

VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT

BELVEDERE PROPERTY MANAGEMENT LLC

and

TAOS SKI VALLEY, INC.

BOND PURCHASE AGREEMENT

Dated as of February 1, 2018

\$44,000,000

Maximum Net Proceeds

Village of Taos Ski Valley Tax Increment Development District
Senior Lien Taxable Draw-Down Tax Increment Revenue Bond
Series 2018

BOND PURCHASE AGREEMENT

BELVEDERE PROPERTY MANAGEMENT LLC (together with its successors, assigns and assignees of the Bond, the “Purchaser”), the VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT, acting through its Board of Directors (the “District”), and TAOS SKI VALLEY, INC. (together with its successors and assigns, the “Company”), agree:

Section 1. **Recitals.** The District and BOKF, NA, as trustee (the “Trustee”) have entered into a Master Indenture of Trust dated as of February 1, 2018 (the “Master Indenture”), as supplemented by Supplemental Indenture No. 1 dated as of February 1, 2018 (the “First Supplement” and, together with the Master Indenture, the “Indenture”). Capitalized terms used in this Bond Purchase Agreement (this “Agreement” or “Bond Purchase Agreement”) but not defined herein shall have the meanings assigned to such terms in the Indenture. Pursuant to the Indenture, the District will issue its Village of Taos Ski Valley Tax Increment Development District Senior Lien Taxable Draw-Down Tax Increment Revenue Bond, Series 2018, to provide maximum net proceeds of \$44,000,000, as adjusted for inflation in accordance with the Construction Cost Index applicable to the Albuquerque region published in ENR.com by the McGraw-Hill Companies (or, in the event such index is no longer published at the applicable time, such other index of construction costs as the District and the Village Administrator of the Village of Taos Ski Valley or successor in function mutually determine is acceptable for purposes of the Amended and Restated Master Development Agreement and the Formation Resolution) (the “Bond”). The Indenture and this Bond Purchase Agreement are collectively referred to herein as the “Bond Documents.”

Section 2. **Purchase and Delivery.** On the basis of the representations and covenants contained in this Bond Purchase Agreement and subject to the terms and conditions contained in this Bond Purchase Agreement, the Purchaser will purchase the Bond from the District and the District will sell the Bond to the Purchaser. As consideration for the sale of the Bond, the Purchaser will make advances on the Bond at the times and under the conditions specified in Section 2.4 of the First Supplement. The District will deliver the Bond to the Purchaser on the date of execution and delivery of the Indenture as provided in Section 2.3 of the First Supplement or such other time as is mutually agreeable to the Purchaser and the District (the “Closing Date”).

Section 3. **District Representations.** The District represents that as of the date of this Agreement:

(a) The District was duly formed and validly exists under the Tax Increment for Development Act, Sections 5-15-1 through 5-15-28 NMSA 1978, Resolution No. 2015-272 and Amended and Restated Village Resolution No. 2015-275 (collectively, the “Act”). The District is authorized to enter into this Agreement and to take the actions contemplated hereby and in the Indenture.

(b) The District is authorized to issue the Bond for the purpose of providing funds pay costs of Public Infrastructure as provided in the Amended and Restated Master

Development Agreement, and to provide for costs of issuance of the Bond (the “Project”). The District has the power to enter into the transactions contemplated by, and to carry out its obligations under the Act and the Bond Documents. The District duly adopted Resolution No. 2018-18 (the “Bond Resolution”) on February 6, 2018, which authorized the issuance of the Bond and approved the forms, terms and provisions of the Bond Documents. At or prior to the Closing Date, the Chair and the Clerk of the Board shall have duly executed the Master Indenture and the First Supplement.

(c) Assuming the due authorization and execution by the other parties thereto, the Bond Documents will constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights. The Bond, when issued, delivered and paid for in accordance with the Bond Documents, will constitute a legal, valid and binding special obligation of the District entitled to the benefits of the Indenture, and will be enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights. Upon the issuance, authentication and delivery of the Bond as aforesaid, the Indenture will provide the legally valid and binding pledge of certain revenues that the Indenture purports to create as set forth in the Indenture.

(d) The proceeds of the Bond will be used by the District only for the Project. The distribution and use of proceeds of the Bond will be in compliance with the provisions of the Indenture.

