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THE FIRST NATIONAL BANK OF CHICAGO

WHEN RECORDED, MAIL TO:

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KLAMATH FALLS PROPERTY

DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING

THIS DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING ("Deed of Trust") is made this October 15, 1991, by RED LION ("Trustor"), a California limited partnership to FIRST AMERICAN TITLE INSURANCE COMPANY ("Trustee"), for the use and benefit of THE FIRST NATIONAL BANK OF CHICAGO ("Beneficiary"), a national banking association.

I. Deed of Trust. For good and valuable consideration, Trustor hereby irrevocably grants, transfers and assigns to Trustee, in trust, with power of sale and right of reentry and possession, all that certain real property ("Land") located in the City of Klamath Falls, Klamath County, Oregon, and more particularly described in Exhibit A attached hereto and incorporated herein, together with all right, title and interest of Trustor in all buildings and improvements now located or hereafter to be constructed thereon and all materials intended for construction, reconstruction, alteration and repair of such buildings and improvements (collectively "Improvements");

TOGETHER with all right, title and interest of Trustor in the appurtenances, privileges, easements, franchises, tenements and development rights, including all minerals, oil, gas and other hydrocarbon substances thereon or therein, air rights, water rights and any land lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements;

TOGETHER with all right, title and interest of Trustor in all equipment, machinery, fixtures, chattels, furniture, furnishings and other articles and types of tangible personal property and any additions to, substitutions for, changes in or replacements of the whole or any part thereof now or at any time hereafter affixed to, attached to, placed upon or used in any way in connection with the construction, use, enjoyment, occupancy or operation of the Land and Improvements or any portion thereof,

including all building materials and equipment now or hereafter delivered to the Land and Improvements and intended to be installed in or about the same, and all inventory, accounts, deposit accounts, accounts receivable, contract rights, development and use rights, permits, licenses, applications, architectural and engineering plans, specifications and drawings, chattel paper, instruments, documents, notes, drafts and letters of credit arising from or related to the Land and Improvements and any business conducted thereon by Trustor and any other intangible personal property and rights relating to the Land and Improvements or any part thereof or to the operation thereof or used in connection therewith, including goodwill, but excepting any interest in the name "Red Lion Inn" (collectively "Personal Property");

TOGETHER with all right, title and interest of Trustor to all proceeds (including claims or demands thereto) from the conversion, voluntary or involuntary, or any of the Land, Improvements or Personal Property into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments in lieu thereof made by any public body or decree by court of competent jurisdiction for taking or for degradation of the value in any condemnation or eminent domain proceeding, and all causes of action and the proceeds thereof of all types for any damage or injury to the Land, Improvements or Personal Property or any part thereof, including causes of action arising in tort or contract and causes of action for fraud or concealment of a material fact (collectively "Proceeds").

IN ADDITION, Trustor absolutely and irrevocably assigns to Beneficiary all right, title and interest of trustor in and to all rents, issues, proceeds, royalties and profits and all leases, rental agreements and other contracts and agreements relating to use and possession (collectively "Leases and Rents" and individually, respectively, "Rents" and "Leases") of any of the Land or Improvements, together with all guarantees thereof and all deposits (to the full extent permitted by law) and other security therefor. (The Land, Improvements, Personal Property, Proceeds and all other right, title and interest of Trustor described above are hereinafter collectively referred to as "Property.")

This Deed of Trust is not a residential trust deed.

II. Obligations Secured. Trustor makes this grant, transfer and assignment of the Property for the purpose of securing:

A. Payment of all indebtedness and other obligations evidenced by that certain Promissory Note Secured by Deed of Trust ("Note"), dated February 18, 1986, in the original principal sum of \$57,000,000.00 made by Red Lion Inn - Costa Mesa, a California joint venture general partnership ("Borrower") to the order of Beneficiary;

B. Payment and performance of all obligations of Trustor under 1. this Deed of Trust, and 2. that certain deed of trust ("Medford Property Deed of Trust") of even date herewith, by and between Trustor, and Beneficiary with respect to that certain land located in the City of Medford, Jackson County, Oregon described in Exhibit B attached hereto, and all improvements and personal property located on and/or owned by Borrower and used in connection with such land, including payment of all sums expended or advanced by Beneficiary thereunder, together with interest thereon;

C. Payment and performance of all obligations of Borrower under 1. that certain Construction Loan Agreement dated February 18, 1986, by and between Borrower, as "Borrower," and Beneficiary, as "Lender," as amended by that certain Amendment No. 1 ("Amendment No. 1") dated November 21, 1986, that certain Amendment No. 2 ("Amendment No. 2") dated May 15, 1987, that certain Amendment No. 3 ("Amendment No. 3") dated September 28, 1990, and that certain Amendment No. 4 ("Amendment No. 4") dated October 15, 1991 (the Construction Loan Agreement, as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3 and Amendment No. 4, herein, the "Loan Agreement") and 2. the other "Loan Documents," as defined in the Loan Agreement, including payment of all sums expressed or advanced by Beneficiary thereunder, together with interest thereon;

D. Payment and performance of all future advances and other obligations that the then record owner of all or part of the Property may agree to pay or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such obligation is evidenced by a writing which states that it is secured by this Deed of Trust; and

E. All modifications, extensions and renewals (if any) heretofore or hereafter entered into and/or executed of one or more of the obligations secured hereby, including without limitation: 1. modifications of the required principal payment dates or interest payment dates, deferring or accelerating payment dates wholly or partly, and 2. modifications, extensions or renewals at a different rate of interest whether or not, in the case of a note or other contract, the modification, extension or renewal is evidenced by a new or additional promissory note or other contract.

