

## OPERATION, MAINTENANCE AND ADMINISTRATIVE SERVICES AGREEMENT

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This **OPERATION, MAINTENANCE AND ADMINISTRATIVE SERVICES AGREEMENT** (this “**Agreement**”) is made and entered as of November 28, 2016, and effective as of the Closing Date for the Bonds (both terms hereafter defined (the “**Effective Date**”), by and between **BASE VILLAGE METROPOLITAN DISTRICT NO. 1** (“**District No. 1**”) and **BASE VILLAGE METROPOLITAN DISTRICT NO. 2** (“**District No. 2**”), individually and/or collectively referred to as the “**District**” or the “**Districts**,” as the context indicates. Each District is a quasi-municipal corporation and political subdivision of the State of Colorado. Each District may be referred to herein as a “**Party**”, and collectively, the “**Parties**”.

### RECITALS

WHEREAS, the formation of the Districts was approved by the Town of Snowmass Village, Colorado, as multiple districts whose purposes are to provide essential public improvements and services as provided in the Consolidated Service Plan for Base Village Metropolitan District No. 1 and Base Village Metropolitan District No. 2 (the “**Service Plan**”) for the development of Base Village (the “**Project**”) and its property owners and residents; and

WHEREAS, under the Service Plan, the Districts are intended to work together and coordinate their efforts with respect to all activities authorized in the Service Plan, including, but not limited, to the management and administration, structuring of financing, coordination of construction, and operations and maintenance of public improvements necessary and appropriate for the development of Base Village (the “**Public Improvements**”); and

WHEREAS, pursuant to the Service Plan, District No. 1 is to be responsible for managing the construction, acquisition and operation of the Public Improvements and District No. 2 shall have primary responsibility for providing the tax base as might be needed for operational and administrative requirements of the Districts or as necessary to pay the debt service on bonds issued to construct and/or acquire the capital improvements described in the Service Plan; and

WHEREAS, the Service Plan discloses and establishes the necessity for and desirability of an intergovernmental agreement or intergovernmental agreements between the Districts concerning the manner in which the Districts shall implement the Service Plan, and the role of each District with respect thereto; and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and § 29-1-203, C.R.S., the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide, *inter alia*, for the sharing of costs, the imposition of taxes, and the incurring of debt; and

WHEREAS, the Districts previously entered into that certain Amended and Restated District Public Improvements Joint Financing, Construction and Service Agreement, dated June

25, 2008 (the "**Prior Agreement**"), for the purpose of coordinating the efforts of the Districts with respect to activities authorized by the Service Plan and as contemplated by the Service Plan; and

WHEREAS, the Districts have evaluated their respective roles, responsibilities and obligations with respect to the operation and maintenance of the Public Improvements and funding of the same, and in relation to the administration of the Districts, and have determined that from and after the Effective Date, the Districts shall have the rights and responsibilities with respect to the operation and maintenance of the Public Improvements and the administration of the Districts solely as provided in this Agreement; and

WHEREAS, District No. 2 contemplates the restructuring and refinancing of its existing indebtedness by the issuance of its General Obligation Limited Tax Refunding Bonds, Series 2016A (the "**Senior Bonds**") issued pursuant to a senior indenture (the "**Senior Indenture**") and its Subordinate General Obligation Limited Tax Refunding Bonds, Series 2016B (the "**Subordinate Bonds**," and together with the Senior Bonds, the "**Bonds**") issued pursuant to a subordinate indenture (the "**Subordinate Indenture**"), with the closing on such issuance to be on a date determined by the Board of Directors of District No. 2, and presently anticipated on or about December 20, 2016 (the "**Closing Date**"); and

WHEREAS, in order to facilitate the issuance of the Bonds, District No. 1 will enter into a capital pledge agreement pursuant to which District No.1 will pledge certain revenues to the payment of the Bonds (the "**District No.1 Pledged Revenue**"); and

WHEREAS, under the Prior Agreement, the Districts have previously agreed that in order to provide the most economic and efficient services associated with the Public Improvements, District No. 1 would own, operate and maintain all Public Improvements within the boundaries of the Districts that are not otherwise dedicated to other public/governmental entities or an owners association, including but not limited to a conference center, a transit center and a parking garage (such operation and maintenance to be referred to herein as the "**O&M Services**"); and

