

LICENSE, SUBORDINATION AND NONDISTURBANCE AGREEMENT

THIS LICENSE, SUBORDINATION AND NONDISTURBANCE AGREEMENT (this "Agreement") made as of August 16, 1998, by and among 111 Main Street, LLC, Colorado limited liability company ("Owner"), having a mailing address of 401 Main Street, Apt. 2B, P.O. Box 4970, Frisco, Colorado 80443; The Main Street Lodge Club, Inc., a Colorado nonprofit corporation ("Club") having a mailing address of 111 Main Street, Frisco, Colorado 80443; and Signature Club Management, LLC, a Colorado limited liability company ("Manager") having a mailing address of 125 17th Street, Suite 2200, Denver, Colorado 80202. The foregoing may be referred to herein individually as a "Party" or collectively as "Parties."

RECITALS

- A. Owner is the owner of that certain condominium/hotel located at 111 Main Street, Frisco, Colorado and known as the 111 Main Street Lodge Si Condominiums (the "Hotel"), the Hotel being legally described on Exhibit "A" attached hereto and made a part hereof.
- B. Owner has developed a right-to-use Club Membership Program (the "Program") whereby holders ("Members") of Certificates of Membership in the Club ("Membership Certificates") are entitled to occupy a Unit (comprised of separately occupiable Deluxe, One Bedroom or Two Bedroom configurations) at the Hotel in accordance with the Members' Membership Purchase Agreement, or Membership Certificates, as the case may be, the Articles of Incorporation and the Bylaws of the Club, the Rules and Regulations for the Club, or other applicable rules and regulations and other documents creating or governing the Program (collectively "Program Documents").
- C. Manager has been engaged to manage the Program pursuant to that certain Management Agreement dated August 15, 1998, by and between Owner, Manager and the Club ("Management Agreement").
- D. The Parties are entering into this Agreement to grant, confirm and acknowledge to the Club and its Members a license to use and occupy certain Units in the Hotel on a non-exclusive basis and access to and from the Units over, across, upon and through all walkways, sidewalks, parkways, driveways, halls, entrance ways and all other common or public areas of the Hotel ("Access Rights") and the occupancy, use and enjoyment, on an equal priority basis, with all Hotel guests, users and invitees, of all common areas, facilities and amenities of the Hotel ("Amenities"). The Units presently subject to the Program are listed on Exhibit B hereto ("Units"). The Owner reserves the right to add Units to the Program by unilaterally amending Exhibit B at any time and from time to time during the term of this Agreement. Provided, Owner may not eliminate any Unit from the Program once the Unit is listed in Exhibit B or any amendment thereto. The Units, Access Rights and Amenities are collectively referred to as the "Hotel Rights." The Hotel Rights are subject to the rights of the Parties, if any, under the Management Agreement, provided such shall be subject and subordinate to the rights of the Club and the Members. This Agreement is also intended to protect Members of the Club in the event of any default of Owner under any grant of security interests in the Hotel for financing purposes so that Members will always be able to occupy and use certain Units in the Hotel in accordance with and subject to the Program Documents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Owner and the Club hereby covenant and agree as follows:

- 1. Grant of Non-Exclusive Occupancy Rights to Club.**
 - (a) Subject to the rights of the Parties, if any, under the Management Agreement, Owner hereby grants to the Members or persons who may become Members and their families, servants, visitors, exchange guests, or licensees a non-exclusive license to utilize, in accordance with the Program Documents, the Hotel Rights. The term of the License granted herein shall remain in full force and effect until September 30, 2038 or

until there are no Members remaining in the Club, whichever is earlier. This license shall automatically terminate as to any Member whose membership interest is terminated pursuant to the Program Documents.

- (b) In addition to the foregoing, Owner also hereby grants a license to the Club and its Members to utilize the furnishings and personal property contained in the Units as generally set forth on Exhibit "C" attached hereto ("Furnishings"). Owner grants such license until September 30, 2038 to the extent they have ownership or other rights to the Furnishings.
- (c) Owner warrants that Owner holds title (or will hold title by the time sales commence) to the Furnishings free and clear of blanket encumbrances or liens.
- (d) Owner hereby agrees to indemnify and hold the Club harmless from any and all costs, if any, incurred in connection with any materialmen's or mechanics' liens are filed against any Units.

2. Subordination. Owner and Manager hereby subordinate all of their rights under the Management Agreement to the rights of the Club and the Members under the Program Documents.

