Rights**").

WHEREAS, the Agreement requires Developer to perform certain obligations, as further defined in the Agreement, in order to maintain its rights therein.

WHEREAS, it is the desire of both Developer and Land Owner to memorialize the Agreement and the Option Rights and set forth certain pertinent data with respect thereto.

NOW THEREFORE, with respect to the Agreement, Developer and Land Owner hereby acknowledge and agree as follows:

(a) Demise. The Property has not been demised as of the date of the Agreement, but authority to demise, plat and divide the Property have been granted to the Developer, all pursuant to and in accordance with the Agreement.

(b) Term. The initial Term of the Agreement is from August 28, 2018, until August 28, 2023. Developer has the right, privilege and option to extend the initial Term of the Agreement for up to three (3) years, subject to the provisions and conditions of the Agreement.

(c) Possession. Land Owner will maintain possession of the Property until such time that Developer executes its Option right, on all or a portion, of the Property and Developer accepts delivery and takes possession of the Property from Land Owner in the "as is" condition of the Property as of the Commencement Date.

(d) Liens on Land Owner's Interest Restricted. By the terms of the Agreement, Developer's interest in the Property may not be subjected to liens of any nature by reason of Land Owner's financing, or by reason of any other act or omission of Land Owner (or of any

person claiming by, through or under Land Owner) including, but not limited to, cross-collateralization, construction, mechanics' and materialmen's liens, without the prior written consent of the Developer, which shall not be unreasonably withheld. Accordingly, all persons dealing with Land Owner are hereby placed on notice that such persons shall not look to Developer or Developer's credit or assets (including Developer's interest in the Property) for payment or satisfaction of any obligations incurred in connection with the any liens, construction, alteration, repair, restoration, renovation, replacement or reconstruction thereof by or on behalf of Land Owner. Land Owner has no power, right or authority to subject Developer's interest in the Property to any claim of lien.

(e) Inconsistent Provisions. The provisions of this Memorandum constitute only a general description of the content of the Agreement with respect to matters set forth herein. Accordingly, third parties are advised that the provisions of the Agreement itself shall be controlling with respect to all matters set forth herein. In the event of any discrepancy between the provisions of the Agreement and this Memorandum, the provisions of the Agreement shall take precedence and prevail over the provisions of this Memorandum.

(f) Termination of Agreement. All rights of Developer as described in this Memorandum and as contained in the Agreement, shall terminate upon the expiration or earlier termination of the Agreement according to the terms thereof, which may be evidenced by a written notice of such expiration or termination recorded or filed by Land Owner among the appropriate land records of the County in which the Property is located.

[Signature appears on following page]

IN WITNESS WHEREOF, Developer and Land Owner have caused this Memorandum of Agreement to be duly executed on or as of the day and year first above written.

SIGNED IN THE PRESENCE OF:

By: [Signature]
Printed Name: Ryan Searle

By: _____
Printed Name: _____

LAND OWNER:

SPRINGS PARTNERS, LLC,
a Colorado limited liability company

By: [Signature]
Name: Jack B. Searle
Title: Manager

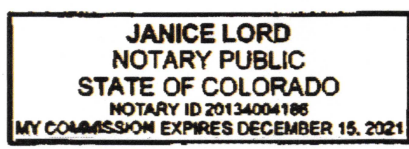
STATE OF COLORADO,
COUNTY OF Archuleta

On AUG. 28, 2018, before me, JANICE LORD, personally appeared JACK B SEARLE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]

(SEAL)



SIGNED IN THE PRESENCE OF:

By: Amanda Dronet
Printed Name: Amanda Dronet

By: _____
Printed Name: _____

DEVELOPER:

DRONET DEVELOPMENT GROUP, LLC,
a Texas limited liability company

By: [Signature]
Name: David Dronet
Title: Managing Member

STATE OF TEXAS)

COUNTY OF COMAL)

On 8/28, 2018, before me, STEVEN THEMINS, personally appeared DAVID DRONET personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]

(SEAL)

