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ALAN SPRIGGS, SUMMIT CO RECORDER
1998 DEC 31 10:55 AM FEE \$41.00 BY DMG
REQUEST: FIRST AMERICAN TITLE CO UTAH

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FINANCING STATEMENT
(Canyons)**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT is made as of the date provided below between **GRAND SUMMIT RESORT PROPERTIES, INC.**, a Maine corporation, having a mailing address of P.O. Box 450, Sunday River Road, Bethel, ME 04217 (hereafter referred to as "Trustor"), **FIRST AMERICAN TITLE INSURANCE COMPANY, Utah Division**, as Trustee and **TEXTRON FINANCIAL CORPORATION**, a Delaware corporation, not in its individual capacity but as administrative agent for the lenders (collectively, the "Lenders") under that certain Loan and Security Agreement, dated as of September 1, 1998, among Trustor, Textron Financial Corporation, as a lender and the administrative agent, and the other lenders party thereto (as amended from time to time, "LSA") and as administrative agent for certain other lenders to Trustor, as referred to below, as Beneficiary, (hereafter referred to as the "Administrative Agent"), whose address is 333 East River Drive, East Hartford, Connecticut 06108.

1. Grant in Trust.

a. Trustor, as trustor, irrevocably and unconditionally grants, transfers, assigns, grants a security interest in, conveys and warrants to Trustee, in trust for the benefit of Administrative Agent on behalf of the Lenders and the other lenders, and their successors and assigns, **IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION**, all estate right, title and interest which Trustor now has or may later acquire in the following property (collectively the "Mortgaged Property"):

(1) that certain land located in Summit County, Utah, more particularly described in Exhibit A attached hereto and made a part hereof (the "Land"), relating to that certain project commonly known as the Grand Summit Resort Hotel, The Canyons, together with all of the buildings, structures and other improvements now standing or at any time hereafter constructed or placed on the Land, all of the condominium units to be hereafter located in such buildings and structures, all quartershare interests, interval estates and time-span estates therein and all of the common elements and the limited common elements to be hereafter located on or constituting the Land (together, the "Units"),

(2) all fixtures of any kind or nature owned by Trustor, including without limitation, electrical, plumbing, heating, ventilating, air conditioning and sprinkling equipment and systems, water and power systems, engines and machinery, boilers, furnaces, oil burners, elevators and motors, transformers, communication systems, cranes and other equipment (to the extent constituting fixtures) located on or in, or used or intended

to be used in connection with the Land, the buildings, structures, improvements thereon, the Units and/or the common elements and limited common elements in respect thereof,

(3) all tenements, hereditaments, easements (including, without limitation, the easements referred to in Exhibit A hereto), appurtenances, riparian rights, water rights, mineral rights, rents, issues, profits, condemnation awards, judgments, settlements, claims, insurance proceeds and other proceeds and compensation, option payments and any and all proceeds of any sales, assignments or other dispositions, accounts, accounts receivable, option rights, contract rights, general intangibles, permits, licenses, approvals, bonuses, actions and rights in action, rights in trade names and other rights now or hereafter belonging or in any way pertaining to the Land or the buildings, structures, improvements thereon or the Units,

(4) all building materials, furniture, furnishings, equipment and all other personal property owned by Trustor and now or hereafter located in or on, or used or intended to be used in connection with, the Land, the buildings, structures, improvements thereon, the Units and/or the common elements and limited common elements in respect thereof, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said buildings, structures or improvements in any manner,

(5) all of Trustor's right, title and interest, whether now owned or hereafter acquired, in and to that certain Lease Agreement dated as of September 3, 1998, between Trustor, as lessor, and ASC Utah, Inc., a Maine corporation, as lessee (as amended from time to time, the "Host Company Lease") and all other leases, subleases, use or occupancy agreements or other agreements affecting the Land or the buildings, structures, improvements thereon or the Units relating thereto, heretofore or hereafter made and entered into by Grantor during the life of this mortgage or any extension or renewal hereof (collectively, the "Third-Party Leases"), and all rents, issues, proceeds and profits accruing and to accrue therefrom,

(6) all of the estates, rights and interests of Grantor, whether now owned or hereafter acquired, in and to the Units and in and to the common elements and the limited common elements, and

(7) the proceeds and any after-acquired title of any of the above.

b. Trustor hereby further grants to Administrative Agent a security interest in all personal property collateral above set forth for the purpose of securing all obligations of Trustor contained herein and in the other Security Documents (as such term is defined below) to which Trustor is a party. This Deed of Trust shall also be deemed a Security Agreement and also constitutes a financing statement under the Uniform Commercial Code of Utah with respect to the personal property and fixtures and for the remedies for any violation of the covenants, terms and conditions of the agreements herein contained. Trustor shall execute and deliver to Administrative Agent any financing statements, supplements thereto, or other instruments which Administrative Agent may, from time to time, reasonably require to perfect or preserve Administrative Agent's interests in the Collateral or the priority thereof.