WHEREAS, under the Prior Agreement, the Districts have also agreed that District No. 1 will perform the Administrative Services (as defined herein) for District No. 2; and

WHEREAS, the Districts desire to preserve the role of District No. 1 under the Prior Agreement relative to the provision of O&M Services and Administrative Services, and incorporate such services into this Agreement; and

WHEREAS, the Districts therefore desire to enter into this Agreement for the purpose of establishing the respective obligations of the Districts in relation to the provision of the O&M Services and the Administrative Services (collectively the "**Services**") and the funding of costs related to the Services; and

WHEREAS, contemporaneously with the execution of this Agreement, the Districts intend to terminate the Prior Agreement, with such termination to be effective as of the Effective Date; and

WHEREAS, the Districts have each independently determined that implementation of this Agreement is essential to the orderly administration of the affairs of the Districts and the coordinated operation and maintenance of the Public Improvements benefiting the Districts, their residents and taxpayers; and

WHEREAS, the Districts wish to enter into this Agreement providing for the manner in which coordination may be provided in the most economic and efficient manner.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Operation and Maintenance of Public Improvements. Except to the extent owned by or conveyed or dedicated to other governmental entities or an owners association, District No. 1 shall own, operate and maintain all Public Improvements within the boundaries of the Districts in accordance with the Service Plan and any approved development plans for the Project. District No. 1 agrees to provide the O&M Services for itself and District No. 2, provided that District No. 2 observes and performs the covenants and agreements set forth in this Agreement and is not otherwise in default of this Agreement. District No. 1 may suspend or curtail O&M Services in its discretion as necessary or appropriate to address funding shortfalls that have occurred or are anticipated to occur in the future. District No. 1 shall have the authority to enter into service contracts with third parties to provide any of the O&M Services required or deemed appropriate by District No. 1 in connection with the Public Improvements. District No. 1 may adopt rules, regulations, policies and procedures governing District No. 1's acceptance of any Public Improvements that may be constructed in connection with the Project for the benefit of the Districts. The Public Improvements that are owned by District No. 1 at the time of this Agreement, and which shall continue to be owned by District No. 1, include, but are not limited to a conference center and a transit center. District No. 1 is also the beneficiary of certain rights to the use of the District Parking Spaces in the parking garage (as that term is defined in the Easement Agreement (Underground Parking Garage), recorded in the real property records of the Clerk and Recorder of Pitkin County, Colorado on June 7, 2011, at Reception Number 580357), and will eventually own the commercial condominium unit that will be established for the District Parking Spaces.

2. Administrative Services. District No. 1 shall perform the following for District No. 2 (the "**Administrative Services**"), provided that District No. 2 observes and performs the covenants and agreements set forth in this Agreement and is not otherwise in default of this Agreement:

a. Serve as the “official custodian” and repository for the Districts’ records, including, but not limited to, providing file space, incidental office supplies and photocopying, meeting facilities and reception services.

b. Coordinate all Board meetings to include:

i. Preparation and distribution of agenda and information packets.

ii. Preparation and distribution of meeting minutes.

iii. Preparation, filing and posting of legal notices required in conjunction with the meeting.

iv. Other details incidental to meeting preparation and follow-up.

c. Ongoing maintenance of an accessible, secure, organized and complete filing system for District No. 2’s official records.

d. Monthly preparation of checks and coordination of postings with an accounting firm.

e. Periodic coordination with an accounting firm for financial report preparation and review of financial reports.

f. Maintain accounts for District No. 2 in accordance with generally accepted accounting principles that are customarily applicable to metropolitan districts organized under the Colorado Special District Act, §§ 32-1-101, *et seq.*, C.R.S., including Governmental Accounting Standards Board (GASB) standards, where the same are applicable or required, and present regular financial reports, including summaries of receipts and disbursements, which materials shall be available for examination by District No. 2 during regular business hours upon written request.

