

## SPIRO TUNNEL WATER AGREEMENT

This Agreement dated October 12, 2017, is between the Park City Water Service District (the "District") and VR CPC Holdings, Inc., a Delaware corporation, d/b/a Park City Resort ("VR").

### RECITALS

A. By Amendment to Water Supply Agreement dated October 12, 2017 ("Amendment"), between the Salt Lake City Corporation (the "City") and Park City Water Service District (the "District"), the City has agreed to make available to the District from November 1, 2017 through April 30, 2018 the "Available City Spiro Tunnel Winter Water" as that term is defined in the Amendment.

B. The term of the Amendment extends until October 31, 2018, unless terminated or extended pursuant to the terms of the Amendment.

C. The price for the quantity of the City Spiro Tunnel Winter Water that is used is 55% of the current "Metropolitan Water Rate," payable on a monthly basis. The current Metropolitan Water Rate is \$331.80 per acre foot, and 55% of the Metropolitan Water Rate is \$182.49 per acre foot.

D. The Amendment provides that the Available City Spiro Tunnel Winter Water may be used for snowmaking, and that 80% to 85% of that water will return to the surface streams in the form of snow melt runoff (the "snowmaking return flows").

E. The Amendment further provides that the District shall be entitled to such snowmaking return flows to the extent it files, at the District's expense, an application with the Utah Division of Water Rights seeking credit for the snowmaking return flows, and such application is granted.

F. VR operates the Park City Resort and owns the unencumbered right to 34% of the waters flowing through and from the Spiro Tunnel beyond the first 6600 feet ("VR's Spiro Tunnel water").

### AGREEMENT

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The District agrees to make available to VR for use at the Park City Resort any portion of the Available City Spiro Tunnel Winter Water that VR desires to use during the term of the Amendment.

2. The price for the amount of the City Spiro Tunnel Winter Water used by VR at the Park City Resort shall be the same price set forth in the Amendment. No additional fee shall be charged by the District for such water.

3. The point of delivery of the Available City Spiro Tunnel Winter Water to VR shall be at the District's golf course ponds below the portal of the Spiro Tunnel (the "Point of Delivery"). VR shall measure the total amount of water diverted at the Point of Delivery and used for snowmaking at the Park City Resort and furnish such information to the District at the end of each month during the snowmaking season.

4. For purposes of this Agreement, the Available City Spiro Tunnel Winter Water used by VR shall be 36% of the total amount of water diverted at the Point of Delivery and used for snowmaking at the Park City Area of the Park City Resort. VR shall make payment to the District for the amount of Available City Spiro Tunnel Winter Water that VR uses within 30 days of providing the District the monthly information on the amount of water it diverted and used for snowmaking pursuant to paragraph 3 above. VR does not intend to use any of the Available City Spiro Tunnel Winter Water in the Canyons area of Park City Resort.

5. Any information or payment required to be given to the parties hereunder shall be sufficiently given when sent by registered or certified mail addressed or made by hand delivery to:

The District:

Park City Water Service District  
Attention: Public Utilities Director  
1050 Ironhorse Drive  
P.O. Box 1480  
Park City, Utah 84060

VR:

VR CPC Holdings, Inc.  
Attention: Senior Vice President and Chief Operating Officer  
390 Interlocken Crescent  
Broomfield, Colorado 80021

With a copy to:

Vail Resorts Management Company  
Attention: Legal Department  
390 Interlocken Crescent  
Broomfield, CO 80021  
LegalNotices@vailresorts.com

7. VR shall cooperate with the District in the District's application with the Utah Division of Water Rights seeking credit for the snowmaking return flows resulting from the Available City Spiro Tunnel Winter Water used for snowmaking at the Park City Resort, and provide such information regarding the snowmaking use of water as may be required in connection with such application.

8. This Agreement shall be subject to the terms of the Amendment.

Executed as of the date first set forth above.



Attest:

Michelle Collegis  
Park City City Recorder

PARK CITY WATER SERVICE DISTRICT

By:

Jack Thomas  
Chairman

VR CPC Holdings, Inc., a Delaware corporation,  
d/b/a Park City Resort

By:

W. Roll  
Senior Vice President