2. Secured Obligations.

Trustor makes the grant, conveyance, transfer and assignment set forth in Section 1 for the purpose of securing the following obligations, in any order of priority that Administrative Agent may choose: (1) that certain Construction Project Advance Promissory Note from Trustor to Textron Financial Corporation dated September 28, 1998 in the original stated principal amount of \$15,000,000 and that certain Construction Project Advance Promissory Note from Grantor to Green Tree Financial Servicing Corporation dated September 28, 1998 in the original stated principal amount of \$15,000,000, those certain Canyons Inventory Advance Promissory Notes and the other Construction Project Advance Promissory Notes and Inventory Advance Promissory Notes, as defined or contemplated under the LSA (together with any substitutions, extensions or modifications thereof, collectively, the "Notes"), together with interest thereon payable, as provided in said Notes and the LSA, and any extensions and/or renewals, modifications, substitutions and additional issuances thereof; (2) the payment of all other "Indebtedness," as such term is defined below; (3) the performance of all obligations of Trustor under the LSA and each other security document set forth below to which it is a party; (4) the payment and performance of each agreement of Trustor herein contained; (5) the payment of such additional loans or advances as hereafter may be made to Trustor, or its successors or assigns, when advanced as provided herein or in the LSA or when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust; (6) the payment of all sums expended or advanced by Administrative Agent or the Lenders under or pursuant to the terms hereof, the LSA or any Security Document, together with interest thereon as herein provided and therein provided; and (7) performance of every other obligation of Trustor and any other agreement, instrument, or obligation executed in favor of or owing to Administrative Agent or the Lenders or other lenders hereunder or under the other Security Documents.

The term "Indebtedness" shall mean any and all liabilities, obligations, and indebtedness of Trustor to the Administrative Agent or the Lenders or lenders presently existing or hereafter arising, and whether evidenced by a writing or not and including, without limitation, obligations to pay principal, interest, costs, fees, or other charges, and any and all other obligations of performance or forbearance, all as required or regulated by applicable Security Documents (as defined below). The term "Indebtedness" used herein shall include the term "Obligations," as defined in the LSA.

The term "Security Documents" shall mean this Deed of Trust and any other instrument, document or agreement (including any "Security Document," as defined in the LSA) evidencing, securing or governing the Indebtedness whether now existing or hereafter arising.

3. Rights and Duties of the Parties.

a. Trustor will duly and punctually pay any and all amounts evidenced by the Notes in accordance with the terms thereof and all other Indebtedness, when and as due and payable. The provisions of the Notes and the LSA are hereby incorporated by reference into this Deed of Trust as fully as if set forth at length herein. All payments received by Administrative Agent or the Lenders or the other lenders from Trustor under the Notes or this Deed of Trust shall be applied as set forth in the LSA.

b. Trustor shall not create, incur or suffer to exist any lien, security interest, encumbrance or charge on the Mortgaged Property or any part thereof, other than as permitted pursuant to the terms of the LSA. Trustor shall pay, when due and as required by the LSA, the claims of all persons supplying labor or materials to or in connection with the Mortgaged Property and shall pay all assessments and dues and other amounts required under any declaration or other instrument affecting the Mortgaged Property.

c. Trustor shall comply with all present and future statutes, laws, rules, orders, regulations and ordinances, and any easements, protective covenants or other restrictions affecting the Mortgaged Property, any part thereof or the use thereof.

d. Trustor (i) shall keep or cause to be kept the Mortgaged Property in safe and good repair and condition; (ii) shall, upon damage to or destruction of the Mortgaged Property or any part thereof by fire or other casualty, restore, repair, replace or rebuild the Mortgaged Property as provided for in the LSA; (iii) shall not commit waste of the Mortgaged Property, and (iv) shall not remove any of the fixtures or personal property included in the Mortgaged Property unless the same is promptly replaced with property of at least equal value and utility and this Deed of Trust becomes a valid first lien on such property or unless such removal is otherwise permitted under the LSA.

e. Trustor shall pay all charges made by utility companies, whether public or private, for electricity, gas, heat, water, or sewer, furnished or used in connection with the Mortgaged Property or any part thereof, and will, upon written request of Administrative Agent, furnish proper receipts evidencing such payment.

f. Trustor shall permit the Administrative Agent, the Lenders, the other lenders or their respective agents to enter upon the Mortgaged Property at all reasonable times for the purposes of inspecting the Mortgaged Property or any part thereof, as more particularly provided for in the LSA. Notwithstanding the foregoing, neither the Administrative Agent nor any of the Lenders nor the other lenders shall have any duty to make any such inspections.