(e) There is no litigation or proceeding pending or, to the actual knowledge of the undersigned official of the District, threatened, in any way affecting the existence of the District, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bond, or in any way contesting or affecting the validity or enforceability of the Bond, the Bond Resolution, the Indenture or this Agreement, or contesting the powers of the District or its authority with respect to the Bond, the Bond Resolution, the Indenture or this Agreement.

(f) To the best knowledge of the District, the issuance, sale and delivery of the Bond, the execution and delivery of this Agreement and compliance with the obligations on the part of the District contained in this Agreement and in the Bond do not conflict with or constitute a breach or default under any administrative regulation, judgment, decree, loan agreement, indenture, note, bond, resolution, agreement or other instrument to which the District is a party or to which the District, or any of its properties or other assets, is otherwise subject.

(g) Statements contained in any certificate of the District provided to the Purchaser pursuant to this Agreement or in connection with the delivery of the Bond and delivered to the Purchaser shall be deemed representations and warranties by the District to the Purchaser.

Section 4. **Company Representations.** The Company represents that as of the date of this Agreement:

(a) This Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general principles of equity.

(b) The Company is a New Mexico corporation, duly organized, validly existing and in good standing under the laws of the State of New Mexico and has full legal capacity, right, power and authority to own the Company's properties and conduct the Company's business. The Company has full legal capacity, right, power and authority to execute and deliver this Agreement, to carry out its obligations under the Amended and Restated Master Development Agreement and to take any and all such action as may be required on its part to carry out, give effect to and consummate the transactions contemplated by this Agreement and the Amended and Restated Master Development Agreement.

(c) Neither the execution and delivery of this Agreement or the Amended and Restated Master Development Agreement, nor the consummation of the transactions contemplated therein or the compliance with the provisions thereof, to the actual knowledge of the Company, will conflict with, or constitute on the part of the Company a violation of, or a breach of or default under any indenture, mortgage, commitment, note or other agreement or instrument to which the Company is a party or by which the Company is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its activities or properties which would have a material adverse effect on the Company. All consents, approvals, authorizations and orders of governmental or regulatory authorities (except as required under state securities laws) which are required for the Company's execution and delivery of, or consummation of the transactions contemplated by and compliance with the provisions of this Agreement and the Amended and Restated Master Development Agreement have been obtained other than any which are not presently required or which, if not obtained, would not reasonably be expected to have a material adverse effect on the Company.

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the actual knowledge of the Company, threatened, against or affecting the Company, or the actions taken or contemplated to be taken by the Company, nor, to the actual knowledge of the Company, is there any basis therefor wherein an unfavorable decision, ruling or finding would materially adversely affect the business or financial condition of the Company, or the transactions contemplated by, or the validity or enforceability of, this Agreement or the Amended and Restated Master Development Agreement.

(e) To the Company's knowledge, no event has occurred and no condition exists which, upon issuance of the Bond, would constitute (or with the giving of notice or lapse of time, or both, would constitute) an Event of Default by the Company under the Amended and Restated Master Development Agreement.

(f) The Company is not in violation of any provisions of, or in default under any indenture, mortgage, commitment, note or other agreement or instrument to which it is a party or by which it is bound, or to the actual knowledge of the Company, any order, rule, regulation or decision of any court or governmental agency or body having jurisdiction over it or any of its activities or properties, which violation would materially and adversely affect its ability to perform its obligations under this Agreement or the Amended and Restated Master Development Agreement.

Section 5. **Purchaser Representations.** The Purchaser represents that as of the date of this Agreement:

(a) The Purchaser is purchasing the Bond for its own account for investment and with no present intention of distributing or reselling the Bond or any interest in the Bond but without prejudice, however, to its right at all times to sell or otherwise dispose of all but not part of the Bond in compliance with the Securities Act of 1933, as amended, the regulations promulgated thereunder, applicable state securities laws and regulations and the terms of the Bond, and to the extent required in accordance with the terms of the Indenture, upon receipt of appropriate investor representations, and an opinion of counsel experienced in securities law matters and satisfactory to the District in accordance with the applicable terms of the Indenture.