The obligations secured by this Deed of Trust are herein collectively called the "Secured Obligations." All persons who may have or acquire an interest in the Property shall be deemed to have notice of, and shall be bound by, the terms of the Loan Documents and each of the Secured Obligations.

III. Assignment of Leases and Rents.

A. Neither the assignment of the Leases and Rents set forth above nor any other provision of any of the Loan Documents shall impose upon Beneficiary any duty to produce rents from the Property or cause Beneficiary to be 1. a "mortgagee in possession" for any purpose, 2. responsible for performing any of the obligations of the lessor under any Lease or 3. responsible or liable for any waste by any lessees or any other parties, for any dangerous or defective condition of the Property, for any negligence in the management, upkeep, repair or control of the Property or any other act or omission by any other person. The foregoing assignment is an absolute assignment and not an assignment for security only and Beneficiary's right to rents, issues and profits is not contingent upon its possession of the Property.

B. Trustor irrevocably appoints Beneficiary as its true and lawful attorney-in-fact, at the option of Beneficiary, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue in the name of Trustor or Beneficiary, for all such Leases and Rents and apply the same to the Secured Obligations; provided, however, Beneficiary confers upon Trustor the authority to collect and retain the Rents as they become due and payable, subject, however, to the right of Beneficiary to revoke said authority at any time after the occurrence of a "Event of Default," as hereafter defined, and without taking possession of all or any part of the Property.

C. Except with Beneficiary's prior written consent or as otherwise permitted by any provision of the Loan Agreement, Trustor shall not 1. enter into any Lease after the date of this Deed of Trust, 2. execute any other assignment relating to any of the Leases and Rents, 3. terminate, modify or amend any Lease or in any manner release or discharge the parties obligated thereunder or 4. accept any deposit or prepayment of rental in excess of one (1) month in advance. Beneficiary at any time may require that all deposits and prepayments and copies of all Leases be delivered to Beneficiary. Trustor shall (i) fulfill or perform each covenant of each Lease to be fulfilled or performed by the lessor thereunder, (ii) give prompt written notice to Beneficiary of any notice of default by the lessor or the lessee thereunder received by Trustor, together with a complete copy of any such notice, and (iii) enforce, short of termination thereof, the performance or observance of each and every covenant and condition thereof by the lessee thereunder to be performed or observed.

D. Trustor shall furnish to Beneficiary, within thirty (30) days after request by Beneficiary, a written statement containing the names of all lessees of the Property, the terms of their respective leases, the spaces occupied and the rentals payable thereunder and a copy of each Lease.

E. All Leases shall provide for the subordination, in form and substance satisfactory to Beneficiary, of such Leases to this Deed of Trust and all extensions, renewals and modifications thereof. In addition, each Lease shall provide that, in the event of the enforcement by Trustee or Beneficiary of the remedies provided at law or by this Deed of Trust, each lessee under a Lease shall, if requested by Beneficiary as a result of such enforcement, automatically become the lessee of Beneficiary, without any change in the terms or provisions of the respective Lease; provided, Beneficiary shall not be 1. bound by any payment of rent or other sum more than one (1) month in advance, 2. bound by any amendment or modification to the respective Lease made without the consent of Beneficiary, 3. liable for damages or any act or omission of any prior lessor or 4. subject to any offsets or defenses which such lessee might have against any prior lessor.

IV. Title. Trustor represents, warrants and covenants that Trustor is the lawful owner of the Property subject only to matters that have been approved by Beneficiary in writing, with good right, full power and lawful authority to mortgage and encumber the Property.

V. Taxes and Assessments. Trustor shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any governmental or quasi-public authority or utility company which are (or, if not paid, may become) a lien upon or cause a loss in value of any interest in any of the Property. Trustor shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any governmental authority upon Beneficiary by reason of its interest in any Secured Obligation or in any of the Property or by reason of any payment made to Beneficiary hereunder or pursuant to any Secured Obligation; but Trustor shall have no obligation to pay or discharge taxes which are measured by and imposed upon Beneficiary's net income. Trustor shall furnish Beneficiary, within ten (10) days after the date such payments are due and payable, official receipts of the appropriate authority or other proofs satisfactory to Beneficiary evidencing the payment thereof.

VI. Insurance. Trustor, at its sole cost and expense, shall obtain and keep in full force and effect the policies of insurance referenced in and/or required by the terms of the Loan Agreement.

