

MODIFICATION TO LEASE

This modification (hereafter Modification) to that certain lease (hereafter the Lease), between Brown Homestead Condominium Association of Telluride, Colorado (hereafter Lessor) and Jerome R. Vass of 1979 West Colorado Avenue, Telluride, Colorado (hereafter Lessee), provides the following:

- 1) The Lease in its entirety was recorded 8/28/97 in San Miguel County as docket #314186
- 2) Both Lessor and Lessee now agree to modify the Lease per this Modification
- 3) The **leased property**, shown as Exhibit 2A in the Lease, is hereby modified as shown on Exhibits M-1 & M-2 & M-3 of this Modification. The new property to be leased per this Modification is generally described as the tennis court facility belonging to Lessor. Lessee has provided the new survey (Exhibit M-1, dated 8/13/97) and the proper legal description (M-2 and M-3, dated 8/13/97) by certified land surveyor J. David Foley of Foley Associates, Inc. Originals of the survey are to be retained by lessor and lessee, while a reduced copy of same is attached as Exhibit M-1.
- 4) **Term** of the Lease is not modified. It still expires July 31, 2022
- 5) **Rent** due in Lease is increased per this modification. Should the Modification be executed and recorded on or before July 15, 1998, then Lessee shall pay to Lessor the sum of \$24,250 as additional rent over and above any rents already paid to Lessor. This sum shall be a one time payment and no other monies shall be owed by Lessee.
- 6) **Use of property** being leased in this Modification shall conform to all restrictions of the underlying Lease. Lessor does grant Lessee the right to provide asphalt parking for 4 cars generally along the east line of the existing tennis court.
- 7) The **tennis court** itself may be repaired, replaced, or demolished by Lessee, at its sole discretion and its cost. If demolished, the debris must be removed from the site in a reasonable time.
- 8) Lessee and Lessor agree there is an upcoming **utility easement** issue involving the main water line to Lessor's condo project. Said existing easement/line runs north from the SWC of the tennis court, through the leased property of both this Modification and then the original Lease, thence along the west side of Lessee's private property (the Red House) and thence east along the north boundary of said Red House to the private property of Lessor.

Said water line is in need of repair/replacement and the best route for a new line may not be the existing easement. Lessor, Lessee and any contractor hired by Lessor shall work together to determine the best course of action. All parties must agree to any new location which does not follow the course of the existing easement. Lessee acknowledges that there would appear to be only two alternative routes: 1) running east, along the north line

of the existing tennis court, to the eastern boundary of the land to be leased in this Modification, and then north in some fashion along Lessor's private property, or 2) some kind of diagonal line from the water line beginning at the SWC of the tennis court, going NE across the leased land in this Modification, then (possibly) across the leased property in the Lease, and then (possibly) across Lessee's private property, to the rear of Lessor's private property (i.e. the condos)

Any utility line path taken that damages Lessee's landscaping or improvements (whether it be on Lessee's private property or the property covered under the terms of the Lease or the Modification) will be either replaced/repaired by Lessor or paid for in full if such replacement/repair is not achievable.

Absent a proposal from a contractor at this time, it is impossible for Lessor and Lessee to agree where the best location will be for the new water line. Lessee agrees, however, that it will not unreasonably withhold its approval of a new water utility line easement as proposed by both Lessor and its contractor.

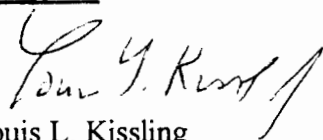
9) All other terms of the Lease are left as is.

10) Lessor and Lessee agree to record this Modification as is, without providing a memorandum of the document.

11) In the Lease, paragraph 18, it states..."the foregoing represents the entire agreement between the parties". Following that paragraph are 6 pages collectively referred to as "Addendum to Lease". All 6 pages were initialed by both Lessor and Lessee and were a part of the Lease and the recorded document. Lessor would simply like to clarify paragraph 18 of the Lease to note that said additional pages (the "Addendum to Lease") are in fact part of the original Lease, as signed and recorded.

12) The Modification and the exhibits hereto represent the entire agreement between Lessor and Lessee and may be modified only in writing and if executed by both parties. Exhibit M-1 (the survey) and Exhibits M-2 and M-3 (legal description) are the only attachments to this Modification.

Accepted:



Louis L. Kissling
Lessor
President
Brown Homestead Condominium Association

Date: 7/7/98



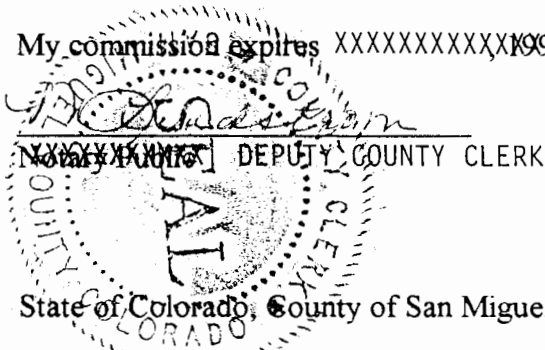
Jerome R. Vass
Lessee

Date: 7/7/98

State of Colorado, County of San Miguel

The foregoing instrument was acknowledged before me this 7TH day of JULY ,
1998 by Louis L. Kissling Jr.