g. If Trustor fails to perform or comply with any of the covenants and agreements contained in this Deed of Trust or in any of the other Security Documents or if any action or proceeding is commenced which affects the Mortgaged Property or the interest of the Administrative Agent therein, or the title thereto, then the Administrative Agent, acting pursuant to the direction of the Canyons Required Lenders, the Required Parties or otherwise in accordance with the LSA, may perform such covenants and agreements, defend against and/or investigate such action or proceeding, and/or pay any money which Trustor is required to pay hereunder or with respect to the permitted encumbrances described in Exhibit B hereto, and/or take such other action as Administrative Agent or the Canyons Required Lenders or Required Parties, as the case may be, deem necessary to protect their interests in the exercise of their judgment. Administrative Agent shall be entitled to rely on an opinion of counsel as to the legality, validity and priority of any claim, lien, encumbrance, tax, assessment, charge and premium paid by it and shall be the sole judge of the amount necessary to be paid in satisfaction thereof. Administrative Agent is hereby given the irrevocable power of attorney (which power is coupled with an interest) to enter upon the Mortgaged Property as Trustor's agent and in Trustor's name to perform any and all covenants and agreements to be performed by Trustor as herein provided. Administrative Agent will notify Trustor prior to or contemporaneously with any

action taken by Administrative Agent pursuant to this paragraph, *provided* that the failure by Administrative Agent to provide such notification shall not affect any action so taken. Any amounts or expenses disbursed or incurred by Administrative Agent or the Lenders or the other lenders pursuant to this paragraph, or to otherwise enforce any provisions of this Deed of Trust or to preserve any of the rights, powers or privileges of Administrative Agent or the Lenders or the other lenders granted or created hereby, including, without limitation, attorneys' fees, including fees and costs incurred in any appeal, with interest thereon as hereinafter stated, shall become additional Indebtedness of Trustor secured by this Deed of Trust. Unless Trustor and Administrative Agent agree in writing to other terms of repayment, such amounts shall be immediately due and payable, and, subject to the Maximum Rate (as defined in the LSA), shall bear interest from the date of disbursement at the Default Rate. Administrative Agent shall, at its option, be subrogated to the lien of any mortgage, deed of trust, or other lien discharged in whole or in part by the Indebtedness or by Administrative Agent under the provisions hereof, and any such subrogation rights shall be additional and cumulative security for this Deed of Trust. Nothing contained in this paragraph shall require Administrative Agent or the Lenders or the other lenders to incur any expense or do any act hereunder, and neither Administrative Agent nor the Lenders nor the other lenders shall be liable to Trustor for any damages or claims arising out of action taken by Administrative Agent or the Lenders or the other lenders pursuant to this paragraph or out of any failure to so act.

4. Assignment of Condemnation Proceeds and Leases and Rents.

a. Trustor hereby irrevocably assigns to Administrative Agent, as administrative agent for the Lenders and the other lenders, any award or payment which becomes payable to Trustor by reason of any taking of the Mortgaged Property, or any part thereof, whether directly or indirectly, temporarily or permanently, in or by condemnation or other eminent domain proceedings or the settlement thereof (hereinafter called "Taking"). Forthwith upon receipt by Trustor of notice of the institution of any proceedings or negotiations for a Taking, Trustor shall give notice thereof to Administrative Agent. Administrative Agent, on behalf of the Lenders and the other lenders, may appear in any such proceedings and participate in any such negotiations and may be represented by counsel. Trustor, notwithstanding that Administrative Agent may not be a party to any such proceeding, will promptly give to Administrative Agent copies of all notices, pleadings, judgments, determinations and other papers received by Trustor therein. Trustor will not enter into any agreement permitting or consenting to the Taking of the Mortgaged Property, or any part thereof, or providing for the conveyance thereof in lieu of condemnation, with anyone authorized to acquire the same in condemnation or by eminent domain unless Administrative Agent, acting pursuant to the direction of the Canyons Required Lenders, the Required Parties or otherwise in accordance with the LSA, shall first have consented thereto in writing. All awards or payments payable as a result of a Taking shall be paid to Administrative Agent, and said awards or payments shall be applied (after first deducting expenses, including, but not limited to attorney's fees, incurred by Administrative Agent or the Lenders or the other lenders in the collection thereof) either to reduction of Indebtedness (whether or not then due) or to restoration of the Mortgaged Property pursuant to the LSA.

b. Trustor hereby assigns to Administrative Agent, as administrative agent for the Lenders and the other lenders, directly and absolutely, and not merely collaterally, the rents, issues, profits, proceeds, security deposits, royalties, and other payments payable