VII. Insurance and Condemnation Proceeds. All awards of damages and all other compensation payable directly or indirectly by reason of a condemnation for public or private use affecting any interest in any of the Property and all proceeds of any insurance policies payable by reason of loss of or damage to any part of the Property shall be governed by the terms of the Loan Agreement and paid to Beneficiary.

VIII. Liens and Encumbrances. Trustor shall not, directly or indirectly, create, suffer or permit to be created or

to remain, and shall promptly discharge, any deed of trust or other lien, encumbrance or charge on or security interest in the Property or any portion thereof, whether such deed of trust, lien, encumbrance, charge or security interest is senior to, upon a parity with or junior to the lien of this Deed of Trust; and Trustor shall not suffer any other matter whereby any of the interest of Beneficiary hereunder or in the Property or in the lien hereof or any part of any of the foregoing may be impaired.

IX. Permitted Contest. Trustor shall have the right, at Trustor's expense and in Trustor's name, to contest or object in good faith to any claim, demand, levy or assessment (other than in respect of any indebtedness or contractual obligations of Trustor hereunder or under any of the other Loan Documents), by appropriate legal proceedings which are not prejudicial to Beneficiary's right (but the foregoing shall not be deemed or construed as in any way relieving, modifying or providing any extension of time with respect to Trustor's covenant to pay and comply with any such claim, demand, levy or assessment) if 1. Trustor shall have demonstrated to Beneficiary's satisfaction that such legal proceedings shall conclusively operate to prevent enforcement prior to final determination of any such proceedings and 2. Trustor shall have furnished such bond, surety, undertaking or other security in connection therewith as is requested by and satisfactory to Beneficiary. In the event that, by non-payment of any such items, the security afforded pursuant to this Deed of Trust is endangered or the Property or any part thereof is subject to imminent loss or forfeiture, such taxes, assessment or charges shall be immediately paid. Trustor shall indemnify and save Beneficiary harmless against any liability, costs or expense of any kind that may be imposed in connection with any such contest and any resulting loss.

X. Security Account. "Costs," as used in this section, means taxes, bond installments, assessments, levies, insurance premiums and other expenses which Trustor agrees to pay under this Deed of Trust and the other Loan Documents. At any time after the occurrence of an "Event of Default" (as hereafter defined), and upon Beneficiary's demand, each time a payment is due under the Note, Trustor shall pay to Beneficiary an additional amount ("Payment") estimated by Beneficiary to be equal to the total of the amount next due for all Costs, divided by, in each instance, the number of payments required under the Note before that Cost will become due, less one. Beneficiary shall use these amounts for, or at Beneficiary's sole option, Beneficiary may release these amounts to Trustor for, payment of the Costs. Beneficiary shall maintain an account showing all Payments received and all Costs paid by Beneficiary and/or amounts released to Trustor and shall give Trustor reports on the account as required by law, but not less than annually. Beneficiary, at its sole option, may refund any amount in the account which exceeds the amount due or may continue to hold the excess and reduce proportionately the Payments for the next year. Trustor grants Beneficiary a security interest in the account to secure payment and performance of the Secured

Obligations. Beneficiary, at its sole option, may apply all or any part of the account to payment or performance of any Secured Obligation to the extent permitted by law. Trustor shall restore all amounts so applied as a condition of curing the Event of Default in addition to fulfillment of any other conditions. The existence of the account shall not limit Beneficiary's rights under any other provision of this Deed of Trust or any other agreement or statute or rule of law. Trustor shall not receive interest on the account except to the extent and in the amount required by law. The relationship between Beneficiary and Trustor with respect to the account shall be one of debtor-creditor; and Beneficiary shall not be a trustee, special depository or any other fiduciary acting for the benefit of Trustor.

XI. Maintenance and Preservation of the Property.
Trustor covenants:

- A. To keep the Property in good condition and repair and to complete in accordance with the Loan Documents the improvements now or at any time in process of erection or installation;
- B. Not to remove or demolish any of the Property without Beneficiary's prior written consent;
- C. Not to make any capital improvements in or to any of the Property, other than repairs and maintenance which enhance or preserve the value of the Property, without Beneficiary's prior written consent;
- D. To complete or restore promptly and in good and workmanlike manner any of the Property which may be damaged or destroyed or which may be affected by any condemnation or eminent domain proceeding;
- E. Not to suffer violation of any, and to comply with all, 1. laws, ordinances, regulations and standards, 2. covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character, and 3. requirements of insurance companies for insurability, which laws, covenants or requirements affect any of the Property or pertain to acts committed or conditions existing thereon;
- F. Not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without Beneficiary's prior written consent;
- G. Not to alter the use of all or any part of the Property without the prior written consent of Beneficiary;
- H. Not to commit or permit waste of the Property or to conduct or permit any nuisance thereon;

I. To do all other acts which from the character or use of the Property may be necessary to maintain and preserve its value;

J. To make no further assignment of Leases and Rents without Beneficiary's prior written consent;

K. To pay when due all installments owing upon Leases or conditional sales or like agreements with respect to any Personal Property; and

L. Not to permit any of the Personal Property to be removed at any time from the Property except in the ordinary course of business without the prior written consent of Beneficiary unless actually replaced by articles of equal suitability and value owned by Trustor free and clear of any liens, encumbrances, security interests, ownership interests, claims of title (contingent or otherwise) or charges of any kind, except as may be approved in writing by Beneficiary.