g. Insurance administration, including evaluating risks, comparing coverage, processing claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence, etc., and ascertaining that all contractors and subcontractors maintain required coverage for District No. 2’s benefit.

h. Election administration, including preparation of election materials, publications, legal notices, pleadings, conducting training sessions for election judges, and generally assisting in conducting the election.

i. Budget preparation, including preparation of proposed budget in coordination with an accounting firm, preparation of required and necessary publications, legal notices, resolutions, certifications, notifications and correspondence associated with the adoption of the annual budget and certification of the tax levy.

j. Response to inquiries, questions and requests for information from District No. 2’s property owners, residents and others.

k. Drafting proposals, bidding and contract administration, and supervision of contractors.

l. Analysis of financial condition and alternative financial approaches, and coordination and structuring of bond issue or other debt preparation.

m. Administration of the expenditure of any funds or proceeds related to any loans, bonds, or other financial obligations issued by District No. 2.

n. Oversight of investment of District No. 2's funds based on investment policies in accordance with state law.

o. Provide liaison and coordination with other governments.

p. Coordinate activities and provide information as requested to an external auditor engaged by District No. 2.

q. Supervise and ensure contract compliance of all service contractors.

r. Coordinate legal, accounting, management, engineering and other professional services.

s. Assist any auditors in the preparation of its annual audit as required by the laws of the State of Colorado.

t. Advise and assist District No. 2 by analyzing District No. 2's long and short-term financial needs and presenting District No. 2 with long and short-term financial proposals (including structuring of bond or other forms of debt issuance) to meet those needs.

u. Provide emergency communication services for the Operating District's facilities.

v. Perform such other services as may from time to time be reasonably necessary in furtherance of securing District No. 2's compliance with all applicable federal and state statutes and regulations and with applicable county and local laws; provided, however, that any and all expenditures in furtherance of these services shall be made and reimbursed in accordance with this Agreement.

### 3. Financial Matters.

a. General. The Districts acknowledge that District No. 1 will incur certain direct and indirect costs associated with the Services in order to properly accomplish the same (the "**Service Costs**"). District No. 2 further recognizes and acknowledges that District No. 1 is providing the Services for the direct benefit of itself and District No. 2, and the property owners within each of their respective boundaries. In exchange for District No. 1 undertaking the provision of the Services as provided herein, District No. 2 hereby agrees to pay such portion of the Service Costs each year in accordance with the provisions hereof. Such obligation constitutes a limited tax general obligation of District No. 2 payable solely from and to the extent

of revenue derived from the imposition of six (6) mills by District No. 2 (the “**District No. 2 Service Mill Levy**”) and the obligation of District No. 2 to impose the District No. 2 Service Mill Levy and pledge the revenue derived therefrom to the payment of Service Costs as provided herein is fully subordinate to lien thereon of the Senior Bonds and other Parity Bonds (as defined in the Senior Indenture). In no event shall the total or annual obligations of District No. 2 hereunder exceed the maximum amounts permitted under its electoral authority. The Parties agree and acknowledge that the obligation to levy property taxes hereunder shall be a multiple fiscal year financial obligation, as authorized by Ballot Issue J, approved by the eligible electors of the District in the general election held on November 2, 2004.

b. Termination of District 2’s Funding Obligation. The obligation of District No. 2 to fund any portion of the Service Costs pursuant to this Agreement shall terminate the first year that District No. 1, by the imposition of a total mill levy of 43.5 mills, is able to fully fund the Service Costs for that year, determined as set forth in Paragraph 3.c herein, as well as any current year’s obligation to provide District No. 1 Pledged Revenue payable to support the Bonds, (the “**District No. 2 Funding Termination Date**”). After the District No. 2 Funding Termination Date, District No. 2 shall be fully released from any obligation to impose the District No. 2 Service Mill Levy and/or to transfer any revenue to District No. 1 for the funding of any Service Costs, and thereafter District No. 1 shall be solely responsible for funding any and all Service Costs and shall continue to provide the Services as set forth herein.

