

COMPLIANCE AGREEMENT

This Compliance Agreement ("Agreement") is entered into by and between **Quantum Tech, LLC ("Quantum") and the Board of County Commissioners of Teller County, Colorado ("County")** (collectively, the "Parties"), for the purpose of resolving the Parties' pending dispute concerning Quantum's property at 10180 West US 24, Divide, CO 80814 (the "Property") and Conditional Use Permit (the "CUP") that is the subject of Case No. 2026CV30077, Teller County District Court (the "Judicial Review Proceeding").

RECITALS

WHEREAS, Quantum and the County are presently involved in a dispute concerning the use of the Property and the CUP previously associated with the Property.

WHEREAS, on November 14, 1995, the Teller County Planning Commission approved a CUP for the then owner of the Property, Woods Drilling, to operate a Construction Storage Yard and Office on the Property;

WHEREAS, on September 15, 2025, Quantum acquired the Property via a Special Warranty Deed and subsequently installed certain structures and equipment on the Property, including an Energy Producing Unit and related equipment including solar collectors, heat collection units, turbine, controllers, nitrogen gas tank, piping, conduit and other equipment and supplies associated with the Energy Producing Unit, without admission that such installation or equipment violated the CUP or applicable law;

WHEREAS, in 2026, the Teller County Planning Director notified Quantum that the County alleged Quantum was violating the terms of the CUP by operating the Energy Producing Unit which the County alleged exceeded the scope of the CUP for a Construction Storage Yard and Office on the Property;

WHEREAS, Quantum disagreed with the Planning Director's notice of violation, and the Planning Director referred the matter to the Teller County Planning Commission with a recommendation that the CUP be revoked;

WHEREAS, at a public hearing on May 12, 2026, the Teller County Planning Commission heard presentations from the Planning Department and from Quantum, and revoked Quantum's CUP for a Construction Storage Yard and Office pursuant to its authority under LUR Section 1.15.C.1. based on the Planning Commission's determination that Quantum had exceeded the scope of the CUP for a Construction Storage Yard and Office on the Property;

WHEREAS, Quantum appealed the Planning Commission's revocation decision to the Teller County Board of Adjustment;

WHEREAS, at a public hearing on July 9, 2026, the Teller County Board of Adjustment, reviewed the record on appeal, heard argument from Quantum, and upheld the decision to revoke the CUP based on the Board of Adjustment's determination that Quantum had exceeded the scope of the CUP, without admission by Quantum of such determination;

WHEREAS, Quantum appealed the Board of Adjustment's decision to the Teller County District Court pursuant to Rule C.R.C.P. 106 in Case No. 2026CV30077;

WHEREAS, throughout the above-described time period and process, Quantum has not admitted any liability or violation of the CUP or applicable law;

WHEREAS, the Parties desire to resolve the present dispute without the expense, uncertainty, and continued expenditure of resources associated with continued legal proceedings;

WHEREAS, Quantum has agreed, without admission of liability or violation, to remove the Energy Producing Unit and related equipment, materials, infrastructure, appurtenances, operations, and activities, including all solar collectors, heat collection units, turbine, controllers, nitrogen gas tank, piping, conduit and other equipment and supplies associated with the Energy Producing Unit from the Property and move them outside the jurisdiction of Teller County within ninety (90) calendar days after the Effective Date, while preserving the continued office use and permitted decommissioning, safety, maintenance, securing, and removal activities addressed in this Agreement;

WHEREAS, the Parties understand that the prior CUP cannot simply be reinstated and that any future CUP approval will require an appropriate application through the County's applicable land-use process; and

WHEREAS, the Parties desire to establish a cooperative framework through which Quantum may bring the Property into compliance with the LUR and thereafter pursue the appropriate CUP or land use application process with the County.

NOW, THEREFORE, in consideration of the mutual promises and undertakings contained herein, the Parties agree as follows:

1. Ninety-Day Compliance Period

Quantum shall have ninety (90) calendar days after the Effective Date of this Agreement (the "90-Day Compliance Period") to complete the removal from the Property, and relocation outside the jurisdiction of Teller County, of the Energy Producing Unit and all related operations, equipment, materials, infrastructure, appurtenances, and activities identified in this Agreement as requiring removal. The 90-Day Compliance Period is intended to provide Quantum a reasonable opportunity to accomplish the decommissioning, maintenance, securing, removal, and relocation in an orderly, safe, and lawful manner.

2. Removal of Energy Producing Unit and Equipment

Within the 90-Day Compliance Period, Quantum shall cease all commercial energy-producing operations related to the Energy Producing Unit, except for decommissioning, safety, maintenance, securing, disconnection, removal, relocation, and related activities reasonably necessary or incidental to compliance with this Agreement, and remove from the Property and move outside the jurisdiction of Teller County all of the following:

- a. The Energy Producing Unit;
- b. All equipment, materials, infrastructure, and appurtenances associated with the Energy Producing Unit or with the operations that are the subject of the present land-use dispute including but not limited to all solar collectors, heat collection units, turbine(s), controllers, nitrogen gas tank(s), piping, conduit and other equipment and supplies associated with the Energy Producing Unit; and
- c. Other non-office operations, equipment, and related activities associated with the Energy Producing Unit or the operations that are the subject of the present land use dispute excluding decommissioning, safety, maintenance, securing, disconnection, removal, relocation, and related activities reasonably necessary or incidental to compliance with this Agreement.