under the Host Company Lease and the Third-Party Leases (collectively, the "Leases"), or any installments of money payable pursuant to any agreement to sell, or any sale of, the Mortgaged Property or any part thereof, provided that prior to the existence of an Event of Default and subject to the Trustor's undertakings and the rights and remedies of the Administrative Agent hereunder and in the LSA, Trustor is authorized to collect such rents, issues, profits, proceeds, security deposits, royalties, and other payments (except for such rents, issues, profits, proceeds, security deposits, royalties, and other payments payable under the Host Company Lease which are to be immediately and directly paid over to Administrative Agent and applied as set forth in the LSA). During the occurrence of an Event of Default, all such rents, issues, profits, proceeds, security deposits, royalties, and other payments shall be accepted and held for Administrative Agent in trust and shall not be commingled with the funds and property of Trustor, but shall be promptly paid over to Administrative Agent. Trustor hereby irrevocably appoints and constitutes Administrative Agent as its true and lawful attorney-in-fact with full power of substitution for and on behalf of Trustor to request, demand, enforce payment, collect and receive the rentals payable under the Leases, to change, modify, release, waive, terminate, alter or amend the Leases or any of the terms and provisions thereof, including the rentals thereunder, to endorse any checks, drafts or orders evidencing the payment of rentals under the Leases, and to do and perform any acts which Trustor might do for and on its own behalf so long as Administrative Agent acts reasonably.

c. It is the intention of Trustor and Administrative Agent that the assignment effectuated by this Deed of Trust with respect to the aforesaid rents, issues, profits, proceeds, security deposits, royalties, and other payments payable under any Lease of the Mortgaged Property, or portion thereof, and other amounts payable under such Leases shall be a direct and currently effective assignment and shall not constitute merely the granting of a lien, security interest or pledge for the purpose of securing the Indebtedness secured hereby. In the event that a court of competent jurisdiction determines that, notwithstanding such expressed intent of the parties, Administrative Agent's interest in such rents, issues, profits, proceeds, security deposits, royalties, and other payments and amounts payable under the Leases constitutes a lien on or security interest in or pledge thereof, it is agreed and understood that the forwarding of a notice to Trustor after the occurrence of a default, advising Trustor of the revocation of any authorization then in favor of Trustor to collect such rents or other amounts payable under the Leases, or of the existence of a default, shall be sufficient action by Administrative Agent to (i) perfect and/or enforce such lien on or security interest in or pledge of such rents, issues, profits, proceeds, security deposits, royalties, and other payments and other amounts payable under the Leases (to the extent such lien, security interest or pledge shall not have theretofore been perfected or enforced under applicable law) and (ii) entitle Administrative Agent to immediate and direct payment of such rents, issues, profits, proceeds, security deposits, royalties, and other payments payable and other amounts payable under the Leases (to the extent Administrative Agent shall not have theretofore had the right to immediately and directly receive such rents, issues, profits, proceeds, security deposits, royalties, and other payments), for application as provided in this paragraph, all without the necessity of any further action by Administrative Agent, including, without limitation, any action to obtain possession of the Mortgaged Property, improvements or any other portion of the Mortgaged Property. Administrative Agent may apply any such rents, issues, profits, proceeds, security deposits, royalties and other payments so received or collected, less costs and expenses of operation and collection,

including attorneys' fees and costs and attorneys' fees and costs on appeal, upon any Indebtedness secured hereby, at Administrative Agent's option and in such order as Administrative Agent may determine, all pursuant to the direction of the Canyons Required Lenders, the Required Parties or otherwise in accordance with the LSA, and, if such costs and expenses and attorneys' fees and costs shall exceed the amount received or collected, the excess shall be immediately due and payable. Notwithstanding the direct and absolute assignment of the rents and other amounts payable under the Leases as herein described, there shall be no pro tanto reduction in any portion of the Indebtedness secured by this Deed of Trust except with respect to rents and other amounts payable under the Leases actually received by Administrative Agent and applied by Administrative Agent toward payment of the Indebtedness, as provided for in the LSA. The receipt collection of any rents, issues, profits, proceeds, security deposits, royalties and other payments and the application thereof as aforesaid shall not (1) be deemed to constitute mortgagee-in-possession, or (2) cure or waive any Event of Default or notice of default hereunder or under any other Security Document or invalidate any act done pursuant to such notice. Failure or discontinuance of Administrative Agent at any time, or from time to time, to receive or collect any such moneys shall not impair in any manner the subsequent enforcement by Administrative Agent of the right, power and authority herein conferred on Administrative Agent. Nothing contained herein, including the exercise of any right, power or authority herein granted to Administrative Agent, shall be, or be construed to be, an affirmation by Administrative Agent or any of the Lenders or any of the other lenders of any tenancy, lease or option, or an assumption of liability under, or the subordination of the lien or charge of this Deed of Trust to any such tenancy, lease or option. Trustor hereby agrees that, in the event Administrative Agent exercises its rights as in this paragraph provided, Trustor waives any right to compensation for the use of Trustor's furniture, furnishings or equipment located in or at the Mortgaged Property for the period such assignment of rents or receivership is in effect, it being understood that the rents, issues, profits, proceeds, security deposits, royalties, other payments and installments of money derived from the use of any such items shall be applied to Trustor's obligations hereunder as above provided.