XII. Defense and Notice of Losses, Claims and Actions. Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security hereof and the rights and powers of Beneficiary hereunder at Trustor's sole expense against all adverse claims. Trustor shall give Beneficiary prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to any of the Property, of any condemnation offer or action and of any other Event of Default.

XIII. Inspection. Beneficiary, its agents and employees may enter the Property at any reasonable time for the purpose of inspecting the Property and ascertaining Trustor's compliance with the terms of the Loan Documents.

XIV. Compensation: Exculpation: Indemnification.

A. Trustor shall pay to Beneficiary reasonable compensation for services rendered to Beneficiary which relate to this Deed of Trust. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of 1. the exercise of the rights, remedies or powers granted to Beneficiary under this Deed of Trust, 2. the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust or 3. any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Property after an Event of Default or from any other act or omission of Beneficiary in managing the Property after an Event of Default unless the loss is caused by the willful misconduct or gross negligence of Beneficiary.

B. Trustor shall indemnify Beneficiary against, and shall hold it harmless from, all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other expenses which either may suffer or incur 1. by reason of this Deed of Trust or any of the other Loan Documents, 2. in performance of any act required or permitted hereunder, under any of the other Loan Documents or by law, 3. as a result of any failure of Trustor to perform any of Trustor's obligations or 4. by reason of any alleged obligation or undertaking on Beneficiary's part to perform or discharge any of the representations, warranties, conditions, covenants, or other obligations contained in any other document related to any of the Property.

XV. Statement. Trustor shall, at any time and from time to time upon not less than ten (10) days' prior written notice from Beneficiary, execute, acknowledge and deliver to Beneficiary a statement 1. certifying that this Deed of Trust and the other Secured Obligations are unmodified and in full force and effect or, if modified, stating the nature thereof and certifying that each Secured Obligation, as so modified, is in full force and effect and the date to which principal, interest and other sums secured hereby have been paid and 2. acknowledging that there are no uncured Events of Default under this Deed of Trust or any other Secured Obligation or specifying such Events of Default if any are claimed. Any such certificate may be conclusively relied upon by Beneficiary and any prospective Purchaser or assignee of any Secured Obligation. Trustor's failure to deliver such certificate within such time shall be conclusive upon Trustor that a. the Secured Obligations are in full force and effect, without modification, except as may be represented by Beneficiary, and b. there are no uncured Events of Default thereunder.

XVI. Further Assurances. Trustor shall promptly make, execute, acknowledge and deliver, in form and substance satisfactory to Beneficiary, all such additional instruments, agreements and other documents, and Trustor shall do all other acts as may at any time hereafter be requested by Beneficiary, to effectuate and carry out the purposes of this Deed of Trust and each of the Secured Obligations.

XVII. Expenses and Fees. All reasonable expenses, costs and other liabilities, including attorneys' fees, which Beneficiary may incur 1. in enforcing, defending, construing or administering this Deed of Trust (or its priority) or any of the other Loan Documents, 2. for any inspection, evaluation, appraisal, survey or other service in connection with any of the Property, 3. for any title examination or title insurance policy relating to the title to any of the Property or 4. in the exercise by Beneficiary of any rights or remedies granted by this Deed of Trust or any of the other Loan Documents shall be paid upon demand by Trustor to Beneficiary, together with interest thereon, from the

date of expenditure until payment in full, at the rate set forth in the Note following an Event of Default.

XVIII. Beneficiary's Powers. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action; and Beneficiary may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary, but shall not be responsible for any failure to collect any claim or award regardless of the cause of the failure. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property not then or theretofore released as security for the full amount of the Secured Obligations, Beneficiary may, from time to time and without notice 1. release any person so liable, 2. extend the maturity or alter any of the terms of any such obligation, 3. grant other indulgences, 4. release or reconvey, or cause to be released or reconveyed, at any time and at Beneficiary's option, any parcel, portion or all of the Property, 5. take or release any other or additional security for any Secured Obligation or 6. compromise or make other arrangements with debtors in relation thereto.

XIX. Trustee's Powers. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and without affecting the effect of this Deed of Trust upon the remainder of the Property, Trustee may 1. reconvey any part of the Property, 2. consent in writing to the making of any map or plat thereof, 3. join in granting any easement thereon or 4. join in any extension agreement or any agreement subordinating the lien or charge hereof.

XX. Security Agreement; Fixture Filing.

A. Trustor hereby grants, assigns and transfers to Beneficiary a security interest in and to the Improvements, Personal Property and Proceeds constituting personal property and fixtures; and this Deed of Trust shall constitute a security agreement pursuant to the Oregon Uniform Commercial Code ("UCC") with respect thereto. For purposes of treating this Deed of Trust as a security agreement, Trustor shall be deemed to be the "Debtor" and Beneficiary the "Secured Party."

B. Trustor maintains a place of business in the State of Oregon at the address set forth in this Deed of Trust; and Trustor will immediately notify Beneficiary in writing of any change in its place of business.

