

MODIFICATION AGREEMENT No. 2
(Canyons)

THIS MODIFICATION AGREEMENT No. 2 (this "**Agreement**"), is made as of the 20th day of August, 2001, by and between **GRAND SUMMIT RESORT PROPERTIES, INC.**, a Maine corporation ("**Trustor**"), whose address is P.O. Box 450, Sunday River Road, Bethel, ME 04217 for the benefit of **TEXTRON FINANCIAL CORPORATION**, a Delaware corporation, as Administrative Agent under that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, having a mailing address of 333 East River Drive, East Hartford, Connecticut 06108.

RECITALS:

WHEREAS, Trustor executed and delivered to Administrative Agent that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, dated as of September 1, 1998, which was recorded December 31, 1998, in Book 1217 at Page 184 in the Office of the Recorder of Summit County, Utah (said Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, as amended up to the date hereof, being referred to in this Agreement as the "**Existing Deed of Trust**"); and

WHEREAS, Trustor executed and delivered to Administrative Agent that certain Assignment of Rents and Leases, dated as of September 1, 1998, which was recorded December 31, 1998, in Book 1217 at Page 200 in the Office of the Recorder of Summit County, Utah (said Assignment of Leases and Rents, as amended up to the date hereof, being referred to in this Agreement as the "**Existing Assignment of Rents**"); and

WHEREAS, Trustor, Administrative Agent and the Lenders (as defined in the Existing Deed of Trust) are, contemporaneously herewith, entering into that certain Fifth Amendment Agreement dated as of August 20, 2001 to that certain Loan and Security Agreement dated as of September 1, 1998, referred to in the Existing Deed of Trust as the "LSA;" and

WHEREAS, Trustor and Grantee desire to amend the Existing Deed of Trust to reflect the changes in the aforesaid Fifth Amendment Agreement.

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing recitals, of the covenants and agreements hereinafter stated, and for other good and valuable consideration received to the mutual satisfaction of the parties hereto, the undersigned hereby agree as follows:

1. Modification to the Existing Deed of Trust.

The reference in the Existing Deed of Trust to the "Construction Project Advance Promissory Note from Trustor to Textron Financial Corporation dated September 28, 1998 and the reference to the "Construction Project Advance Promissory Note from Trustor to Green Tree Financial Servicing Corporation dated September 28, 1998 are hereby amended to read as follows:

00597170 Bk01392 Pg00410-00415

**ALAN SPRIGGS, SUMMIT CO RECORDER
2001 AUG 31 14:56 PM FEE \$232.00 BY DMG
REQUEST: FIRST AMERICAN TITLE CO UTAH**

(1) "Steamboat Construction Project Advance Promissory Note dated September 28, 1998, from Grantor to Textron Financial Corporation, in the stated principal amount of \$22,000,000 plus \$10,000,000 plus adjustments under the LSA;"

(2) "Canyons Construction Project Advance Promissory Note dated September 28, 1998, from Grantor to Textron Financial Corporation, in the stated principal amount of \$11,300,000 plus adjustments under the LSA;"

(3) "Steamboat Construction Project Advance Promissory Note dated September 28, 1998, from Grantor to Green Tree Financial Servicing Corporation (currently held by Foothill Capital Corporation, in the stated principal amount of \$16,450,000 plus adjustments under the LSA;"

(4) "Canyons Construction Project Advance Promissory Note dated September 28, 1998, from Grantor to Green Tree Financial Servicing Corporation (currently held by Foothill Capital Corporation), in the stated principal amount of \$8,500,000 plus adjustments under the LSA;"

(5) "Canyons Construction Project Advance Promissory Note dated June 24, 1999, from Grantor to FINOVA Capital Corporation, in the stated principal amount of \$30,000,000 plus adjustments under the LSA;"

(6) "Canyons Construction Project Advance Promissory Note dated June 24, 1999, from Grantor to Litchfield Financial Corporation, in the stated principal amount of \$2,825,000 plus other adjustments;" and

(7) "Steamboat Construction Project Advance Promissory Note dated June 24, 1999, from Grantor to Litchfield Financial Corporation, in the stated principal amount of \$5,500,000 plus other adjustments."

"Notes" shall continue to include all other Construction Project Advance Promissory Notes and all substitutions, extensions, and/or modifications thereof. Pursuant to the Fifth Amendment Agreement all references to any "Canyons Inventory Advance Notes" shall be deemed references to "Canyons Construction Project Advance Notes." Pursuant to the Fifth Amendment Agreement all references to any "Steamboat Inventory Advance Notes" shall be deemed references to "Steamboat Construction Project Advance Notes."

The Existing Deed of Trust, as modified herein, is hereby ratified and confirmed by Trustor, and every provision, covenant, grant, condition, obligation, right and power contained in and under the Existing Deed of Trust, as herein modified, shall continue in full force and effect, affected by this Agreement only to the extent of the amendments and modifications expressly set forth herein.