(b) The Purchaser acknowledges that the Bond is a special, and not general, obligation of the District, is payable solely from the Pledged Revenues received by the District and from the security therefor as described in the Indenture but from no other sources and that no right will exist to have taxes levied by the District, the State, any political subdivision or municipality thereof, for the payment of principal of, premium, if any, and interest on the Bond. The Purchaser understands that the Bond is not a general obligation, debt or liability of the State, the Village or the County, none of the State, the Village or the County shall be liable on the Bond and none of the State, the Village or the County have pledged their full faith and credit to the Bond. The principal of, premium, if any, and interest on the Bond shall not constitute or give rise a pecuniary liability on the part of the members, directors or officers of the District.

(c) The Purchaser has been afforded the opportunity to discuss the business, assets and financial position of the Company with the officers, employees and auditors of the Company, and has received such information concerning the Company and its business, assets and financial position, as it deems necessary in making its decision to purchase the Bond.

(d) The Purchaser is duly and legally authorized to purchase the Bond, has such knowledge and experience in financial and business matters as are required for, and is capable of, evaluating the merits and risks of its purchase of the Bond, is aware of the intended use of proceeds of the Bond, and understands that interest on the Bond is not excludable from gross income for federal income tax purposes.

(e) The Purchaser has received and reviewed draft and final copies of the Bond Documents and the Bond Resolution.

(f) This Agreement constitutes the legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as enforcement

may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general principles of equity.

(g) The Purchaser has been informed by the Company and agrees that the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, and that the Bond (i) is not being registered or otherwise qualified for sale under (a) the Securities Act of 1933, as amended, or (b) the "Blue Sky" laws and regulations of any state, (ii) will not be listed on any stock or other securities exchange, (iii) will not carry a rating from any rating service and (iv) will not be readily marketable. The Purchaser has been informed by the Company and agrees that a legend will be placed on the Bond or any other documents evidencing ownership of the Bond to the effect that it has not been registered under the Securities Act of 1933, as amended, or the applicable state "Blue Sky" laws and that it may only be transferred in compliance with the Indenture and applicable securities laws.

(h) The execution, delivery and performance by Purchaser of this Bond Purchase Agreement will not conflict with, contravene, violate or constitute a breach of or default under any order, consent, decree, agreement or instrument to which Purchaser is a party or by which it or its properties is bound resulting in a specific, material and adverse effect on Purchaser's ability to perform its obligations under this Bond Purchase Agreement.

(i) The Purchaser acknowledges that its purchase of the Bond constitutes a transaction in bonds secured by the Indenture which is, among other things, a personal property security agreement, pursuant to which (i) the Bond is offered and sold as a unit, (ii) a general solicitation or general advertisement of the purchase transaction is not made and (iii) a commission or remuneration is not given, directly or indirectly, to a person not registered pursuant to the New Mexico Uniform Securities Act as a broker-dealer or its agent.

(j) The Purchaser releases the District and its directors, members, officers, employees and agents, including all legal counsel employed by the District, from, and agrees the District, its directors, members, officers, employees and agents, including all legal counsel employed by the District, shall not be liable for, any expenses or damages for any reason arising under the Indenture or the Bonds, including noncompliance, if any, with the Act, other than from the Pledged Revenues. This paragraph shall survive the termination of this Bond Purchase Agreement, the Indenture and the payment of the Bond.

Section 6. **Conditions.** The obligation of the Purchaser to purchase the Bond and the obligation of the District to sell the Bond are subject to satisfaction of the following conditions precedent:

(a) The representations of the District, the Purchaser and the Company in this Agreement will be true and correct on and as of the Closing Date.

(b) As of the Closing Date, no Event of Default (as separately defined in the Indenture and in the Amended and Restated Master Development Agreement) will have occurred and be continuing, and no event will have occurred and be continuing which, with the lapse of time or the giving of notice or both, would constitute any such Event of Default.

(c) On or before the Closing Date, all actions required to be taken as of the Closing Date in connection with the Bond Resolution and the Bond Documents by the District, the Purchaser and the Company will have been taken, and the District, the Purchaser and the Company will each have performed and complied with all agreements, covenants and conditions required to be performed or complied with by the Bond Resolution and the Bond Documents.

(d) The Indenture will have been duly executed and delivered by the District and the Trustee. Each of the Bond Documents, the Bond Resolution and all other official action of the District relating to the Bond, the Project and the Bond Documents will be in full force and effect on the Closing Date and will not have been amended, modified or supplemented on or before the Closing Date (other than as the Master Indenture is supplemented by the First Supplement).