C. At the request of Beneficiary, Trustor shall join Beneficiary in executing one or more financing statements and continuations and amendments thereof pursuant to the UCC in form satisfactory to Beneficiary; and Trustor will pay the cost of filing the same in all public offices wherever filing is deemed by Beneficiary to be necessary or desirable. In the event Trustor

fails to execute such documents, Trustor hereby authorizes Beneficiary to file such financing statements and irrevocably constitutes and appoints Beneficiary, or any officer of Beneficiary, as its true and lawful attorney-in-fact to execute the same on behalf of Trustor.

D. In addition to Beneficiary's rights under the UCC, Beneficiary may, but shall not be obligated to, at any time and at the expense of Trustor: 1. give notice to any person of Beneficiary's rights hereunder and enforce such rights; 2. insure, protect, defend and preserve such personal property and fixtures and any rights or interests of Beneficiary therein; 3. inspect such personal property and fixtures; and 4. endorse, collect and receive any right to payment of money owing to Trustor under or from such personal property and fixtures. Beneficiary shall have no duty or obligation to make or give any presentments, demands for performance, notices of non-performances, notices of protest or notices of dishonor in connection with any of such personal property and fixtures.

E. Upon the occurrence of an Event of Default, Beneficiary shall have with respect to such personal property and fixtures, in addition to all of its rights and remedies as stated in this Deed of Trust, all rights and remedies of a secured party under the UCC as well as all other rights and remedies available at law or in equity.

F. This Deed of Trust constitutes a financing statement filed as a fixture filing under Section 9402(6) of the UCC in the official records of the county in which the Property is located with respect to any and all fixtures included within the term "Property" and with respect to any goods or other personal property that may now be or hereafter become such a fixture. PARTS OF SUCH PERSONAL PROPERTY ARE, OR ARE TO BECOME, FIXTURES ON THE PROPERTY.

G. Beneficiary has no responsibility for, and does not assume any of, Trustor's obligations or duties under any agreement or obligation which is part of such personal property or fixtures or any obligation relating to the acquisition, preparation, custody, use, enforcement or operation of any of the Property.

XXI. Transfers. Neither Trustor nor any partner of Trustor (nor any partner of such partner) shall directly or indirectly sell, transfer, convey or further pledge, encumber or hypothecate, whether voluntary, involuntary or by operation of law, all or any part of the Property, any interest therein or any legal or beneficial ownership interest in Trustor or in any partner of Trustor (nor in any partner thereof) without the prior written consent of Beneficiary in each instance.

XXII. Subordinate Deed of Trust. Without the prior written consent of Beneficiary, Trustor will not execute or deliver any pledge, security agreement, mortgage or deed of trust covering all or any portion of the Property ("Subordinate Deed of Trust"). If Beneficiary consents to the foregoing or in the event the foregoing prohibition is determined by a court of competent jurisdiction to be unenforceable, then in either event Trustor will not execute or deliver any Subordinate Deed of Trust unless there shall have been delivered to Beneficiary not less than ten (10) days prior to the date thereof a copy thereof which shall contain express covenants to the effect that:

A. The Subordinate Deed of Trust is in all respects subject and subordinate to this Deed of Trust.

B. If any action or proceeding shall be brought to foreclose the Subordinate Deed of Trust (regardless of whether the same is a judicial proceeding or pursuant to a power of sale contained therein), no lessee of any Lease will be named as a party defendant, nor will any action be taken with respect to the Property which would terminate any Lease without the consent of Beneficiary.

C. The Rents, if collected through a receiver or by the holder of the Subordinate Deed of Trust, shall be applied first to the Secured Obligations, including principal and interest due and owing on or to become due and owing on the Note, and then to the payment of maintenance, operating charges, taxes, assessments and disbursements incurred in connection with the ownership, operation and maintenance of the Property.

D. If any action or proceeding shall be brought to foreclose the Subordinate Deed of Trust, prompt notice of the commencement thereof will be given to Beneficiary.

E. The holder of the Subordinate Deed of Trust shall not acquire by subrogation, contract or otherwise any lien upon any other estate, right or interest in the Property (including any which may arise in respect to real estate taxes, assessments or other governmental charges) which is or may be prior in right to this Deed of Trust or any extension, consolidation, modification or supplement thereto unless within 60 days following written notice of such intention from the holder of the Subordinate Deed of Trust the then holder of this Deed of Trust shall fail or refuse to purchase or acquire by subrogation or otherwise such prior lien, estate, right or interest, or shall fail within such period to commence and thereafter proceed diligently to purchase or acquire the same.

F. The Subordinate Deed of Trust and the lien thereof shall be expressly subject and subordinate to any and all advances hereunder, in whatever amounts and whenever made, with interest thereon, and to any expenses, charges and fees incurred

thereby, including any and all of such advances, interest, expenses, charges and fees which may increase the indebtedness secured by this Deed of Trust above the original principal amount thereof, provided the same is advanced or incurred under any of the express provisions of this Deed of Trust or any extension, consolidation, modification or supplement thereto and intended to be secured thereby.