5. Trustor's Covenants of Performance.

Trustor covenants and agrees to:

- (a) not create or permit to be created any subordinate lien on the Mortgaged Property or any part thereof for borrowed money or otherwise;
- (b) pay all taxes, assessments and related charges pursuant to, and in accordance with the terms of the LSA;
- (c) maintain policies of insurance and shall pay the premiums associated therewith pursuant to, and in accordance with the terms of the LSA;
- (d) not sell, convey or transfer the Mortgaged Property other than as permitted in the LSA;

(e) perform each of its obligations, and shall enforce each obligation of third-parties, under every lease or other agreement that is assigned to Administrative Agent pursuant to this Deed of Trust.

6. Default and Remedies.

a. The occurrence of an "Event of Default" under, and as defined in, the LSA shall constitute an event of default (an "Event of Default") under this Deed of Trust.

b. At any time after a default hereunder, the Canyons Required Lenders or the Required Parties may, as provided in the LSA and herein, and without further notice or demand, declare all Indebtedness secured hereby immediately due and payable, and Administrative Agent may take the further action authorized herein and described below, regardless of: (i) the Lenders' or other lenders' or Administrative Agent's delay or failure in exercising such option; (ii) the Lenders' or other lenders' or Administrative Agent's failure to exercise such option for any prior default or abandonment; or (iii) the adequacy of Administrative Agent's security. Administrative Agent may, at its option and in its sole discretion, without any additional notice or demand to or upon Trustor, do one or more of the following:

(1) Trustee and Administrative Agent, and either of them, shall be entitled to enforce payment and performance of any Indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or under any LSA, the other Security Documents or other agreement or any laws now or hereafter in force notwithstanding some or all of the said Indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, guaranty, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Administrative Agent's right to realize upon or enforce any other security now or hereafter held by Trustee or Administrative Agent, and either of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Administrative Agent or Trustee in such order and manner as they or either of them in their absolute discretion determine (or, in the case of Administrative Agent, as may be instructed by the Canyons Required Lenders or the Required Parties, as permitted under the LSA and hereunder). No remedy herein conferred upon or reserved to Trustee or Administrative Agent is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Security Documents to Trustee or Administrative Agent or to which either of them may be otherwise entitled, may be exercised concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Administrative Agent and any of them may pursue inconsistent remedies.

(2) Administrative Agent shall, without regard to the adequacy of any security for the Indebtedness hereby secured, be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession of and protect the Mortgaged Property, and operate the same and collect the rents, issues, profits, proceeds, security deposits, royalties, other payments and installments of money derived therefrom.

(3) Administrative Agent may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust as a mortgage or to enforce any of the covenants hereof.

(4) Administrative Agent may elect to cause the Mortgaged Property or any part thereof to be sold pursuant to the power of sale granted herein in accordance with the laws of the state of Utah:

(a) Administrative Agent may proceed as if all of the Mortgaged Property were real property, in accordance with subparagraph (d) below, or Administrative Agent may elect to treat any of the Mortgaged Property which consists of a right in action or which is property that can be severed from the Mortgaged Property without causing structural damage thereto as if the same were personal property, and dispose of the same in accordance with subparagraph (c) below, separate and apart from the sale of real property, the remainder of the Mortgaged Property being treated as real property.

(b) Administrative Agent may cause any such sale or other disposition to be conducted immediately following the expiration of any grace period, if any, herein provided (or immediately upon the expiration of any redemption period required by law) or Administrative Agent may delay any such sale or other disposition for such period of time as Administrative Agent deems to be in its best interest. Should Administrative Agent desire that more than one such sale or other disposition be conducted, Administrative Agent may, at its option, cause the same to be conducted simultaneously, or successively on the same day, or at such different days or times and in such order as Administrative Agent may deem to be in its best interest.

(c) Should Administrative Agent elect to cause any of the Mortgaged Property to be disposed of as personal property as permitted by subparagraph (a) above, it may dispose of any part thereof in any manner now or hereafter permitted by the applicable Uniform Commercial Code or in accordance with any other remedy provided by law. Any one or more of Trustor, Administrative Agent or the Lenders or the other lenders shall be eligible to purchase any part or all of the Mortgaged Property at any such disposition; in connection with any such disposition and after allowing for costs and expenses of such disposition, any Lender or any other lender, in paying the purchase price in respect thereof, may apply all or any part of the Indebtedness owing to such Lender or lender in lieu of cash to the extent of the net proceeds of such disposition distributable to such Lender or lender in respect of such Indebtedness. Any such disposition may be either public or private as Administrative Agent may so elect, subject to the provisions of the applicable Uniform Commercial Code. Administrative Agent shall give Trustor at least ten (10) days' prior written notice of the time and place of any public or private sale or other disposition of such Mortgaged Property and if such notice is sent to Trustor, it shall constitute reasonable notice to Trustor.