3. Nondisturbance of Club Members.

- (a) If at any time prior to expiration of the Program as set forth in the Program Documents, the Management Agreement shall terminate or be terminated for any reason, so long as any Members of the Club shall be current in their payments under their respective Membership Purchase Agreements, if applicable, and payment of Assessments and any other charges as set forth in the Program Documents, Owner does hereby agree that the rights of the Members of the Club to the Hotel Rights under this Agreement and under the Program Documents and any other rights created thereby, shall not be affected or disturbed by the termination of the Management Agreement.
- (b) If at any time prior to the expiration of the Program as set forth in the Program Documents, Owner shall default under any loan evidenced by a lien on the Hotel, so long as any Members of the Club shall be current in their payments under their respective Membership Purchase Agreements, and payment of Assessments and any other charges as set forth in the Program Documents, Owner will have the lender agree in a recorded nondisturbance agreement that it will not affect or disturb the right of the Members of the Club to the Hotel Rights under this Agreement and under the Program Documents and any other rights created thereby.
- (c) Notwithstanding anything to the contrary set forth herein, Owner acknowledges that the Club and its Members have the right to possess and use the Units at the Hotel in accordance with and subject to the Program Documents and this Agreement.
- (d) In order to provide Owner with information regarding Members, the Club agrees to deliver to Owner within fifteen (15) days after the end of each calendar quarter, a list, current as of the end of such calendar quarter, of all Club Members who are current in the payment of their Membership purchase payments and their Assessments, and a separate list of those Members, if any, who are delinquent in such payments and/or Assessments.

4. Successor and Assigns. The obligations of Owner and Manager hereunder shall be their respective obligations only so long as Owner shall continue as the owner of the Hotel, and as long as Manager is the manager for the Program, but such obligations shall bind any subsequent owner of the Hotel, any subsequent manager for the Program and any subsequent holder of a security or other interest in the Hotel. The terms, covenants and conditions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns.

5. No Waiver. Nothing herein contained shall impair, modify or be deemed a waiver of any of Owner's rights or of the Club Member's rights under the Program Documents. Specifically, but

without limitation, the Owner retains the right to operate the Hotel as transient overnight accommodations and for all other purposes permitted by law.

6. Modifications This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

7. Notices. Each notice, demand or other communication in connection with this Agreement shall be in writing and shall be deemed to be given to and served upon the addressee thereof on the earlier of (a) actual delivery to such addressee at its address set out above, or (b) five (5) business days after the deposit thereof in the United States mails, registered or certified mail, return receipt requested, first-class postage prepaid, addressed to such addressee at its address set forth above. By notice complying with this Section, any party may from time to time designate a different address for the purpose of the receipt of notice hereunder.

8. Recording. The parties hereto agree that this Agreement may be recorded in the public records of Summit County, Colorado.

9. Counterparts. This Agreement may be executed in any number of counterparts and by each of the undersigned on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

10. Governing Law. It is agreed that the laws of the State of Colorado, the state in which the Hotel is located, shall govern the construction and interpretation of this Agreement and the rights and obligations set forth herein. The headings of Sections and Paragraphs in this Agreement are for convenience only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof. As used in this Agreement, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires. If any provision of this Agreement, or any paragraph, sentence, clause, phrase or word, of the application thereof, in any circumstances, is adjudicated by a court of competent jurisdiction to be invalid, the validity of the remainder of this Agreement shall be construed as if such invalid part were never included herein. Time is of the essence of this Agreement.

11. Authority. Each of the signatories to this Agreement hereby covenants and warrants that he, she or it has the full capacity, right, power and authority to execute, deliver and perform this Agreement and this Agreement shall be binding upon and enforceable against the party on whose behalf said signatory has executed this Agreement.

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

OWNER:

111 MAIN STREET, LLC, a Colorado limited liability company

By:

N.F. Anthony Seibert
Title: Manager

MANAGER:

SIGNATURE CLUB MANAGEMENT, LLC, a Colorado limited liability company

By:

Name: Charles R. Stark
Title: Managing Member

Club:

The Main Street Lodge Club, Inc., a Colorado Nonprofit corporation

By:

Name: N.F. Anthony Seibert
Title: President

Acknowledgement

STATE OF COLORADO)
 :ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 17th day of August, 1998, by N.F. Anthony Seibert, the Manager of 111 Maint Street, LLC.

Notary Public, Britt Rene Dutcher

Acknowledgement

STATE OF COLORADO)
 :ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 17th day of August, 1998, by Charles R Stark, the Manager of Signature Club Management, LLC, a Colorado limited liability company.

Notary Public

Acknowledgement

STATE OF COLORADO)
 :ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 17th day of August, 1998, by N.F. Anthony Seibert, the President of The Main Street Lodfe Club, Inc., A Colorado non profit corporation, on behalf of said corporation.

Notary Public, Britt Rene Dutcher

EXHIBIT "A"
INITIAL REAL ESTATE IN
COMMON INTEREST COMMUNITY

Lots 3-6, Block 2, King Solomon Addition, Town of Frisco, County of Summit, State of Colorado

**EXHIBIT "B-
UNITS IN CLUB PROGRAM**

Residential Units 200, 201, 202A&B, 203A&B

111 Main Street Lodge and Condominiums according to the Condominium Map recorded on June 23, 1998, as Reception No. 568375 and the Declaration recorded on June 23, 1998, as Reception No. 568374 for 111 Main Street Lodge and Condominiums, Summit County, Colorado.

