

WHEN RECORDED PLEASE RETURN TO:

Park City Municipal Corporation
PO Box 1480
Park City UT 84060
Attn: City Recorder

Fee Exempt per Utah Code
Annotated 1953 21-7-2

MAINTENANCE AGREEMENT

THIS MAINTENANCE AGREEMENT (this "Agreement") is made by and between PARK CITY MUNICIPAL CORPORATION (referred to herein as "Park City"), UNITED PARK CITY MINES COMPANY, a Delaware corporation ("UPCMC"), BLUE LEDGE CORPORATION, a Delaware corporation ("Blue Ledge"), and FLAGSTAFF MASTER OWNERS ASSOCIATION, INC., a Utah nonprofit corporation (the "Master Association").

RECITALS

A. Pursuant to that certain Development Agreement for Flagstaff Mountain, Bonanza Flats, Richardson Flats, The 20-Acre Quinn's Junction Parcel and Iron Mountain (referred to herein as the "Development Agreement") dated June 24, 1999 by and between UPCM, Deer Valley Resort Company and Park City, UPCM was granted the equivalent of a large-scale master plan development for the real property that is referred to in the Development Agreement as "Flagstaff Mountain."

B. Subsequent to the date of the Development Agreement, UPCM and its wholly-owned subsidiary, Blue Ledge, have obtained from Park City the necessary consents and approvals to record in the Office of the Recorder of Summit County, Utah the following described plats with respect to certain parcels of real property within Flagstaff Mountain: (1) the plat for the Northside Village Subdivision recorded on June 28, 2002 as Entry No. 623455, (2) the plat for Northside Village Subdivision II recorded on June 28, 2002 as Entry No. 623443, and (3) the plat for the Marsac Avenue Right-of-Way recorded on June 28, 2002 as Entry No. 623451. The real property described in such plats is referred to herein as the "Flagstaff Development." In connection with such recorded plats, UPCM and Blue Ledge have caused to be recorded in the Office of the Recorder of Summit County, Utah a Master Declaration of Covenants, Conditions and Restrictions of Flagstaff, a Planned Community (the "Master Declaration") on June 28, 2002 as Entry No. 623450 in Book 1457 at Page 747, pursuant to which the land included within the Flagstaff Development has been subjected to all the terms and conditions of the Master Declaration. As additional phases of the Flagstaff Development are approved by Park City for development purposes, such additional phases of the Flagstaff Development shall be subjected to the terms and conditions of the Master Declaration and this Maintenance Agreement.

C. Pursuant to the terms and conditions of the Master Declaration, UPCM and Blue Ledge have caused the Master Association to be created as a Utah nonprofit corporation. Pursuant to the Master Declaration, the Master Association has the obligation to maintain and manage certain community areas within the Flagstaff Development. The Master Declaration also provides for the creation of certain "Sub-Associations" that may be created to have the responsibility for the performance of certain management and maintenance responsibilities within specific "Neighborhoods" within the Flagstaff Development.

D. Pursuant to the terms of the Master Declaration, the obligation to maintain and repair the roadways, walkways, bridges, tunnels, water system and the various components of the public infrastructure located within the Flagstaff Development shall be the responsibility of the Master Association and the various Sub-Associations created within the Flagstaff Development.

E. The Master Declaration provides that all of the property owners within the Flagstaff Development shall be members of the Master Association and shall also be members of a Sub-Association that may be created with respect to certain "Neighborhoods" within the Flagstaff Development. The Master Association and the various Sub-Associations shall have authority pursuant to the terms of the Master Declaration and the various "Neighborhood Declarations" to make assessments upon the property owners within the Flagstaff Development in an amount sufficient to pay all of the necessary costs and expenses associated with the maintenance of the public infrastructure within the Flagstaff Development.