(d) Should Administrative Agent elect to sell any part of the Mortgaged Property which is real property or which Administrative Agent has elected to treat as real property, upon such election, Administrative Agent or Trustee shall give such notice of default and election to sell as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, Trustee, at the time and place specified by the notice of sale, shall sell such Mortgaged Property or any portion

thereof specified by Administrative Agent, at public auction to the highest bidder for cash in lawful money of the United States. Trustee may, and upon request of Administrative Agent, shall, from time to time and as permitted by law, postpone the sale by public announcement thereof at the time and place noticed therefor. If the Mortgaged Property consists of several lots or parcels, Trustor may designate the order in which such lots or parcels shall be offered for sale or sold. Any person, including Trustor, Administrative Agent or any Lender or any other lender, but not Trustee, may purchase at the sale; in connection with any such sale and after allowing for costs and expenses of such sale, any Lender or any other lender, in paying the purchase price in respect thereof, may apply all or any part of the Indebtedness owing to such Lender or such other lender in lieu of cash to the extent of the net proceeds of such sale distributable to such Lender or such other lender in respect of such Indebtedness. Upon any sale, Trustee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the property so sold, but without any covenant or warranty whatsoever, express or implied, whereupon such purchaser or purchasers shall be let into immediate possession. Trustor agrees to surrender possession of the Mortgaged Property or any part thereof to the purchaser thereof immediately after any sale, if such possession has not previously been surrendered to Trustor.

(e) In the event of a sale or other disposition of any such Mortgaged Property, or any part thereof, and the execution of deed or other conveyance, pursuant thereto, the recitals therein of facts, such as a default, the giving of notice of default and notice of sale, postponement of sale, terms of sale, sale, purchaser, payment of purchase money, and any other fact affecting the regularity or validity of such sale or disposition, shall be conclusive proof of such facts; and any such deed or conveyance shall be conclusive against all persons as to such facts recited therein;

(f) Trustee shall apply the proceeds of any sale or disposition hereunder to payment of the following: (1) the expenses of such sale or disposition together with Trustee's fees and reasonable attorneys' fees, and the actual cost of publishing, recording, mailing and posting notice; (2) the cost of any search and/or other evidence of title procured in connection therewith; (3) all sums expended under the terms hereof, not then repaid, with accrued interest in the amount provided herein; (4) all other sums secured hereby, as provided for in the LSA; (5) the remainder, if any, to the person or persons legally entitled thereto, or at Trustee's option be paid to the clerk of the court of competent jurisdiction over the Mortgaged Property.

c. The remedies listed herein are illustrative only and Administrative Agent shall also have any and all other rights in law or equity, whatever they may be.

d. Upon any default by Trustor hereunder, Administrative Agent may, at any time without notice, either in person, by agent, or by a receiver, and without regard to the adequacy of any security for the Indebtedness hereby secured, enter upon and take possession of the Mortgaged Property or any part thereof, in its own name sue for or otherwise collect the rents, issues, profits, proceeds, security deposits, royalties, other payments and installments of money derived therefrom, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any Indebtedness secured hereby, and in such order as Administrative Agent may determine.

e. Upon any default described herein, Administrative Agent, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Mortgaged Property or the interest of Trustor herein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Property or any part thereof and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and shall continue as such and exercise all such powers until the date of confirmation of sale of such Mortgaged Property unless such receivership is sooner terminated.

f. The entering upon and taking possession of the Mortgaged Property, any part of the Mortgaged Property, the collection of the rents, issues, profits, proceeds, security deposits, royalties, other payments and installments of money derived therefrom or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the Mortgaged Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

g. The failure on the part of Administrative Agent to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Administrative Agent of any default shall not constitute a waiver of any other or subsequent default.

h. In the event that Administrative Agent or Trustee incurs any expenses (including reasonable attorneys' fees, whether or not the attorney is a salaried employee of Administrative Agent or Trustee, and court costs) to collect and enforce Trustor's obligations hereunder, Trustor shall, upon demand by Administrative Agent or Trustee, immediately reimburse Administrative Agent or Trustee therefor, together with interest thereon at the Default Rate set forth in the Security Documents from the date incurred by Administrative Agent or Trustee, including, without limitation, reasonable attorneys' fees incurred in any litigation, bankruptcy, insolvency, administrative and arbitration proceedings and appeals therefrom.

5. Releases.

Administrative Agent shall grant partial releases under this Deed of Trust in respect of sales of quartershare interests in respect of the Mortgaged Property as provided for in Section 3.15 of the LSA.