2. Modification to the Existing Assignment of Rents.

The maturity dates referred to in the Existing Assignment of Rents of the Note (as defined therein) shall range from September 28, 2002 to August 1, 2003.

3. Continued Force and Effect.


Except as expressly provided in this Agreement, the Existing Deed of Trust has not been modified or otherwise amended. Except as expressly provided in this Agreement, the Existing Assignment of Rents has not been modified or otherwise amended.

4. Miscellaneous.

The Recitals set forth at the beginning of this Agreement are incorporated in and made a part of this Agreement by this reference. This Agreement may be executed in one or more identical counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same Agreement. This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns. This Agreement and the obligations of such parties hereunder are and at all times shall be deemed to be for the exclusive benefit of such parties and their respective heirs, executors, administrators, legal representatives, successors and assigns, and nothing set forth herein shall be deemed to be for the benefit of any other person. Nothing set forth in this paragraph shall be deemed or construed to create, recognize or allow any assignment or transfer of rights not otherwise provided for in this Agreement.

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

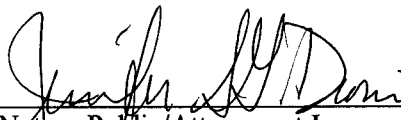
GRAND SUMMIT RESORT PROPERTIES, INC.

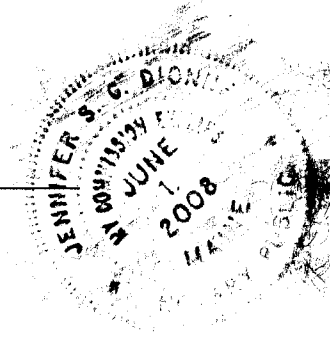
By 
Name: Foster A. Stewart, Jr.
Its: Senior Vice President and
General Counsel

STATE OF MAINE)
)
) ss.
COUNTY OF CUMBERLAND)

The foregoing instrument was acknowledged before me this ^{17th} day of August, 2001 by Foster A. Stewart, Jr., Senior Vice President and General Counsel of Grand Summit Resort Properties, Inc., a Maine corporation, on behalf of such corporation.

Before me,


Notary Public/Attorney at Law
Print Name: Jennifer S. G. Dionne
My commission expires: 6/1/08



00597 170 BK01392 Pg00413


**TEXTRON FINANCIAL
CORPORATION, as
Administrative Agent**

By Nicholas L. Mecca
Name: Nicholas L. Mecca
Its: Division President

STATE OF CONNECTICUT)
) **ss.**
COUNTY OF HARTFORD)

The foregoing instrument was acknowledged before me this 15 day of August, 2001, by Nick Mecca, the Division President of Textron Financial Corporation, a Delaware corporation, on behalf of said corporation.

Mary F. Rittlinger
Notary Public
My Commission Expires Aug 31, 2004



**MARY F. RITTLINGER
NOTARY PUBLIC
MY COMMISSION EXPIRES AUG. 31, 2004**

00597170 Bk01392 Pg00414

ALL UNITS, ALL INTERVALS of GRAND SUMMIT RESORT HOTEL AT THE CANYONS, a Utah Condominium Project, together with an appurtenant undivided interest in the Common Elements as established and identified in (i) the Declaration of Condominium for GRAND SUMMIT RESORT HOTEL AT THE CANYONS dated January 27, 2000, and recorded on January 31, 2000, as Entry No. 558243, in Book 1305, Beginning at Page 756 in the Official Records of the Summit County, Utah Recorder's Office, and (ii) the Record of Survey Map for GRAND SUMMIT RESORT HOTEL AT THE CANYONS recorded January 31, 2000, as Entry No. 558242 in the Official Records of the County Recorder of Summit County.

TOGETHER WITH all easements, rights, benefits and obligations arising under The Canyons Resort Village Management Agreement dated November 15, 1999, and recorded on December 15, 1999, as Entry No. 555285, in Book 1300, Beginning at Page 1, and amended by the First Amendment to The Canyons Resort Village Management Agreement, dated December 17, 1999, and recorded on December 17, 1999, as Entry No. 555434, in Book 1300, beginning at Page 668, and by the Second Amendment to The Canyons Resort Village Management Agreement, dated January 7, 2000, and recorded on January 11, 2000, as Entry No. 556961, in Book 1303, beginning at Page 296 and by the Third Amendment to The Canyons Resort Village Management Agreement, dated January 27, 2000 and recorded January 31, 2000, as Entry No. 558232, in Book 1305 beginning at page 719 all of the records of the County Recorder of Summit County.

LESS AND EXCEPTING THEREFROM any and all Intervals in the various units that have been released from the lien of said Deed of Trust.

Tax ID No. GSRHC-1 through GRHC-G32, inclusive.