(e) The District, the Company, the Trustee (except for the certificate required by clause (vii) below) and the Purchaser will have received the following, each dated the Closing Date:

(i) the approving opinion of Sherman & Howard, LLC, Bond Counsel, substantially in the form of Exhibit A;

(ii) the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A. as counsel to the Company and the Purchaser, substantially in the form of Exhibit B;

(iii) the opinion of Dennis C. Romero, as counsel to the District, substantially in the form set forth in Exhibit C;

(iv) a certificate of and with reference to the District and signed by a duly authorized officer of the District to the effect set forth in subsections (a) and (c) of this Section 6 with respect to the District;

(v) a certificate of and with reference to the Company signed by a duly authorized officer of the Company to the effect set forth in subsections (a), (b) and (c) of this Section 6 with respect to the Company;

(vi) a certificate of and with reference to the Purchaser signed by a duly authorized officer of the Purchaser to the effect set forth in (a) and (c) of this Section 6 with respect to the Purchaser;

(vii) a certificate of the Trustee signed by a duly authorized officer of the Trustee to the effect that (aa) he or she is an authorized officer of the Trustee; (bb) the Indenture has been duly executed and delivered by the Trustee; (cc) the Trustee has all necessary corporate powers required to execute, deliver and perform its obligations under the Indenture; and (dd) to the best of his or her knowledge, the execution and delivery by the Trustee of the Indenture and the performance by the Trustee of its obligations under the Indenture will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which the Trustee is subject or by which the Trustee is bound; and

(viii) such additional legal opinions, certificates, proceedings, instruments and other documents as any party or Bond Counsel may reasonably request.

If any conditions to the obligations of the Purchaser or the District under this Agreement are not satisfied and if the satisfaction of such conditions is not waived by the Purchaser or the District, as applicable, then, at the option of the Purchaser or the District, respectively, in accordance with their interests (x) the Closing Date will be postponed for such period, not to exceed ten (10) Business Days, as may be necessary for such conditions to be satisfied, or (y) the obligations of the Purchaser and the District under this Agreement will terminate, and neither the Purchaser nor the District will have any further obligations or liabilities under this Agreement, provided that the Company will continue to be obligated to reimburse the District for the expenses of the District incurred up to the termination date.

Section 7. **Survival.** All agreements, covenants, representations and all other statements of the District, the Purchaser and the Company and their respective officers set forth in or made pursuant to this Agreement will survive the Closing Date and the delivery of the Bond.

Section 8. **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid (except as otherwise specifically provided herein), with proper address as indicated below. The District, the Purchaser and the Company may, by written notice given by it to the others, designate any other address or addresses to which notices, certificates or other communications to it shall be sent when required as contemplated by this Agreement. Until otherwise so provided, all notices, certificates and communications to each of them shall be addressed as follows:

If to the District: Village of Taos Ski Valley Tax Increment Development District
c/o Village Administrator
7 Firehouse Road
Taos Ski Valley, New Mexico 87525
Telephone: (575) 776-8220

With copies to:

Dennis C. Romero
P.O. Box 1932
212 Paseo Del Pueblo Norte
Taos, New Mexico 87571
Telephone: (575) 758-2297

Chaz Rockey, CFO
Belvedere Property Management LLC
11 Times Square, 37th Floor
New York, New York 10036
chaz.rockey@skitaos.com
Telephone: (770) 874-9109 (office)

Telephone: (917) 971-1428 (cell)

and

Jill Sweeney
Sherman & Howard L.L.C.
500 Marquette Avenue Northwest,
Suite 1203
Albuquerque, New Mexico 87102
Telephone: (505) 814-6958

If to the Company: Taos Ski Valley, Inc.
Chris Stagg
116 Sutton Place
Taos Ski Valley, New Mexico 87525
Telephone: (575) 776-7490

With a copy to:

Joseph F. Canepa
Canepa & Vidal PA
200 W. de Vargas St. #7
P.O. Box 8980
Santa Fe, New Mexico 87504-8980

and

Peter Franklin
Modrall, Sperling, Roehl, Harris & Sisk, PA
123 E. Marcy St. #201
P.O. Box 9318
Santa Fe, New Mexico 87504-9318
Telephone: (505) 983-2020