c. Determination of the District No. 2 Service Mill Levy. Prior to the District No. 2 Funding Termination Date, no later than October 15 of each year, District No. 1 shall prepare and submit to District No. 2 for review and comment a preliminary budget for the forthcoming year, with the budgeted expenses for the Services for that year (the “**Service Budget**”) specifically set forth. District No. 2 shall submit any comments on the Service Budget by November 1 of each year. The Districts shall exercise reasonable and good faith efforts to resolve any disagreements concerning the Service Budget Amount in order to arrive at a final Service Budget by November 15, to facilitate the adoption of a final Service Budget and certification of mill levies. In the event the Districts are unable to come to mutual agreement on the final Service Budget, District No. 1 shall make such reasonable determinations with respect thereto as the Board of Directors of District No. 1 shall reasonably conclude are necessary and appropriate to provide the Services for the benefit of both Districts. The Service Budget shall be substantiated by existing contracts for the provision of the Services between District No. 1 and/or District No. 2 and third party contractors, proposals for the same, and/or other reasonable and reliable documentation to substantiate and validate the Service Budget. Such budget may establish reasonable reserves or contingencies. Such budget shall reflect the imposition of no less than 43.5 mills by District No. 1 (the “**District No. 1 Minimum Mill Levy**”) upon all taxable property within District No. 1. In the event the revenue to be generated by the imposition of the District No. 1 Minimum Mill Levy, less any District No. 1 Pledged Revenue payable to support the Bonds for the same budget year, is insufficient to fully fund the budgeted Service Costs, the budget shall also set forth the deficiency amount (the “**Shortfall Amount**”). The terms of this Paragraph shall no longer be applicable and binding between the Parties after the District No. 2 Funding Termination Date; provided, however, that District No. 1 shall continue to furnish a preliminary Service Budget for review and comment by District No. 2 by October 15,

District No. 2 shall continue to submit any comments thereon by November 15 of each year, and the final Service Budget shall be set by the Board of Directors of District No. 1.

d. District No. 2's Pledge. Until the District No. 2 Funding Termination Date, District No. 2 agrees to levy on all of the taxable property of District No. 2, in addition to all other taxes, direct annual taxes to the extent necessary to provide for payment of the Shortfall Amount (the "**District No. 2 Services Mill Levy**"), but not in excess of 6 mills.

It shall be the duty of District No. 2 annually at the time and in the manner provided by law for the levying of District No. 2's taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the District No. 2 Services Mill Levy, and to require the officers of District No. 2 to cause the appropriate officials of the Pitkin County, Colorado, to levy, extend and collect the District No. 2 Services Mill Levy in the manner provided by law for the purpose of providing funds for the payment of the Shortfall Amount promptly as the same, respectively, become due. The taxes, when collected, shall be applied only to the payment of Service Costs.

The taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado. District No. 2 shall pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries.

The Districts acknowledge that the amount of tax revenue payable to District No. 1 under this Agreement shall be limited to the tax revenue generated from the imposition of the District No. 2 Service Mill Levy. The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of District No. 2 in each year while any of the obligations herein authorized are outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of District No. 2 to levy ad valorem property taxes, or as limiting or impairing the obligation of District No. 2 to levy, administer, enforce and collect the ad valorem property taxes as provided herein for the payment of the obligations hereunder.

e. Deposit of District No. 2 Service Mill Levy Revenue. Unless otherwise agreed by the Districts, on or before the 15<sup>th</sup> day of each month, District No. 2 shall deposit into District No. 1's general fund, the proceeds of the District No. 2 Service Mill Levy, if any, that have been collected up to that date. Such revenue shall be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to District No. 1, or such other method as may be mutually agreed to by the Districts. District No. 1 shall have the authority to make withdrawals or payments from its general fund, and the funds deposited in the general fund by District No. 2, together with interest earned thereon, shall be used solely for the purpose of paying Service Costs for that budget year in accordance with this Agreement.