G. The holder of the Subordinate Deed of Trust shall agree to assign and release unto the holder of this Deed of Trust all of its right, title, interest or claim, if any, in and to the proceeds of all policies of insurance covering the Property and all awards or other compensation made for any taking of any part of the Property for application in accordance with the provisions of this Deed of Trust.

XXIII. Default. Each of the following events is an "Event of Default" hereunder:

A. The occurrence of an Event of Default, under the Loan Agreement.

B. Any breach or default of any covenant of the Medford Property Deed of Trust not cured within an applicable cure period specified in the Medford Property Deed of Trust.

C. Any breach or default of any covenant of this Deed of Trust which can be cured by the payment of money and which Trustor does not cure within the fifteen-day period commencing on the date when such amount was due and payable ("Monetary Event of Default") or any other breach or default ("Non-Monetary Event of Default") by Trustor of any covenant of this Deed of Trust which is not a Monetary Event of Default or which is not defined in this Section 23 and which Trustor does not commence to cure within the "Applicable Cure Period," as defined below, or which Trustor does not diligently and continuously attempt to cure to completion. As used herein, the Applicable Cure Period is, unless otherwise specifically set forth in this Deed of Trust, the thirty-day period commencing on the date of the occurrence of the breach or default.

D. The condemnation, seizure or appropriation of any material (as determined by Beneficiary) portion of the Land or the Improvements.

E. The entry of any judgment or arbitration award against Trustor which is not paid or stayed pending appeal, or the sequestration or attachment of, or any levy or execution upon, 1. any of the Property, 2. any other collateral provided by Trustor or any other person under any of the Documents or 3. any significant portion of the other assets of Trustor which is not released, expunged or dismissed prior to the earlier of forty-five (45) days after such sequestration, attachment or execution or five (5) days before the sale of any such assets.

F. The imposition on Beneficiary of the payment of the whole or any part of the taxes, assessments, charges or liens herein required to be paid by Trustor or changing in any way the laws relating to the taxation of deeds of trust or debts secured by deeds of trust or Beneficiary's interest in the Land or the Improvements or the manner of collection of taxes so as to affect this Deed of Trust or any other Secured Obligation of the holder thereof or imposing a tax, other than a Federal or state income tax, on or payable by Trustee or Beneficiary by reason of their ownership of the Secured Obligations and, in such event, Trustor, after demand by Beneficiary, does not pay such taxes or assessments or reimburse Beneficiary therefor or, in the opinion of counsel of Beneficiary, it might be unlawful to require Trustor to make such payment or the making of such payment might result in the imposition of interest costs beyond the maximum amount permitted by applicable law.

XXIV. Remedies. Upon the occurrence of any Event of Default, Beneficiary may at any time, at its option and in its sole discretion, declare all Secured Obligations to be due and payable and the same shall thereupon become immediately due and payable; provided, if any provision in any Loan Document provides for the automatic acceleration of the indebtedness evidenced by the Note upon the occurrence of any act or event, such provision shall control and preempt any contrary provision herein. Beneficiary may also do any or all of the following, although it shall have no obligation to do any of the following:

A. Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of Beneficiary's security, enter upon and take possession of the Property, or any part thereof, and do any acts which Beneficiary deems necessary or desirable to preserve the value, marketability or rentability of the Property, or to increase the income therefrom or to protect the security hereof and, with or without taking possession of any of the Property, sue for or otherwise collect all rents and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees and expenses, upon the Secured Obligations, all in such order as Beneficiary may determine. The collection of rents and profits and the application thereof shall not cure or waive any Event of Default or notice thereof or invalidate any act done in response thereto or pursuant to such notice.

B. Bring an action in any court of competent jurisdiction to foreclose this instrument or to enforce any of the covenants hereof.

C. Exercise any or all of the remedies available to a secured party under the UCC, including, but not limited to:

1. either personally or by means of a court appointed receiver, take possession of all or any of the personal property, fixtures and proceeds thereof and exclude thereof from Trustor and all others claiming under Trustor and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Trustor in respect to such personal property, fixtures and proceeds thereof; and in the event Beneficiary demands or attempts to take possession of such personal property, fixtures and proceeds thereof in the exercise of any of its rights hereunder, Trustor promises and agrees promptly to turn over and deliver complete possession thereof to Beneficiary;

2. without notice to or demand upon Trustor, make such payments and do such acts as Beneficiary may deem necessary to protect its security interest in such personal property, fixtures and proceeds thereof, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior or superior to the security interest granted hereunder, and in exercising any such powers or authority, to pay all expenses incurred in connection therewith;

3. require Trustor to assemble such personal property or any portion thereof at a place designated by Beneficiary and promptly to deliver such personal property to Beneficiary or an agent or representative designated by it. Beneficiary, its agents and representatives shall have the right to enter upon any or all of Trustor's premises and property to exercise Beneficiary's rights hereunder;

4. sell, lease or otherwise dispose of such personal property and/or fixtures at public sale, with or without having the same at the place of sale, and upon such terms and in such manner as Beneficiary may determine; and Beneficiary may be a purchaser at any such sale. Beneficiary shall not be deemed to have accepted any property other than cash in satisfaction of any Secured Obligation unless Beneficiary shall make an express written election of said remedy under UCC §9505 or other applicable law.

