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Former Utah Superfund Site to Get Five-Star Makeover; Luxury Resort/Spa Planned for Ex-Silver Mine in Park City

Chapman and Cutler leads negotiation on remediation, advises United Park City Mines in finalizing EPA's first Environmentally Responsible Redevelopment project; 10-year effort proves there is "gold in them thar hills"

Park City, UT (April 17, 2007) – Under a innovative program from the Environmental Protection Agency, a former Superfund site in Park City, Utah, has received official approval to undergo redevelopment as a luxury spa and resort. Law firm **Chapman and Cutler, LLC** advised the owner of the 16-acre property in arranging for its conversion to a five-star hotel operated by **DV Luxury Resorts**.

The Daly West Mine site is an historic silver, lead and zinc mine dating to the 1880s. Long-time mining operations resulted in the accumulation of large amounts of mineralized waste rock materials that later forced the site to undergo extensive clean-up under the federal Superfund statute.

United Park City Mines, which owns the site, has been working since 1997 on a comprehensive redevelopment plan for hundreds of surrounding acres of property. The company originally planned to use the site as the permanent consolidation area for existing mine waste rock as well as mine wastes removed from nearby development parcels. The company later concluded that the site, located near the Empire Canyon Lodge, should itself be redeveloped. Now, United Park City has leased the land to DV Luxury Resorts, which plans to develop the former mine into a Montage Resort and Spa, a state-of-the-art sustainable hotel and resort.

This milestone in the property's history was marked with a kickoff event April 17 under the auspices of the EPA. In attendance were EPA National Administrator **Stephen Johnson**, Utah Governor **John Huntsman, Jr.**, Park City Mayor **Dana Williams**, EPA

Regional Administrator **Robert Roberts**, and United Park City Mines Vice President **Kerry Gee**.

“We are pleased to have played a critical role in the return of this historically troubled property to productive re-use in a manner that is not only environmentally friendly, but represents true green development,” said **Kevin Murray**, the Chapman and Cutler Environment and Energy partner who has represented United Park City Mines over the past decade in its clean-up and conversion efforts.

Mr. Murray believes that the transformation of the Daly West Mine could be a working model for successful redevelopment of other troubled real estate assets throughout the western United States. He noted that there are approximately 14,000 abandoned mining sites in Utah, Colorado, Wyoming, Idaho, Montana, and the Dakotas as well as Alaska, many of which could be subject to similar reclamation. “There’s gold in them thar hills after all, and it’s called sustainable development for recreation and tourism,” Mr. Murray said.

In addition to devising the overall reuse strategy for the mine site, the Chapman and Cutler team negotiated remediation terms with the EPA and played a lead role in arranging for the lease agreement between United Park City Mines and DV Luxury Resorts. In addition to Mr. Murray, Chapman and Cutler team included attorneys **Bret Randall** and **Patrick Malone**.

“For those of use who have been around Park City for a long time, reuse and redevelopment are very familiar concepts. In the 1960’s, when mining was a declining industry here, United Park and the Park City community created a ski resort on the mountains where only mining operations previously existed,” explained Kerry Gee, vice president of United Park City Mines.

“With the transformation of the Daly West Mine site we are entering into another era of innovation and purposeful reuse with the cooperation of many different public and private sector entities. We would not have been able to reach this point without the extensive knowledge and guidance of the Chapman and Cutler attorneys, who have worked along side us for the past ten years.”

Although mineral extraction activities at the Daly West Mine ceased in the 1920s, the site was subsequently used as a consolidation area for impacted materials removed from nearby development parcels until 2003. At that time an assessment conducted by United Park City Mines, under EPA oversight, found that contaminated waste piles and soils should be removed to facilitate re-use of the property. The completed cleanup of the site has included the removal of contaminated sediments and waste piles, the placement of a cover, water diversions and other best management practices.

United Park City Mines recently agreed to the lease with DV Luxury Resort for the resort complex. To help facilitate the redevelopment project, EPA and the Department of

Justice agreed to provide the company with liability relief in exchange for the company's commitment to develop the resort complex in an environmentally-sensitive manner.

Under the EPA program, DV Luxury Resort will incorporate extensive green features into the design, construction and operation of the development to minimize the project's environmental footprint. Examples of planned environmental and resource-saving features include a 750-block wind energy purchase through Utah's Blue Sky partnership, a 2800-acre open space easement, use of native vegetation, a constructed wetland and groundwater treatment system, and the use of chlorine alternatives for resort pools and spas. Construction on the resort's 178 rooms/suites and 94 resort residences is scheduled to begin this summer, with completion expected in 2010.

The Montage Resort and Spa facility is expected to qualify for a Leadership in Energy and Environmental Design (LEED) Silver rating -- a green building rating system developed by the U.S. Green Building Council that recognizes sustainability performance in the areas of site development, water savings, energy efficiency, materials selection and indoor environmental quality.

“This is a great example of the types of cleanup outcomes that EPA is increasingly striving to achieve – one where we not only remove environmental risks, but where we work with the local interests to create a productive community asset,” said Mr. Roberts, the EPA regional administrator based in Denver. “EPA is committed to finding collaborative ways to revitalize contaminated properties, instead of just fencing them off.”

Chapman and Cutler's Mr. Murray practices environmental and land development law. He has played leading roles in the acquisition of environmentally sensitive property and brownfields development and has substantial experience with hard rock mining operations, interstate pipelines, refineries and general CERCLA/RCRA site investigation, remediation, and closure.

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