As the owner of the Property, Quantum shall retain access to the Property throughout the 90-Day Compliance Period for purposes of completing the decommissioning, maintenance, securing, removal and relocation contemplated by this Agreement, including activities reasonably incidental to safely dismantling, disconnecting, maintaining, securing, transporting, removing, and relocating the equipment and materials outside the jurisdiction of Teller County.

3. Continued Office Use

Quantum may continue to use the Property for office purposes throughout the 90-Day Compliance Period, which office use is limited to office purposes conducted within the existing office building and ordinary incidental uses associated with such office operations, including access, parking, deliveries, utilities, communications, storage of ordinary office supplies, and other activities customarily incidental to office use. Nothing in this Agreement shall be interpreted as requiring Quantum to discontinue, restrict, or remove the permitted office use of the Property or such ordinary incidental uses.

4. County Inspection Following Removal

Upon Quantum's completion of the decommissioning, removal and relocation required by this Agreement, Quantum shall provide written notice to the County identifying the removal work completed and requesting inspection under this Section.

The County shall thereafter be provided reasonable access to the Property, upon at least five (5) calendar days' written notice and during reasonable hours, for the limited purpose of inspecting the Property and confirming compliance with the removal obligations contained in this Agreement.

If the County identifies any item that it reasonably believes remains inconsistent with the removal obligations contained herein, the County shall notify Quantum in writing with reasonable specificity and provide Quantum not less than fourteen (14) calendar days, or such longer period as is reasonably necessary if Quantum is diligently pursuing cure, to cure, remove, or otherwise address the identified item, and Quantum shall not be deemed in breach during any such longer period so long as Quantum is diligently pursuing cure.

5. Future CUP Application

The Parties acknowledge and agree that the prior CUP cannot be reinstated through this Agreement. Following completion of the removal and compliance process contemplated herein, Quantum may submit a new application, re-application, or other request for a CUP or other appropriate land-use approval for the Property in accordance with applicable Teller County procedures.

The County agrees to work cooperatively and in good faith with Quantum regarding the procedural requirements applicable to such application or request, including identifying the appropriate application process and information reasonably required for County review, while retaining the County's lawful discretion and authority in any future land-use proceeding.

The Parties agree that there is no representation, guarantee, or promise that any application submitted by Quantum for a CUP or other land use permit will be approved by the County or any of its subordinate commissions or boards.

6. Voluntary Dismissal of Pending Judicial-Review Proceeding

Within five (5) business days after the Effective Date, Quantum shall file the necessary papers to voluntarily dismiss the pending Teller County District Court action, Case No. 2026CV30077, subject to and in reliance upon the Parties' performance of this Agreement.

The dismissal shall be without prejudice and shall resolve only the pending judicial review proceeding concerning the existing CUP dispute. Each Party shall bear its own attorneys' fees and costs associated with the Judicial-Review Proceeding unless otherwise agreed in writing.

Nothing in this Agreement reinstates the prior CUP, predetermines the outcome of any future land-use proceeding, or limits rights or remedies available under applicable law except as expressly stated in this Agreement.

7. No Admission of Liability

Nothing in this Agreement shall be construed as an admission of liability, wrongdoing, or violation of law by either Party.

8. County Action During 90-Day Period

So long as Quantum remains in material compliance with this Agreement, the County agrees that the 90-Day Compliance Period constitutes the agreed compliance period for the matters being resolved herein. The County will not take further compliance action against Quantum based upon the continued temporary presence of the Energy Producing Unit, related equipment, or decommissioning, safety, maintenance, securing, removal, relocation, and related activities reasonably necessary or incidental to the removal and relocation specifically contemplated by this Agreement during the 90-Day Compliance Period, provided Quantum remains in material compliance with this Agreement. During the 90-Day Compliance Period and any applicable cure period under this Agreement, the County shall not impose fines, penalties, enforcement referrals, or adverse CUP, permitting, or other land-use action against Quantum based on the facts, conditions, or alleged violations resolved by this Agreement; provided, however, that nothing herein prevents the County from responding to an immediate threat to public health or safety and taking appropriate action.

9. Cooperation

The Parties agree to cooperate reasonably and in good faith in implementing this Agreement, including coordinating access, inspection, decommissioning, safety, maintenance, securing, removal and relocation activities, cure or other response to identified inspection items, and any subsequent CUP or other land-use application process. The Parties acknowledge that the purpose of this Agreement is to provide a practical and orderly resolution of the present dispute while establishing a clear timeline and process.

10. Entire Agreement

This Agreement constitutes the entire agreement between the Parties concerning the matters addressed herein and supersedes all prior discussions, proposals, understandings, and communications concerning settlement of the present dispute. Any modification or waiver of this Agreement must be in writing and executed by authorized representatives of both Parties.

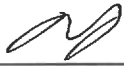
11. Authority

Each person executing this Agreement represents and warrants that he or she possesses the authority necessary to bind the Party on whose behalf the Agreement is executed.

12. Effective Date

The effective date of this Agreement (the "Effective Date") shall be the date upon which this Agreement has been executed by authorized representatives of both Parties, as reflected by the later signature date below.

QUANTUM TECH, LLC

By:  _____

Name: Rod Kagy _____

Title: Managing Member _____

Date: August 27, 2026 _____

THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF TELLER, COLORADO

By:  _____

Name: Erik Stone, Chairman

Date: 9/02/2026 _____