F. UPCMCM, Blue Ledge and the Master Association desire to enter into this Agreement with Park City in order to memorialize the undertaking and agreement of the Master Association to cause to be maintained at all times the public infrastructure within the Flagstaff Development, with the costs and expenses of such maintenance and repair to be paid for by the Master Association and the Sub-Associations formed within the Flagstaff Development as provided in the Master Declaration.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, UPCMCM, Blue Ledge, the Master Association and Park City hereby agree as follows:

1. The Parties. As used in this Agreement, the term "Owners" shall mean and include the following:

(a) UPCMCM and Blue Ledge as the owners at the time of recordation of the Master Declaration of all of the real property that has been previously subjected to the Master Declaration and as the present owners of the additional real property that is contemplated by the Development Agreement and by the Master Declaration as land that may yet be subjected to the Master Declaration; and

(b) The Master Association and the Sub-Association within the Flagstaff Development as the entities that have responsibility for the management and maintenance of the roadways, walkways, bridges, water system components, tunnels, the Pod A storm drain pipes (but not including the Empire Canyon detention pond or other downstream facilities), and other public infrastructure within the existing and subsequent phases of the Flagstaff Development (collectively referred to herein as the "Community Areas"); and

(c) The successors and assigns of the parties named above, specifically including the Master Association, at such time as the Master Association and any Sub-Association assume management and control over the Community Areas within the existing and subsequent phases of the Flagstaff Development. At such time as the management and maintenance of the Community Areas located within any phase of the Flagstaff Development are turned over to the Master Association or any Sub-Association, UPCMCM and Blue Ledge shall be released from any further obligation under this Agreement with respect to such phase of the Flagstaff Development, and all the responsibilities for the management and maintenance of the Community Areas under this Agreement with respect to such phase of the Flagstaff Development shall pass to the Master Association and the applicable Sub-Association. UPCMCM and Blue Ledge will be released from their obligations under this Agreement only if the Owners

are in full compliance with this Agreement at the time of the requested release and only if, at the time of such requested release, the Emergency Reserve Account (as defined below) has been fully funded. This Agreement is intended to be a covenant running with the land and binding upon the successors of the Owners. UPCMC and Blue Ledge hereby covenant and agree that they shall cause to be subjected to the terms and conditions of the Master Declaration all future phases of the Flagstaff Development.

2. Covenant to Maintain.

(a) The Master Association hereby covenants and warrants to Park City that it will, at all times, provide or cause the appropriate Sub-Association within the Flagstaff Development to provide all necessary maintenance and repairs to the Community Areas within the Flagstaff Development (excluding the main water line in Marsac Avenue and its tanks, pump stations, pressure reducing valves, and appurtenances, but including the water lines and their appurtenances within Pod A thereof, and including any connection to the water line in the Banner ski run). The Master Association acknowledges that the Community Areas within the Flagstaff Development are all private and will not receive any maintenance service from Park City. For purposes of determining the adequacy of snow removal service, the Master Association agrees that it will provide a level of snow removal service that is at least equal to that provided by Park City in the Silver Lake area of Deer Valley. Structural maintenance will be provided as needed to maintain the bridges and tunnels (including any stone veneer) within the Flagstaff Development in good appearance and in a structurally safe condition adequate to safely carry the reasonably anticipated loads, including fire trucks and loaded concrete trucks (with respect to bridges and tunnels intended for such use).

(b) The Master Association hereby agrees that in the event the Master Association defaults in the performance of its covenant to provide or cause the appropriate Sub-Association within the Flagstaff Development to provide all necessary maintenance and repairs to the Community Areas within the Flagstaff Development as set forth in subsection (a) above, then Park City shall have the right (but not the obligation) to cause such maintenance and repair work to be performed on behalf of the Master Association or the appropriate Sub-Association. In the event that Park City exercises its right to cause the Master Association or the appropriate Sub-Association to perform the necessary maintenance and repairs to the Community Areas within the Flagstaff Development as provided in this Agreement, then Park City shall have the right (on behalf of the Master Association or the appropriate Sub-Association) to assess the members of the Master Association or the appropriate Sub-Association (as authorized in the Master Declaration or the appropriate Neighborhood Declaration) the amount necessary to pay the costs of such maintenance and repair work to the Community Areas, together with reasonable administrative/overhead costs not to exceed ten percent. The Owners hereby agree that within ninety (90) days following the date of this Agreement, the Owners shall cause the Master Declaration and all Neighborhood Declarations to be amended in order to authorize Park City (on behalf of the Master Association or the appropriate Sub-Association) to cause such maintenance and repair work to be done on behalf of the Master Association or the appropriate Sub-Association and in order to authorize Park City to cause the members of the Master Association or the members of the appropriate Sub-Association to be assessed the appropriate amount necessary in order pay the costs of such maintenance and repair work that Park City