D. Elect to sell by power of sale the Property which is Land and Improvements or which Beneficiary has elected to treat as Land and Improvements and, upon such election, such notice of default and election to sell shall be given 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,

at the time and place specified in the notice of sale, Trustee shall sell such property, or any portion thereof specified by Beneficiary, at public auction to the highest bidder for cash in lawful money of the United States. Trustee may, and upon request of Beneficiary shall, from time to time postpone the sale by public announcement thereof at the time and place noticed therefor. If the Property consists of several lots, parcels or interests, Beneficiary may designate the order in which the same shall be offered for sale or sold. Should Beneficiary desire that more than one such sale or other disposition be conducted, Beneficiary 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 Beneficiary may deem to be in its best interest. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. 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.

E. Exercise each of its other rights and remedies under this Deed of Trust and each of the other Loan Documents.

F. Except as otherwise required by law, apply the proceeds of any foreclosure or disposition hereunder to payment of the following: 1. the expenses of such foreclosure or disposition, 2. the cost of any search or other evidence of title procured in connection therewith and revenue stamps on any deed or conveyance, 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 and 5. the remainder, if any, to the person or persons legally entitled thereto.

G. Upon any sale or sales made under or by virtue of this section, whether made under the power of sale or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Property or any part thereof. In lieu of paying cash for the Property, Beneficiary may make settlement for the purchase price by crediting against the Secured Obligations the sales price of the Property, as adjusted for the expenses of sale and the costs of the action and any other sums for which Trustor is obligated to reimburse Trustee or Beneficiary under this Deed of Trust.

XXV. Subrogation. Beneficiary shall be subrogated, notwithstanding the release of record, to any mechanic's or vendor's lien, superior titles, mortgages, deeds of trust, encumbrances, rights, equities and charges of all kinds heretofore or hereafter existing on the Property to the extent that the same are paid or discharged from the proceeds of the loan evidenced by the Note.

XXVI. Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of Trustor, any subsequent owner of any part of the Property, any maker, surety, guarantor, or endorser of this Deed of Trust or any other Secured Obligation, or any holder of a lien or other claim on all or any part of the Property, whether senior or subordinate hereto, Beneficiary may, from time to time, do one or more of the following: release any person's liability for the payment of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms of any Secured Obligation or accept additional security or release all or a portion of the Property and other security for any Secured Obligation. No such release of liability, taking of additional security, release of security, change in terms or conditions of any Secured Obligation, or other action shall release or reduce the personal liability of Trustor (if any), subsequent purchasers of all or any part of the Property, or makers, sureties, guarantors or endorsers of this Deed of Trust or any other Secured Obligation, under any covenant of this Deed of Trust or any other Secured Obligation, or release or impair the priority of the lien of this Deed of Trust upon any of the Property.

XXVII. No Waiver. Any failure by Beneficiary to insist upon the strict performance by Trustor of any of the terms and provisions of any of the Loan Documents shall not be deemed to be a waiver of any of the terms and provisions of any of the Loan Documents; and Beneficiary, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Trustor of any and all of the terms and provisions of each of the Loan Documents. The acceptance by Beneficiary of any sum after any Event of Default shall not constitute a waiver of the right to require prompt performance of all of the covenants and conditions contained in any of the Loan Documents. The acceptance by Beneficiary of any sum less than the sum then due shall be deemed an acceptance on account only and shall not constitute a waiver of the obligation of Trustor to pay the entire sum then due; and Trustor's failure to pay said entire sum due shall be and continue to be an Event of Default notwithstanding such acceptance of such lesser amount on account and Beneficiary shall be entitled to exercise all rights conferred upon it following an Event of Default notwithstanding such acceptance.

XXVIII. Stamps. If at any time the United States of America, any state thereof or any governmental subdivision of such state shall require revenue stamps to be affixed to the Note or any of the other Documents, or the payment of any other tax paid on or in connection therewith, Trustor shall pay the same with any interest or penalties imposed in connection therewith if Trustor is permitted by law to pay such amount and, if not so permitted, then the Secured Obligations shall immediately be due and payable.

XXIX. Joint and Several. If Trustor consists of more than one party, such parties shall be jointly and severally liable

under any and all obligations, covenants and agreements of Trustor contained herein.

XXX. Cumulative. The rights of Beneficiary arising under this Deed of Trust and the other Loan Documents shall be separate, distinct and cumulative, and none of them shall be in exclusion of the others. No act of Beneficiary shall be construed as an election to proceed under any one provision to the exclusion of any other provision, notwithstanding anything herein or otherwise to the contrary. Any specific enumeration of powers of Beneficiary, or of acts to be done or not to be done by Trustor, shall not be deemed to exclude or limit the general.

XXXI. Statement of Condition. Beneficiary shall furnish any statement required by law regarding the obligations secured hereby or regarding the amounts held in any trust or reserve fund hereunder. For any such statement, Beneficiary may charge a reasonable fee, not to exceed the maximum amount permitted by law at the time of the request therefor.