4. Purpose. In addition to the provisions of this Agreement, inclusive of the recitals herein, reference shall also be made to the Service Plan for purposes of construing this Agreement and the intent of the Districts as the same has been manifested by the Districts' course of conduct over time or other extrinsic evidence. The Districts agree that they shall be entitled to any remedy, order, judgment or action which is or may be necessary in order to make operative the intentions of the Districts as expressed herein. The Districts acknowledge that performance of this Agreement is key to full implementation of the Service Plan by the Districts and that any attempt by either District to terminate this Agreement other than in accordance with Paragraph 9 or materially alter its terms except in accordance with Paragraph 11.c herein, by judicial action or otherwise, is acknowledged to be and shall constitute a "material departure" from the Service Plan which, in addition to all other remedies set forth herein, the other District shall be entitled to seek to enjoin in accordance with § 32-1-207, C.R.S., as amended from time to time. Notwithstanding the foregoing agreements regarding "material departures" from the Service Plan, the agreements and acknowledgements of the Parties relative thereto are expressed solely for the benefit of the Parties to aid in their efforts to enforce this Agreement and shall not constitute or be admissible as admissions by any Party in efforts, which may be taken by any other person to enjoin activities by or otherwise seek legal or equitable remedies against any District under state law.

5. Rules and Regulations. All rules and regulations, and amendments thereto, placed in force by District No. 1 from time to time concerning the provision of any Services shall be fully enforceable within the legal boundaries of each of the Districts and against all Users. District No. 2 agrees to promptly exercise any rule making or police power it may have to fully assist District No. 1 in enforcing District No. 1's rules and regulations.

6. General Representations. In addition to the other representations, warranties and covenants made by the Districts as set forth in this Agreement, the Districts each respectively makes the following additional representations, warranties and covenants to each other with respect to itself, and may be held liable for any loss suffered as a consequence of any misrepresentation or breach under this Paragraph 6:

a. The District has the full right, power and authority to enter into, perform and observe this Agreement.

b. Neither the execution of this Agreement, the consummation of the transactions contemplated hereunder, nor the fulfillment of or the compliance with the terms and conditions of this Agreement by such District will conflict with or result in a breach of any terms, conditions, or provisions of, or constitute a default under, or result in the imposition of any prohibited lien, charge, or encumbrance of any nature under any agreement, instrument, indenture, or any judgment order, or decree to which such District is a party or by which such District is bound.

c. This Agreement is a valid, binding and legally enforceable obligation of the District and is enforceable in accordance with its terms.



d. The District shall keep and perform all of the covenants and agreements contained herein and shall take no action that could have the effect of rendering this Agreement unenforceable in any manner.

7. Future Exclusion of Property. Until the District No. 2 Funding Termination Date, District No. 2 shall not consent to the exclusion of any real property from within its boundaries if such exclusion would materially impact District No. 2's ability to pay District No. 1 for the Shortfall Amount as provided herein, without first obtaining the consent of District No. 1, which consent will not be unreasonably withheld.

8. Default, Remedies and Enforcement.

a. Events of Default. The violation of any provision of this Agreement by either District, the occurrence of any one or more of the following events, and/or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement.

i. Until the District No. 2 Funding Termination Date, the failure of District No. 2 to impose the District No. 2 Service Mill Levy, as provided herein;

ii. The failure to perform or observe any other covenants, agreements, or conditions in this Agreement on the part of either District and to cure such failure within ten (10) days of receipt of notice from the other District of such failure; provided, however, that if the applicable default is of a nature that the same is not reasonably susceptible of being cured within such 10-day period, then the cure period shall extend so long as the defaulting District commences its cure within such 10-day period and thereafter pursues the cure to completion by the exercise of due diligence, as determined by the non-defaulting District;

iii. The filing of a voluntary petition under federal or state bankruptcy or insolvency laws by either District or the appointment of a receiver for District No. 2's assets, prior to the District No. 2 Funding Termination Date, which is not dismissed within thirty (30) days of such filing or appointment;

iv. Prior to the District No. 2 Funding Termination Date, assignments by District No. 2 for the benefit of a creditor and a failure to secure the release or termination of such assignments within thirty (30) days after the making of such assignments; or

v. The dissolution, insolvency, or liquidation of either District and a failure to cure such dissolution, insolvency or liquidation within ten (10) days of receipt of written notice.