EXHIBIT "C"
FURNISHINGS

**111 Main Street LLC
P.O. Box 4970
Frisco, Colorado 80443
(970) 668-8866 tel
(970) 668-8865fax**

Pursuant to Article III, Section 3.14, Termination, (numbered incorrectly; correct number should be Section 3.15) of the Declaration of the 111 Main Street Condominium Association, Inc., recorded at Reception Number 568374 on June 23, 1998, in the County of Summit, State of Colorado, 111 Main Street LLC, as the Developer of the 111 Main Street Condominiums, hereby terminates the Special Development rights reserved for the Developer in Article III of the 111 Main Street Condominium Association Declaration for 111 Main Street Residential Units 200, 201, 202, and 203 only. The Condominium Unit Numbers refer to those recorded on the Plat recorded at Reception Number 568375 on June 23, 1998. All other Development rights pursuant to Article III remain intact, including those for 111 Main Street, Commercial Units at 1A, 1B, 1C, 1D, 1E, and 1F, all common areas, and all future Phases of development of the 111 Main Street Condominiums.

111 MAIN STREET LLC
By: 7S LTD. LIABILITY COMPANY,
MANAGER/MEMBER
A Colorado Limited Liability company

By:

N.F. Anthony Seibert, Manager

STATE OF COLORADO)
 :ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 1st day of September, 1999, by Charles R Stark, the Manager of Signature Club Management, LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires: 3/17/2001

Notary Public, Susan C. Seibeat

THIS AGREEMENT ("this Agreement") WHICH VOIDS THE LICENSE, SUBORDINATION AND NONDISTURBANCE AGREEMENT is made as of September 3, 1999 by and among 111 Main Street, LLC, Colorado limited liability company ("Owner"), having a mailing address of 401 Main Street, Apt. 2A, P.O. Box 4970, Frisco, Colorado, 80443; The Main Street Lodge Club, Inc., a Colorado nonprofit corporation ("Club") having a mailing address of 111 Main Street, Frisco, Colorado 80443; and Signature Club Management, LLC, a Colorado limited liability company ("Manager") having a mailing address of 125 17th Street, Suite 2200, Denver, Colorado 80202. The foregoing may be referred to herein individually as a "Party" or collectively as "Parties."

RECITALS

- A. Owner is the owner of that certain condominium/hotel located at 111 Main Street, Frisco, Colorado and known as the 111 Main Street Lodge & Condominiums (the "Hotel"), the Hotel being legally described on EXHIBIT "A" attached hereto and made a part hereof.
- B. A license, subordination and nondisturbance agreement was entered into August 16, 1998 between the Parties. The agreement was recorded in the County of Summit, State of Colorado at Reception Number 573199 on August 21, 1998 (the "Prior Agreement"). See EXHIBIT "B" attached hereto and made a part hereof.
- C. The Parties entering into this Agreement intend to void the prior License, Subordination and Nondisturbance Agreement dated August 16, 1998, recorded in the County of Summit, State of Colorado at Reception Number 573199 on August 21, 1998.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Owner, Club and Manager hereby agree as follows.

- 1. Void License, Subordination and Nondisturbance Agreement dated August 16, 1998**
 - a. The Prior Agreement by and among Owner, Club and Manager, dated August 16, 1999 as recorded in the County of Summit, State of Colorado at Reception Number 573199 on August 21, 1998 is canceled by mutual assent of the Owner and Manager. All terms and conditions in the Prior Agreement are null and void. Neither the Owner, the Club, nor the Manager will be held to any term, condition, or provision contained therein.

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

OWNER:

111 MAIN STREET, LLC, a Colorado limited liability company

By:

N.F. Anthony Seibert
Title: Manager

MANAGER:

SIGNATURE CLUB MANAGEMENT, LLC, a Colorado limited liability company

By:

Name: Charles R. Stark
Title: Managing Member

Club:

The Main Street Lodge Club, Inc., a Colorado Nonprofit corporation

By:

Name: N.F. Anthony Seibert
Title: President

Acknowledgement

STATE OF COLORADO)
 :ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 3rd day of September, 1999, by N.F. Seibert, the Manager of 111 Maint Street, LLC.

Notary Public, Susan C. Seibert
My commision expires 3/07/2001

Acknowledgement

STATE OF COLORADO)
 :ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 3rd day of September, 1999, by Charles R Stark, the Manager of Signature Club Management, LLC, a Colorado limited liability company.

Notary Public, Susan C. Seibert
My commision expires 3/07/2001

Acknowledgement

STATE OF COLORADO)
 :ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 3rd day of September, 1999, by N.F. Seibert, the President of The Main Street Lodfe Club, Inc., A Colorado nonprofit corporation, on behalf of said corporation.

Notary Public, Susan C. Seibert
My commision expires 3/07/2001

EXHIBIT "A"

INITIAL REAL ESTATE IN COMMON INTEREST COMMUNITY

Lots 3-6, Block 2, King Solomon Addition, Town of Frisco, County of Summit, State of Colorado.

EXHIBIT "B"

License, Subordination, and Nondisturbance Agreement dated August 16, 1998,