causes to be performed on behalf of the Master Association or the appropriate Sub-Association, together with reasonable administrative/overhead costs not to exceed ten percent.

3. Designated Contact Person. In light of the fact that the responsibilities to manage and maintain the various Community Areas within the Flagstaff Development may be allocated between the Master Association and certain Sub-Associations with the Flagstaff Development, Park City must be able to communicate with a designated contact person ("Designated Contact Person") that is an officer or an employee of the Master Association with respect to any problems or concerns pertaining to the Community Areas within the Flagstaff Development that Park City may have or that may be communicated to Park City by an owner of property within the Flagstaff Development or by any other person. Consequently, at all times throughout the term of this Agreement, the Master Association shall specify in writing to Park City the name, mailing address, email address and telephone number of a Designated Contact Person within the organization of the Master Association, who shall be authorized and instructed to receive communications and notices from Park City with respect to problems, concerns and other issues pertaining to the management and maintenance of the Community Areas within the Flagstaff Development. Such Designated Contact Person, upon receiving a communication from Park City with respect to any problem, concern or other issue with respect to the management and maintenance of the Community Areas with the Flagstaff Development shall then have the responsibility to bring such problem, concern or communication to the attention of either the Master Association or the appropriate Sub-Association so that the problem or issue can be promptly addressed and/or corrected. The initial Designated Contact Person shall be:

Tom Cartwright
Flagstaff Master Owners Association, Inc.
P.O. Box 4349
Park City, Utah 84060
Office Telephone No. (435) 615-8395, Ext. 108
Cellular Telephone No. (435) 640-8430
Fax Telephone No. (435) 615-1239
E-mail Address: Tcartwright@taliskermountain.com

The Master Association will have the right at any time throughout the term of this Agreement to change the Designated Contact Person by providing written notice of any such change to Park City, as provided in Section 8 below. UPCMC and Blue Ledge hereby represent and warrant to Park City that pursuant to the terms of the Master Declaration, UPCMC and Blue Ledge have sufficient votes as members of the Master Association to control the voting of the members of the Board of Directors of the Master Association, which voting control shall gradually diminish over a period of fifteen (15) years, as provided in Section 6.4 of the Master Declaration.

4. Emergency Reserve Account. The Master Association will establish an account at a federally insured bank or savings and loan with an office in Park City to be called the "Emergency Reserve Account." This Emergency Reserve Account will be opened and funded within ten (10) days following the date of this Agreement. The initial balance will be \$50,000. The balance will be reviewed for sufficiency from time to time at the request of any party to this Agreement, but at least every five (5) years. The balance will be adjusted based on actual and estimated costs and experience. Based on the review, the amount will be adjusted accordingly.