b. Remedies on Occurrence of Events of Default. Upon the occurrence of an Event of Default, the non-defaulting District shall have the following rights and remedies that may be pursued:

i. In the event of breach of any provision of this Agreement, the non-defaulting District may ask a court of competent jurisdiction to enter a writ of mandamus to compel the Board of the defaulting District to perform its duties under this Agreement, and the non-defaulting District may seek from a court of competent jurisdiction temporary and/or permanent injunctions, an action in mandamus, or orders of specific performance, to compel the defaulting District to perform in accordance with the obligations set forth under this Agreement.

ii. The non-defaulting District may protect and enforce its rights under this Agreement by such suit, action, or special proceedings or remedies as it shall deem appropriate, including without limitation any proceedings for specific performance of any covenant or agreement contained herein, for the enforcement of any other appropriate legal or equitable remedy, or for the recovery of damages caused by breach of this Agreement, including attorneys' fees and all other costs and expenses incurred in enforcing this Agreement or exercising any available remedies. If, at any time, there shall cease to be electors in District No. 1, or if no electors of District No. 1 are willing to act as directors of District No. 1, District No. 2 may ask a court of competent jurisdiction to designate the proper persons to assume control of District No. 1 for purposes of causing the performance of District No. 1's obligations under this Agreement.

iii. In the event the Event of Default is the failure of District No. 2 to impose the District No. 2 Service Mill Levy prior to the District No. 2 Funding Termination Date, District No. 1 may impose User Fees directly upon the Users within District No. 2 for the provision of the Services in lieu of collecting the amount of the Shortfall Amount from District No. 2. In such event, methods of collection of the User Fees shall be determined solely by District No. 1. District No. 1 shall have the right to delegate or assign such impositions and collection power to a billing or service entity of its choice.

iv. To terminate this Agreement for any Event of Default that causes the non-defaulting District irreparable harm material to their aggregate interests under this Agreement.

v. To take or cause to be taken such other actions as the non-defaulting District reasonably deem necessary.

c. Delay or Omission No Waiver. No delay or omission of either District to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

d. No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default hereunder by either District shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the non-defaulting District provided in this

Agreement may be exercised with or without notice, shall be cumulative, may be exercised separately, concurrently or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

9. Termination. The Districts acknowledge that they are part of a fully integrated Project and community, that the Public Improvements are not easily partitioned among the Districts and that cooperation in the termination process will be necessary to ensure that the integrity and quality of the community is maintained. Accordingly, this Agreement shall not be terminable (unless otherwise mutually agreed) prior to the District No. 2 Funding Termination Date. Thereafter, District No. 1 shall continue to provide the Services as set forth herein, subject to the right of District No. 2 to terminate the obligation of District No. 1 to provide the Administrative Services for District No. 2. Any termination of the O&M Services may be initiated by District No. 1 only, after a written notice has been provided to District No. 2, and an agreement is approved by each District setting forth the matters required in this Paragraph 9 (the "**Termination Agreement**"). It shall be required that any such Termination Agreement contain provisions to ensure that the Public Improvements are operated effectively and economically and that the public health, safety, prosperity, and general welfare of the residents and property owners within the Districts will be better served by the termination. Such Termination Agreement shall be required to include (1) a plan for the manner in which ownership of the Public Improvements and ownership and maintenance shall be allocated and transferred as between the Districts, (2) a plan for payment associated with any outstanding obligations of District No. 1, as the same are incurred prior to the proposed date of termination; (3) to the extent any of the Public Improvements have been financed directly by District No. 1 and such obligations remain outstanding, a plan for the payment of all such obligations and/or debts; and (4) the manner in which outstanding agreements of District No. 1 may be terminated, cancelled, assigned or otherwise handled.

10. Indemnification. To the extent permitted by law, District No. 1 agrees to hold District No. 2 harmless from the claims of third persons arising out of any breach of this Agreement by District No. 1 and to defend all actions for damages arising out of such claims which may be brought against District No. 2 by third persons. In the event of an occurrence or loss out of which a claim arises or could arise, District No. 2 agrees to transmit in writing and at once, any notice of information received or learned by District No. 2 concerning such claim. District No. 2 agrees not to voluntarily make any payment, assume any obligation or incur any expense in connection with the subject matter of this paragraph if any such actions would impair the rights of District No. 1. No claim shall lie against District No. 1 hereunder unless as a condition precedent thereto, District No. 2 has fully complied with the provisions of this Agreement and the amount of District No. 2's obligation to pay shall have been fully determined. The foregoing indemnity shall not apply, however, to any third-party claims attributable to any actions or omissions of District No. 2, including, without limitation, any failure of District No. 2 to timely pay any sums due and owing hereunder.