6. Miscellaneous Provisions.

A. THE LENDERS AND THE OTHER LENDERS MAY HEREAFTER, AS PROVIDED FOR IN THE LSA, MAKE FURTHER ADVANCES TO THE BORROWER, AND THE SAME, WITH INTEREST AND LATE CHARGES SHALL BE SECURED BY THIS DEED OF TRUST; PROVIDED, HOWEVER, THAT THE AMOUNT OF PRINCIPAL SECURED BY THIS DEED OF TRUST AND REMAINING UNPAID, SHALL NOT AT THE TIME OF AND INCLUDING ANY SUCH ADVANCES EXCEED THE ORIGINAL STATED PRINCIPAL SUM SECURED HEREBY, WHICH SUM IS ONE HUNDRED FORTY-FIVE MILLION DOLLARS (\$145,000,000).

b. All of the Leases or renewals, modifications, consolidations, replacements or extensions of such Leases affecting the Mortgaged Property shall be made subject and subordinate to the lien of this Deed of Trust and related security instruments. Trustor covenants that it will fully perform all of its duties as lessor under any Lease pertaining to the Mortgaged Property.

c. Trustor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, conveyances, notes, deed of trust, security agreements, financing statements and assurances as Administrative Agent shall require for accomplishing the purpose of this Deed of Trust.

d. The rights accorded Administrative Agent by this Deed of Trust are in addition to, and not in substitute or limitation of any right, remedy, power or authority of Administrative Agent under any of the other Security Documents, or under now existing or hereafter arising applicable law. All rights, remedies, powers or authorities of Administrative Agent under the Security Documents or under now existing or hereafter arising applicable law are distinct and cumulative and may be exercised concurrently, independently or successively.

e. Any failure by Administrative Agent to insist, or any election by Administrative Agent not to insist, upon strict performance by Trustor of any of the terms, provisions or conditions of such other Security Documents shall not be deemed to be a waiver of same or of any other term, provision or condition thereof, and Administrative Agent shall have the right at any time or times thereafter to insist upon strict performance by Trustor of any and all of such terms, provisions and conditions.

f. All obligations contained in the Security Documents are intended by the parties to be, and shall be construed as, covenants running with the Mortgaged Property.

g. The interpretation, construction and enforcement of this Deed of Trust shall be governed by the laws of the State of Utah.

h. Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at the address set forth above.

i. The invalidity of any one or more covenants, phrases, clauses, sentences or paragraphs of this Deed of Trust shall not affect the remaining portions of this Deed of Trust or any part thereof, and this Deed of Trust shall be construed as if such invalid covenants, phrases, clauses, sentences or paragraphs, if any, had not been inserted herein.

j. Trustor warrants that the Mortgaged Property is and shall remain in compliance with all applicable governmental laws, statutes, ordinances, acts, rules and regulations or similar requirements to allow the proper use of the Mortgaged Property for its proposed purposes. Trustor further covenants to take any and all action required to cause the Mortgaged Property to remain in such compliance.

k. Administrative Agent may appoint a successor trustee at any time by filing for recording in the office of the County Recorder of each county in which the Mortgaged Property or some part thereof is situated a substitution of trustee. From the time the substitution

is filed for record, the new trustee shall succeed to all the powers, duties, authority and title of the trustee named herein or of any successor trustee. Each substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

l. Trustor, unless prohibited by law, shall pay directly or reimburse the Lenders, the other lenders and Administrative Agent for any claim, payment or obligation for any tax due or payable as a result of the Lenders' or such other lenders' granting the loan to Trustor and evidenced by the Notes and secured by this Deed of Trust, including, but not limited to any intangible or other tax on the indebtedness of the Notes or created upon the documents executed in connection with the loan transaction.

m. All agreements or representations directly or indirectly relating to the Mortgaged Property and the secured obligations are merged into and incorporated in this Deed of Trust and this Deed of Trust can only be amended by a writing subscribed by all parties hereto.

n. **TRUSTOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT IN WHICH AN ACTION MAY BE COMMENCED ARISING OUT OF THIS DEED OF TRUST, THE NOTES, THE LSA, ANY OTHER SECURITY DOCUMENT, THE MORTGAGED PROPERTY OR ANY ASSIGNMENT THEREOF OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER AMONG TRUSTOR, THE LENDERS, THE OTHER LENDERS, THE TRUSTEE AND/OR THE ADMINISTRATIVE AGENT OF ANY KIND OR NATURE.**

o. This Deed of Trust constitutes a "Construction Mortgage," as defined in Utah Code Ann. § 70A-9-313 (1953, as amended) and secures an obligation incurred for the construction of the improvements to be constructed on the Mortgaged Property. Trustor agrees to commence construction promptly and pursue the same with reasonable diligence to completion in accordance with the plans and specifications approved by Lenders and pursuant to the terms and conditions of the Security Documents.

p. The term "Senior Loan Debt" as used in this clause p shall mean all of the Trustor's loan indebtedness, loan liabilities and loan obligations, whether now existing or hereafter arising, under the Notes and the LSA and all other instruments and documents executed and delivered in connection therewith.

The Administrative Agent shall also act on behalf of each of the creditors of the Note Purchase Agreement hereunder, *provided* no such creditor shall have any right to exercise or issue a direction to exercise any remedy under this Deed of Trust or to receive any proceeds of any collateral provided for herein unless and until all Senior Loan Debt shall have been fully and finally paid.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust, Assignment of Rents, Security Agreement, and Financing Statement as of the 1st day of September, 1998,*by the undersigned thereunto duly authorized.