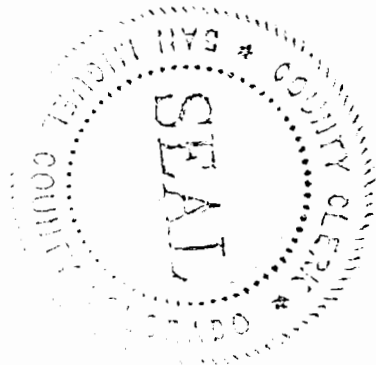
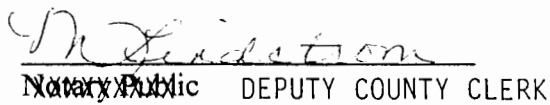
My commission expires XXXXXXXXXXXX~~1999~~ NON-EXPIRING



State of Colorado, County of San Miguel

The foregoing instrument was acknowledged before me this 7TH day of JULY ,
1998 by Jerome R. Vass

My commission expires XXXXXXXXXXXX~~1999~~ NON-EXPIRING



FOLEY ASSOCIATES, INC.
CIVIL ENGINEERING AND LAND SURVEYING
P. O. BOX 1385
TELLURIDE, CO 81435
970-728-6153

LEGAL DESCRIPTION

Lease Area "A"

Beginning at a rebar and aluminum cap LS 6310 at the southwest corner of the Vass Tract, according to the Replat for Richmond and Vass Tracts P.U.D. recorded in the office of the Clerk and Recorder in Plat Book 1 at page 501; Thence S 79°50'18" E 58.52 feet to a rebar and aluminum cap LS 6310 at the southeast corner of said Vass Tract, also being the southwest corner of the Richmond Tract according to said Replat; Thence S 79°45'55" E 68.03 feet to a rebar and aluminum cap LS 24954 at the southeast corner of said Richmond Tract; Thence S 36°37'11" E 9.68 feet along the centerline of an existing ditch; Thence S 00°51'33" E 13.38 feet along the centerline of an existing ditch; Thence S 14°17'27" W 7.91 feet along the centerline of an existing ditch; Thence S 44°47'12" E 9.84 feet along the centerline of an existing ditch; Thence S 07°38'14" W 5.75 feet along the centerline of an existing ditch to a 24" culvert pipe; Thence S 12°06'30" W 13.23 feet along said culvert pipe to a centerline of an existing ditch; Thence S 16°52'54" W 10.07 feet along the centerline of an existing ditch; Thence N 79°49'28" W 26.49 feet to the northeast corner of an existing fence for a tennis court; Thence continuing N 79°49'28" W 116.75 feet along said fence to the westerly boundary of Brown Homestead Condominiums according to the Subdivision of the Brown Homestead P.U.D. recorded in the office of the Clerk and Recorder in Plat Book 1 at page 68; Thence N 11°02'23" E 62.34 feet along said westerly boundary to the Point of Beginning, containing 8686 square feet, more or less,

County of San Miguel, State of Colorado.

The Basis of Bearings for this legal description is assumed as the historic bearing of S 72°06'00" E along brass cap monuments LS 24954 in the centerline of Colorado Avenue in the Town of Telluride.



J. David Foley,

P.L.S. #24954

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Exhibit M-2 START DATE 3/13/97

FOLEY ASSOCIATES, INC.
CIVIL ENGINEERING AND LAND SURVEYING
P. O. BOX 1385
TELLURIDE, CO 81435
970-728-6153

LEGAL DESCRIPTION
Lease Area "B"

Beginning at a point on the westerly boundary of Brown Homestead Condominiums according to the Subdivision of the Brown Homestead P.U.D. recorded in the office of the Clerk and Recorder in Plat Book 1 at page 68 from whence an aluminum cap LS 6310 at the southwest corner of the Vass Tract, according to the Replat for Richmond and Vass Tracts P.U.D. recorded in the office of the Clerk and Recorder in Plat Book 1 at page 501 bears N 11°02'23" E 62.34 feet; Thence S 79°49'28" E 116.75 feet along an existing fence for a tennis court ; Thence continuing S 79°49'28" E 26.49 feet to the centerline of an existing ditch; Thence S 15°30'13" W 26.58 feet along said centerline; Thence S 23°32'24" W 5.51 feet along said centerline; Thence S 29°50'56" W 13.03 feet along said centerline; Thence S 44°57'21" W 19.62 feet along said centerline; Thence S 17°44'48" W 3.61 feet along said centerline to a point on the northern right-of-way for West Colorado Avenue (formerly known as Colorado State Highway 145); Thence N 79°55'00" W 124.41 feet along said right-of-way to the southwest corner of said Brown Homestead Condominiums; Thence along the westerly boundary of said Brown Homestead Condominiums, N 11°02'23" E 63.99 feet to the point of beginning; containing 8767 square feet, more or less,
County of San Miguel, State of Colorado.

The Basis of Bearings for this legal description is assumed as the historic bearing of S 72°06'00" E along brass cap monuments LS 24954 in the centerline of Colorado Avenue in the Town of Telluride.



J. David Foley,

P.L.S. #24954

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Examined M-3 START DATE ~~3/18/97~~