Park City, through its designated official, will have the sole authority to draw on the Emergency Reserve Account at such times and for such purposes as set forth below. All earnings on the Emergency Reserve Account will be applied first to replenishment of any funds withdrawn, and then shall be paid over to the Master Association annually. The funds will be held in one or more accounts or institutions so that the principal and all earnings are fully insured by a federal agency at all times. The funds will be invested in a manner that produces the highest available rate of interest, but also allows for immediate withdrawal. The funds may be withdrawn and expended by Park City for the emergency protection of the health and safety of people within the Flagstaff Development, including but not limited to correcting, removing or repairing conditions which might exist or arise on or within the Community Areas of the Flagstaff Development, subject to the following limitations:

(a) In the event of conditions which, in Park City's reasonable judgment and good faith belief, present an immediate and substantial threat of loss of human life or serious bodily injury, or which present an immediate and substantial threat of property loss of a material and substantial nature, Park City is entitled to withdraw funds from the Emergency Reserve Account without prior notice. Park City will notify the Master Association, through, the Designated Contract Person, within five (5) days of any withdrawal of funds under this section and state the amount withdrawn, the purpose of the withdrawal, and an itemized statement of the disposition of the funds.

(b) In the case of conditions within the Flagstaff Development which do not present a life-threatening or imminent danger to public health or safety, Park City agrees to give the Master Association written notice, through the Designated Contact Person, stating the condition complained of, and demanding that the condition be cured within a stated time, not less than 30 days, but allowing for weather conditions if repairs cannot reasonably be completed due to snow or mud conditions. If the Master Association has failed to take adequate corrective action or has not contested the need for corrective action (or the appropriateness of the corrective action proposed by Park City) within the stated time limit, Park City may then draw on the Emergency Reserve Account to correct the condition. Notice will be given to the Master Association, through the Designated Contact Person, within five (5) days of the withdrawal of any funds, stating the amount withdrawn, the purpose of the withdrawal, and an itemized statement of the disposition of the funds.

(c) Park City shall be entitled to draw on the Emergency Reserve Account as provided above for the use and benefit of the Park City Fire Service District and the Snyderville Basin Water Reclamation District to respond to emergencies or conditions affecting the public health and safety in the Flagstaff Development which lie within the jurisdictions of those other public agencies.

(d) The Emergency Reserve Account is in addition to, and not in lieu of, the normal construction guarantee requirements imposed by Park City ordinances.

(e) The Master Association shall have sixty (60) days following any withdrawal to replenish the Emergency Reserve Account. If the Master Association fails to replenish the account, Park City is entitled to bring suit to recover the amount required, and the Master Association agrees to pay all reasonable costs associated with that suit.

5. Right to Contest. The Association shall have the right to contest any withdrawal of funds from the Emergency Reserve Account by Park City. If the Master Association contests the appropriateness or reasonableness of any withdrawal or expenditure, it will so notify Park City in writing within fifteen (15) days of Park City's notice of withdrawal of funds. The Master Association is not required to replenish the Emergency Reserve Account during any contest proceeding to the extent of contested funds, but the Master Association agrees to replenish the uncontested amount of any withdrawal. Full replenishment does not waive any rights to contest the reasonableness of the withdrawal. To the extent that any expenditure or portion of any expenditure is adjudicated to have been excessive, unnecessary, unreasonable, or an inappropriate use of the Emergency Reserve Account, Park City shall reimburse the Emergency Reserve Account and/or the Master Association for that portion of the expenditure. Notwithstanding any pending contest, Park City shall be entitled to draw on the Emergency Reserve Account to address conditions posing imminent threat or danger as described in Paragraph 4(a) above.

6. Insurance. The Master Association will maintain property casualty insurance on the bridges and tunnels within the Flagstaff Development in an amount equal to the reasonable replacement cost. Park City will be provided with evidence of that insurance coverage upon completion of the construction and installation of these items, and will be given certificates of insurance or copies of the policies upon demand.

7. Default. In the event of a default by the Owners or the Master Association in the performance of their obligations under this Agreement, including maintenance of the Emergency Reserve Account, Park City is entitled to bring a suit for specific performance, injunction, or such other relief as it deems appropriate to carry out the intent of this Agreement. In any such suit, the prevailing party will be entitled to have all of its costs and attorneys' fees reimbursed by the party that does not prevail. Park City has not affirmatively committed to take any action with respect to conditions existing within the Flagstaff Development, and Park City is not intended to be, nor is it acting as a guarantor of any obligations, duties, or responsibilities the Owners and/or the Master Association have to each other or the members of the Master Association, or to the public. This Agreement is for the sole benefit of the Owners, the Master Association, Park City, the Park City Fire Service District, and the Snyderville Basin Water Reclamation District. No other third party beneficiaries are created or intended to be created, and no other person or entity shall have any right of action against Park City, the Master Association or the Owners resulting from the exercise or non-exercise of the rights under this Agreement. Park City's actions under this Agreement are entirely discretionary.