*to be effective as of December 31, 1998

**GRAND SUMMIT RESORT PROPERTIES,
INC.**

By Mark P. Girard
Name: Mark P. Girard
Its: Vice President - Finance

STATE OF CONNECTICUT)

COUNTY OF HARTFORD)

: ss. Hartford

The foregoing Deed of Trust, Assignment of Rents, Security Agreement, and Financing Statement was acknowledged before me this 25th day of September, 1998, by Mark P. Girard, Vice President - Finance of Grand Summit Resort Properties, Inc., a Maine corporation, who signed on behalf of said corporation as the VP Finance of the corporation.

Carole A. DeBella
NOTARY PUBLIC
Residing at: Carole A. DeBella
County, Utah

My Commission Expires:

4/30/99

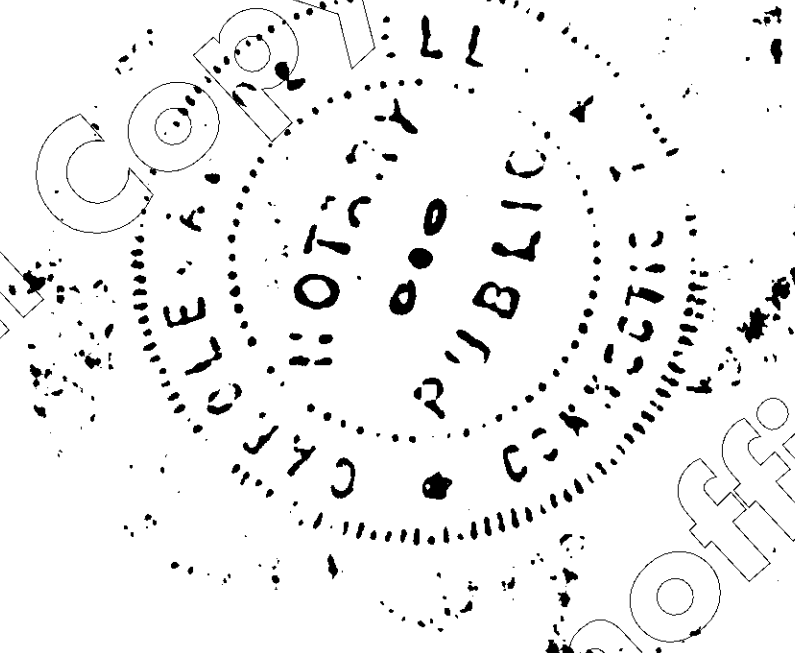


EXHIBIT A

The land referred to is situated in the County of Summit, State of Utah, described as follows:

PARCEL 1:

Lot 1, Grand Summit Hotel Final Plat, according to the Official Plat thereof, on file and recorded in the Office of the Summit County Recorder.

PARCEL 2:

An easement for access and utilities, pursuant to that certain Easement Agreement to be recorded in the Official Records of the Summit County Recorder, and being more particularly described as follows:

A 40 foot wide right of way and non-exclusive utility easement over, through and across the following described property, being 20 feet on each side of the following described centerline:

BEGINNING at a point on the Westerly line of the Red Pine right of way, said point being North $89^{\circ}59'43''$ West along the Section line 706.01 feet and North 58.93 feet from the Southeast Corner of Section 36, Township 1 South, Range 3 East, Salt Lake Base and Meridian (basis of bearing being North $89^{\circ}59'43''$ West between the said Southeast Corner of Section 36 and the South Quarter Corner of said Section 36), said point being the true point of beginning; thence North $85^{\circ}00'15''$ West 67.61 feet to the point of curvature of a 250 foot radius tangent curve to the right; thence Northwesterly along the arc of said curve 163.55 feet through a central angle of $37^{\circ}28'59''$; thence North $47^{\circ}31'16''$ West 465.83 feet to the point of curvature of a 200 foot radius tangent curve to the left; thence Northwesterly along the arc of said curve 84.41 feet through a central angle of $24^{\circ}10'59''$; thence North $71^{\circ}42'15''$ West 72.83 feet to the point of curvature of a 150 foot radius tangent curve to the right; thence Northwesterly along the arc of said curve 187.76 feet through a central angle of $71^{\circ}43'03''$; thence North $00^{\circ}00'48''$ East 220.63 feet to the point of curvature of a 100 foot radius tangent curve to the left; thence Northwesterly along the arc of said curve 179.79 feet through a central angle of $103^{\circ}00'48''$; thence South $77^{\circ}00'00''$ West 85.77 feet to the point of curvature of a 125 foot radius tangent curve to the right; thence Northwesterly along the arc of said curve 41.46 feet through a central angle of $19^{\circ}00'21''$ to the point of termination, said point being on the Southerly boundary of the Grand Summit Hotel property line, right of way lines extend to said property line and said Red Pine Westerly right of way line.

Exhibit B

[Permitted Exceptions]

See First American Title Insurance Policy in respect of the Mortgaged Property issued on or about the date hereof.

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