

Recorded at the request of and return
to: Park City Municipal Corp.
P. O. Box 1480, Park City, UT 84060
ATTN: CITY RECORDER

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

324535

*Park City
Municipal Corp.*
90 MAY 23 AM 9:20

ENCROACHMENT PERMIT
DEER VALLEY SKIER BRIDGES AND TUNNELS

ALAN SPRIGGS
SUMMIT COUNTY RECORDER

This Agreement is made by and between PARK CITY MUNICIPAL CORPORATION, a municipality of the state of Utah (hereinafter "City"), whose address is P. O. Box 1480, Park City, Utah 84060, and DEER VALLEY RESORT COMPANY, a Utah limited partnership (hereinafter "DVRC"), whose address is P. O. Box 889, Park City, Utah 84060, to set forth terms and conditions under which City will permit DVRC to construct and maintain certain improvements within City's rights-of-way. The Parties agree as follows:

1. City has issued to DVRC a Special Exception Permit (hereinafter "SEP") for the development and operation of the area of City known as Deer Valley Resort. Within the SEP area, DVRC has constructed, or has permitted the construction, with the approval of City, of a number of ski bridges and ski tunnels (hereinafter "Skier Crossings") across City's street rights-of-way to allow skiers to cross over or under City's streets. The skier bridges consist of separate structures crossing over public streets within City rights-of-way. The skier tunnels consist of tunnels or underpasses underneath public streets with City rights-of-way and the tunnel structures are a part of the street infrastructure, in distinction to the separate bridges.

2. Heretofore, although DVRC has applied for and received building permits for the Skier Crossings in existence at this time, City and DVRC have not entered into formal agreements regarding Skier Crossings and have not provided for definition of responsibilities of the parties relating to such Skier Crossings.

3. In consideration of the sum of Ten Dollars (\$10.00) paid to City, and other consideration described herein, City grants to DVRC the right to construct and maintain SKier Crossings over and under City's streets in the SEP area at such locations and in such a manner as are approved in advance by the Park City Planning Commission and the Park City Council. Skier Crossings previously approved and constructed and previously approved but not yet constructed are covered under this Agreement and are identified on Exhibit A attached hereto and made a part hereof. Skier Crossings which are proposed in the master plan for Deer Valley Resort, the design and engineering of which have not yet been submitted for specific approval hereunder must be reviewed on a case by case basis, and this permit does not constitute specific approval of any or all skier crossings. As the construction of these additional Skier Crossings is approved by the Park City Planning Commission and the Park City Council, the additional Skier Crossings will automatically be covered by this Agreement.

4. All Skier Crossings covered by this Agreement must be constructed in accordance with City approved engineering design and specifications.

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5. DVRC agrees that it will maintain the Skier Crossings in a safe and functional condition, and that the ownership of all Skier Crossings will remain or vest in DVRC and its successors and assigns with respect to operation of the Deer Valley ski area. With respect to the skier bridges included in the Skier Crossings, DVRC shall have total maintenance responsibility and DVRC agrees that it will indemnify and hold City harmless from any and all claims arising as a result of the use of the skier bridges and DVRC's use of City property, including, without limitation, the structural failure of the Skier Crossings. With respect to the skier tunnels included in the Skier Crossings, DVRC's responsibilities hereunder shall be limited to the maintenance of the underpass portion of the tunnel structure and indemnification of City with respect to skier use of the underpass. DVRC shall not be obligated to maintain the vehicular portion of the street above the skier tunnel.

6. In the event that DVRC or its successors or assigns fail to maintain any Skier Crossing in a safe and functional state, City may elect, at its sole discretion, one or more of the following remedies 30 days after written notice to DVRC of that failure:

(a) Require specific performance of the maintenance necessary to render the offending structure safe and functional.

(b) Perform the maintenance necessary and recover the costs and expense thereof.

(c) Close, stabilize, demolish or remove the offending structure if the structure represents a hazard to the public health or safety if the offenses are not promptly cured.

(d) All other remedies available at law or in equity.

(e) Obtain reimbursement of City's costs, including administrative time and legal fees, incurred in pursuing its remedies under this Agreement.

7. DVRC agrees to obtain and keep in continuous effect a policy of combined general liability and property damage insurance with limits of \$1,000,000 per occurrence and \$5,000,000 aggregate. Proof of insurance must be provided to City in the form of certificates of insurance or actual insurance policies. The coverage may be provided by naming City as an additional insured on policies of general liability and casualty insurance. A ten (10) day cancellation notice provision is required.

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8. The license granted in this Agreement is appurtenant to the land comprising DVRC ski runs operated pursuant to the SEP which abut City's rights-of-way and is transferrable with title to or use of the DVRC ski area.

DATED this 9th day of May, 1990.

PARK CITY MUNICIPAL CORPORATION



[Signature]
ROSS, CITY MANAGER

ATTEST:

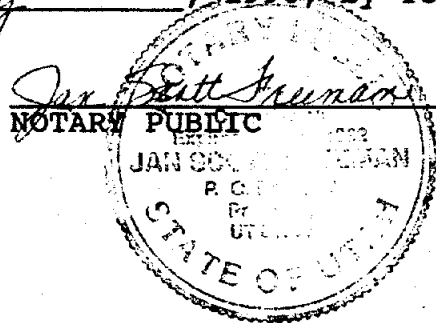
[Signature]
ANITA L. SHELDON, CITY RECORDER

DEER VALLEY RESORT COMPANY, a Utah limited partnership. By Royal Street of Utah, a general partner

[Signature]
ROBERT W. WELLS, VICE PRESIDENT

STATE OF UTAH)
) SS
COUNTY OF SUMMIT)

The foregoing Encroachment Permit was acknowledged before me on this 9th day of May, 1990, by Toby Ross, City Manager.