8. Notices. Any notice or communication required hereunder between the parties to this Agreement must be in writing and may be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given and received on the first to occur of: (a) actual receipt by any of the addressees designated below as to the party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. Any party to this Agreement may at any time, by giving ten (10) days written notice to the other parties hereto, designate any other address in substitution of the address to which such notice or communication

shall be given. Such notices or communication shall be given to the parties at the addresses set forth below:

If to Park City:

Park City Municipal Corporation
P.O. Box 1480
445 Marsac Ave.
Park City, Utah 84060
Attn: City Manager

If to UPCM or Blue Ledge:

United Park City Mines Company
P.O. Box 4349
Park City, Utah 84060
Attn: Mark Thorne

If to the Master Association:

Flagstaff Master Owners Association, Inc.
P.O. Box 4349
Park City, Utah 84060
Attn: Tom Cartwright

9. Amendment. This Agreement may be amended from time to time in a writing signed by Park City, the Master Association and by the Owners or those of the Owners which are appropriate at the time of the amendment. Any amendments will be recorded in the Office of the Recorder of the Summit County, Utah.

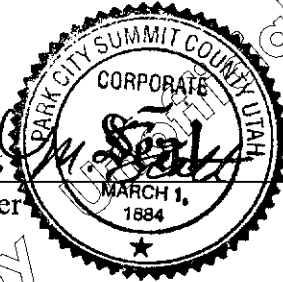
Dated this 12 day of March, 2004.

PARK CITY MUNICIPAL CORPORATION

By: [Signature]
Title: CITY MANAGER

Attest:

[Signature]
City Recorder

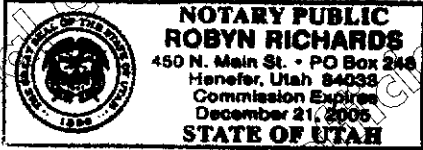


STATE OF UTAH)

COUNTY OF Summit)

: ss.

The foregoing instrument was acknowledged before me this 14th day of March, 2004 by Mark Thorne, the Secretary President of United Park City Mines Company, a Delaware corporation.



Robyn Richards
NOTARY PUBLIC
Residing at: Henefee, UT

My Commission Expires:

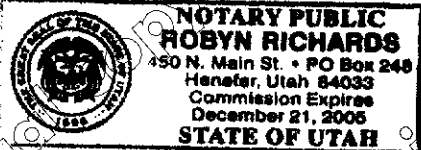
December 21, 2005

STATE OF UTAH)

COUNTY OF Summit)

: ss.

The foregoing instrument was acknowledged before me this 14th day of March, 2004 by Mark Thorne, the Vice President of Blue Ledge Corporation, a Delaware corporation.



Robyn Richards
NOTARY PUBLIC
Residing at: Henefee, UT

My Commission Expires:

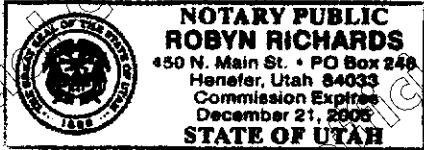
December 21, 2005

STATE OF UTAH)

: ss.

COUNTY OF Summit)

The foregoing instrument was acknowledged before me this 10th day of March, 2004 by Mark Thorne, the President of Flagstaff Master Owners Association, Inc., a Utah nonprofit corporation.



Robyn Richards
NOTARY PUBLIC
Residing at: Henefee, UT

My Commission Expires:

December 21, 2005

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