To the extent permitted by law, District No. 2 agrees to hold District No. 1 harmless from the claims of third persons arising out of any breach of this Agreement by District No. 2 and to defend all actions for damages arising out of such claims which may be brought against District No. 1 by third persons. In the event of an occurrence or loss out of which a claim arises or could

arise, District No. 1 agrees to transmit in writing and at once, any notice of information received or learned by District No. 1 concerning such claim. District No. 1 agrees not to voluntarily make any payment, assume any obligation or incur any expense in connection with the subject matter of this paragraph if any such actions would impair the rights of District No. 2. No claim shall lie against District No. 2 hereunder unless as a condition precedent thereto, District No. 1 has fully complied with the provisions of this Agreement and the amount of District No. 1's obligation to pay shall have been fully determined. The foregoing indemnity shall not apply, however, to any third-party claims attributable to any actions or omissions of District No. 1, including, without limitation, any failure of District No. 1 to timely pay any sums due and owing hereunder.

11. Miscellaneous.

a. Relationship of Parties. This Agreement does not and shall not be construed as creating a joint venture, partnership, or employer-employee relationship between the Districts. The Districts intend that this Agreement be interpreted as creating only an ordinary contractual relationship between them as contemplated in the Service Plan, without any fiduciary or other special duties. The Districts hereby incorporate the RECITALS into this Agreement. It is also agreed that the conduct and control of the work and functions required by this Agreement shall lie solely with District No. 1 which shall be free to exercise reasonable discretion in the performance of its duties under this Agreement. Neither District shall, with respect to any activity, be considered an agent or employee of the other District.

b. Assignment. Except as set forth herein or as contemplated in the Service Plan, neither this Agreement, nor either District's rights, obligations, duties or authority hereunder may be assigned in whole or in part by either District without the prior written consent of the other District. Any such attempt of assignment without the requisite consent shall be deemed void and of no force and effect at the election of any District with consent rights. Consent to one assignment shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment. Except for its pledge under the Senior Indenture, District No. 2 shall not assign any rights in and to the revenue derived from the District No. 2 Service Mill Levy to any person for any reason whatsoever, regardless of whether District No. 1 consents to such assignment, and any assignment in contravention of this provision shall be deemed void and of no force and effect. Notwithstanding, nothing contained herein shall prohibit District No. 1 from engaging contractors, employees or other third parties to perform the Services, or any portion thereof, on behalf of District No. 1.

c. Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by the Districts. No consent of any third party shall be required for the negotiation and execution of any such agreement.

d. Integration. This Agreement contains the entire agreement between the Districts regarding the subject matter hereof, and no statement, promise or inducement made by either District or the agent of either District that is not contained in this Agreement or separate written instrument shall be valid or binding.

e. Severability. Legal invalidation of any of the provisions of this Agreement or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Agreement.

f. District Dissolution. In the event either District seeks to dissolve pursuant to §§ 32-1-701, et seq., C.R.S., as amended, it shall provide written notification of the filing or application for dissolution to the other District concurrently with such filing. Neither District shall seek to dissolve so long as this Agreement is in effect without the prior written consent of the other District.

g. Survival of Obligations. Unfulfilled obligations of the Districts arising under this Agreement shall be deemed to survive the expiration of this Agreement or termination of this Agreement by court order. Said obligations shall be binding upon and inure to the benefit of the Districts and their respective successors and assigns.

h. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. Venue shall be proper in the county in which the Districts are located.

i. Headings for Convenience Only. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to construe the provisions hereof.

j. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or the date otherwise determined for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

k. Persons Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the Districts, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all of the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts shall be for the sole and exclusive benefit of the Districts acting through their respective Boards. This Agreement shall be construed as an intergovernmental agreement among the Districts only. It is expressly agreed by the Districts that no person other than District No. 2 shall obtain any enforceable rights to service from District No. 1, and, to this end, it is expressly declared by the Districts that no person shall be construed as a third party beneficiary of any kind of this Agreement except as expressly stated herein.

l. Notices. Except as otherwise provided herein, all notices required under this Agreement shall be in writing and shall be (a) hand-delivered, and in such instance, considered effective upon delivery, (b) sent by registered or certified mail, return receipt

requested, postage prepaid, and in such instance, considered effective seventy-two (72) hours after deposit in the United States mail with the proper address as set forth below, (c) sent by reputable overnight courier, and in such instance, considered effective on the next business day, or (d) sent via email, and in such instance considered effective upon receipt of an electronic delivery confirmation with a hard copy to be sent no later than three (3) business days after electronic delivery confirmation via one of the delivery methods specified in (a), (b) or (c) of this sentence, to the addresses of the Parties herein set forth. Any Party by notice so given may change the address to which future notices shall be sent.

District No. 1:                      Base Village Metropolitan District No. 1  
c/o Snowmass Hospitality  
P.O. Box 5550  
84 Carriage Way  
Snowmass Village, Colorado 81615  
Attention: Kelly Brockett  
(970) 924-6051 (phone)  
kbrockett@snowmasshospitality.com

With a copy to:                      WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
Attention: William P. Ankele, Jr., Esq.  
(303) 858-1800 (phone)  
(303) 858-1801 (fax)  
wpankele@wbapc.com

District No. 2:                      Base Village Metropolitan District No. 2  
c/o Snowmass Hospitality  
P.O. Box 5550  
84 Carriage Way  
Snowmass Village, Colorado 81615  
Attention: Kelly Brockett  
(970) 924-6051 (phone)  
kbrockett@snowmasshospitality.com

With a copy to:                      WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
Attention: William P. Ankele, Jr., Esq.  
(303) 858-1800 (phone)  
(303) 858-1801 (fax)  
wpankele@wbapc.com

m. District Records. The Districts shall have the right to access and review each other's records and accounts, at reasonable times during the Districts' regular office hours, for purposes of determining compliance by the Districts with the terms of this Agreement. Such access shall be subject to the provisions of the Colorado Open Records Act of contained in §§24-72-101, et. seq., C.R.S. and any policies adopted by the applicable District. In the event of disputes or litigation between the Parties hereto, all access and requests for such records shall be made in compliance with the Colorado Open Records Act and any applicable litigation discovery rules.

n. Recovery of Costs. In the event of any litigation between the Districts hereto concerning the subject matter hereof, the prevailing District in such litigation shall receive from the losing District, in addition to the amount of any judgment or other award entered therein, all reasonable costs and expenses incurred by the prevailing District in such litigation, including reasonable attorneys' fees.

o. Compliance with Law. The Districts agree to comply with all federal, state and local laws, rules and regulations which are now, or in the future may become applicable to the Districts, to their business or operations, or to services required to be provided by this Agreement.

p. Instruments of Further Assurance. The Districts each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

q. Governmental Immunity. Nothing herein shall be construed as a waiver of the rights, privileges and immunities of either of the Districts pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, et seq., C.R.S., as amended from time to time.

r. Counterpart Execution. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

s. Negotiated Provisions. This Agreement shall not be construed more strictly against one Party than against another, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

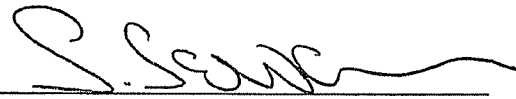
*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written to be effective as of the Effective Date.

**BASE VILLAGE METROPOLITAN  
DISTRICT NO. 1**

By:   
President


**ATTEST:**

  
Secretary

**BASE VILLAGE METROPOLITAN  
DISTRICT NO. 2**


By:   
President

**ATTEST:**

  
Secretary

**APPROVED AS TO FORM:**

**WHITE BEAR ANKELE TANAKA & WALDRON**  
Attorneys at Law

  
General Counsel to the Districts

*[Signature page to Operation, Maintenance and Administrative Services Agreement]*