STATE OF UTAH)
) SS
COUNTY OF SUMMIT)

The foregoing Encroachment Permit was acknowledged before me this 14th day of May, 1990, by Robert W. Wells, Vice President of Royal Street of Utah, a Utah corporation, a

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general partner of Deer Valley Resort Company, a Utah limited partnership, as the action of Deer Valley Resort Company.

Anita Coletti
NOTARY PUBLIC

my commission expires 9/1/91
Residing at Park City, Ut

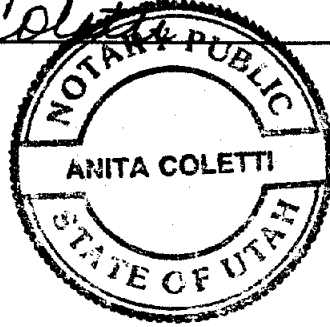


EXHIBIT A TO ENCROACHMENT PERMIT

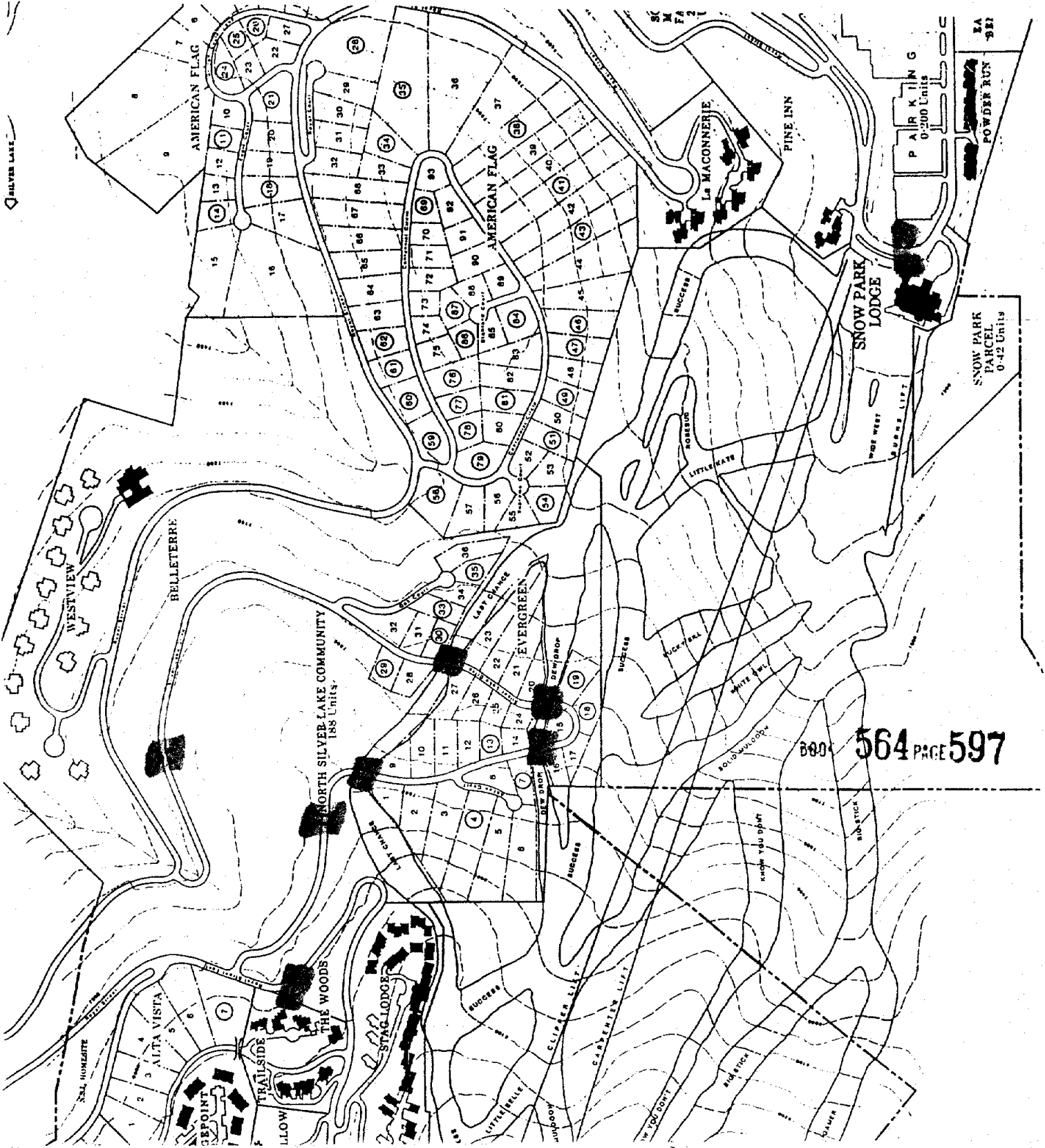
BRIDGES - North Silver Lake
Evergreen
Royal Street at the Woods

TUNNELS - Evergreen (three tunnels)
Snow Park
Belle Terre

EXHIBIT A TO ENCROACHMENT PERMIT

SKIER CROSSINGS PREVIOUSLY APPROVED AND CONSTRUCTED

SKIER CROSSINGS APPROVED BUT NOT YET CONSTRUCTED



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