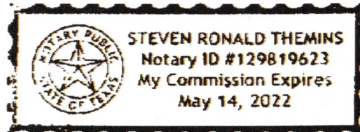
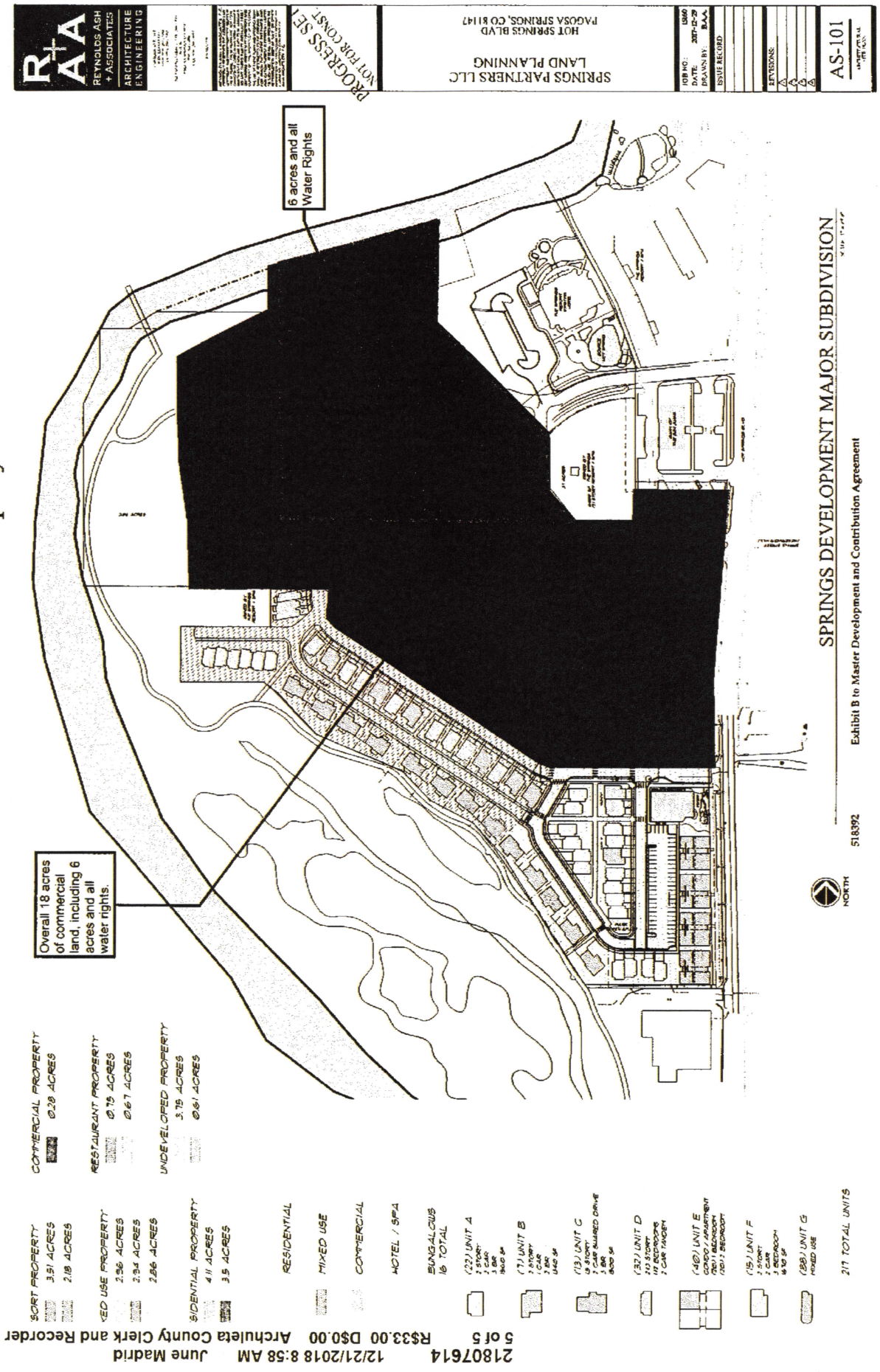


Exhibit B - Contribution Property



21807614 12/21/2018 8:58 AM June Madrid Archuleta County Clerk and Recorder
 5 of 5 R\$33.00 D\$0.00

SPRINGS DEVELOPMENT MAJOR SUBDIVISION

Exhibit B to Master Development and Contribution Agreement

518392



R+A
 RENOIDS ASH
 & ASSOCIATES
 ARCHITECTURE
 ENGINEERING

1200 W. 10th St.
 Suite 100
 Fort Collins, CO 80521
 Phone: 970.225.1111
 Fax: 970.225.1112

SPRINGS PARTNERS LLC
 LAND PLANNING

HOT SPRINGS BLVD
 PAGOSA SPRINGS, CO 81147

JOB NO: 1500
 DATE: 2017-02-29
 DRAWN BY: B.A.A.
 ISSUE RECORD

PROGRESS SET
 NOT FOR CONSTRUCTION

AS-101
 APPROVED
 DATE