If to the Purchaser: Belvedere Property Management LLC
Chaz Rockey
11 Times Square, 37th Floor
New York, New York 10036
chaz.rockey@skitaos.com
Telephone: (212) 382-9891

Section 9. **Remedies; Consequential Damages.** Notwithstanding any provision contained herein to the contrary, in no event shall any party be liable to any other party under any provision of this Agreement or the Bond for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss

of profit or revenue, business interruption damages, loss of use of equipment, costs of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability. No right or remedy conferred on any party in this Bond Purchase Agreement is intended to be exclusive of any other right or remedy provided in the Bond Documents or by law. No delay or omission of any party to exercise any such right or remedy will impair any such right or remedy or be construed as a waiver. Any such right or remedy which may be exercised from time to time and as often as the relevant party may deem expedient. No waiver by any party of any right or remedy with respect to any Default or Event of Default will extend to or affect any other existing or subsequent Default or Event of Default.

Section 10. **Severability.** In case any one or more of the provisions of this Agreement or of the Bond is for any reason held to be illegal or invalid, such illegality or invalidity will not affect any other provision of this Agreement or of the Bond, but this Agreement and the Bond will be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the District contained in this Agreement or the Bond is for any reason held to be in violation of law, then such covenant, stipulation, obligation or agreement will be deemed to be the covenant, stipulation, obligation or agreement of the District to the fullest extent permitted by law.

Section 11. **Obligations of District Not Obligations of Officials Individually.** All obligations of the District under this Agreement and the Bond will be deemed to be obligations of the District to the full extent permitted by the Bond Resolution and the Act. No obligation under this Agreement or the Bond will be deemed to be an obligation of any present or future officer of the District (including, without limitation, any member of the Governing Body or employee of the District in his or her individual capacity), and no officer of the District who executes the Bond will be personally liable on the Bond or be subject to any personal liability or accountability by reason of the issuance of the Bond.

Section 12. **Limitation of District's Liability.** No agreements or provisions contained in this Agreement nor any agreement, covenant or undertaking by the District contained in any document executed by the District in connection with any property financed, directly or indirectly, out of the Bond proceeds or the issuance, sale and delivery of the Bond will give rise to any pecuniary liability of the District, its officials, employees, agents or members of the Governing Body or constitute a charge against the District's general credit, or will obligate the District financially in any way, except with respect to the Pledged Revenues available under the Indenture pledged to the payment of the Bond, and their application as provided under the Indenture. No failure of the District to comply with any terms, covenants or agreements in any document executed by the District in connection with the Bond will subject the District, its officials, employees, agents and members of the Governing Body to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the funds available under the Indenture provided and pledged to the payment of the Bond. Nothing in this Agreement will preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the District for any failure to comply with any term, condition, covenant or agreement in any of the Bond Documents; provided, that no costs, expenses or other monetary relief will be recoverable from the District except as may be payable from the funds available under the Indenture and pledged to the payment of the Bond.

Section 13. **Title, Headings.** The title and headings of the articles and sections of this Bond Purchase Agreement have been used for convenience only and do not modify or restrict any of the terms or provisions hereof.

Section 14. **Execution in Counterparts.** This Agreement may be executed in counterparts, all of which taken together will constitute one instrument.

Section 15. **Applicable Law.** The validity, construction and effect of this Bond Purchase Agreement will be governed by the law of the State of New Mexico applicable to agreements made and to be performed in the State without regard or effect given to conflict of laws rules that would require application of the laws of any other jurisdiction.

DATED: As of February 1, 2018

ISSUER:

VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT

Neil King, Chair

ATTEST:

(Seal)

Ann Wooldridge, District Clerk

[Signature Page for Bond Purchase Agreement]

DATED: As of February 1, 2018

PURCHASER:

BELVEDERE PROPERTY MANAGEMENT LLC
a _____ limited liability company

By: _____
Name: _____
Title: _____

[Signature Page for Bond Purchase Agreement]

DATED: As of February 1, 2018

COMPANY:

TAOS SKI VALLEY, INC.
a New Mexico corporation

By: _____
Name: _____
Title: _____

[Signature Page for Bond Purchase Agreement]

Exhibit A

Approving Opinion of Bond Counsel

[To Come]

Exhibit B

Opinion of Counsel to the Company and the Purchaser

[To Come]

Exhibit C

Opinion of the Attorney to the TIDD

[To Come]