XXXII. Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation, and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in any such reconveyance of any matters or facts shall be conclusive proof of the truth thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

XXXIII. Substitution. Beneficiary may substitute Trustee hereunder in any manner now or hereafter provided by law or, in lieu thereof, Beneficiary may from time to time, by an instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties in which the Land and Improvements are situated, shall be conclusive proof of proper substitution of such successor Trustee, who shall thereupon and without conveyance from the predecessor Trustee, succeed to all its title, estate, rights, powers and duties.

XXXIV. Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the state in which the Land is located, except that Federal law shall apply to the extent that Beneficiary may have greater rights under Federal laws.

XXXV. Severable. If any provision of this Deed of Trust or its application to any person or circumstance is held invalid, the other provisions hereof or the application of the provision to other persons or circumstances shall not be affected.

XXXVI. Successors and Assigns. Each of the covenants and obligations of Trustor set forth in this Deed of Trust and each of the other Documents shall run with the land and shall bind Trustor, the heirs, personal representatives, successors and assigns of Trustor and all subsequent encumbrancers and tenants of the Property and shall inure to the benefit of Beneficiary and their respective successors and assigns.

XXXVII. Captions. The captions or headings at the beginning of each section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

XXXVIII. Notice. Any notice required or permitted to be given hereunder shall be deemed given when personally delivered or when deposited in the United States certified or registered mail, postage prepaid, or when transmitted by telegraph or telex, charges prepaid, addressed as set forth below. Any party from time to time, by notice to the other parties given as above set forth, may change its address for purposes of receipt of any such communication.

To Trustor: Red Lion Inn, a California limited partnership
c/o Red Lion Inns
4001 Main Street
Vancouver, Washington 98663
Attention: Mr. H. Raymond Bingham

To Trustee: First American Title Insurance Co.
114 East 5th Street
Santa Ana, California 92701

To Beneficiary: The First National Bank of Chicago
Real Estate Section
555 South Flower Street, 33rd Floor
Los Angeles, California 90071-2487
Attention: Mr. Thomas C. Williams

XXXIX. No Third Party Beneficiaries. This Deed of Trust is made and entered into for the sole protection and benefit of the parties hereto, and no other person or entity shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with this Deed of Trust or any of the other Loan Documents.

XL. Amendments. This Deed of Trust contains (or incorporates) the entire agreement of the parties hereto with respect to the matters discussed herein and may only be modified or amended by a written instrument executed by each of the parties hereto.

XLI. Survival. All representations, warranties, covenants and agreements of Trustor hereunder shall survive the

delivery of this Deed of Trust and shall continue in full force and effect until the full and final payment and performance of all the secured obligations.

XLII. Time. Time is of the essence of each provision of this Deed of Trust.

XLIII. Waivers. To the fullest extent permitted by law, Trustor hereby waives the benefit of all laws now existing or hereafter enacted providing for the pleading of any statute of limitation as a defense to any Secured Obligation or extending the time for the enforcement of the collection of any Secured Obligation; and Trustor agrees that Trustor shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any stay of execution or extension in the event of foreclosure of the liens hereby created. In addition, Trustor expressly waives and relinquishes any and all rights and remedies which Trustor may have or be able to assert by reason of any laws pertaining to the rights and remedies of sureties or any law pertaining to marshalling of assets, the administration of estates of decedents and any exemption from execution or sale of the Property or any part thereof.

XLIV. Continuation of Payments. Notwithstanding any taking by eminent domain or other governmental action causing injury to, or decrease in value of, the Property and creating a right to compensation therefor, Trustor shall continue to make the required payments of principal and interest on the Note. If, prior to the receipt by Beneficiary of such award or compensation, the Property shall have been sold in any action or proceeding to foreclose this Deed of Trust, Beneficiary shall have the right to receive said award or compensation to the extent of any deficiency found to be due upon such sale, with interest thereon, whether or not a deficiency judgment on this Deed of Trust shall have been sought or recovered, together with reasonable counsel fees and the costs and disbursements incurred by Beneficiary in connection with the collection of such award or compensation.

XLV. Occupancy Rent. In the event of the occurrence of any Event of Default, Trustor will pay monthly, in advance, to Beneficiary, on its entry into possession or to any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of the Property or of such part thereof as may be in the possession of Trustor; and upon default in any such payment, Trustor shall vacate and surrender possession of the Property or such part thereof, as the case may be, to Beneficiary or to such receiver and, in default thereof, may be evicted by summary proceedings or otherwise.

XLVI. Specific Performance. At any time, Beneficiary may commence and maintain an action in any court of competent jurisdiction for specific performance of any of the covenants and

agreements contained herein, and may obtain the aid and direction of the court in the performance of any of the covenants and agreements contained herein, and may obtain orders or decrees directing the execution of the same and, in case of any sale hereunder, directing, confirming or approving its or Trustee's acts and granting it such relief as may be warranted in the circumstances.

XLVII. Usury Savings. All agreements between Trustor and Beneficiary are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the holder of the Note for the use, forbearance or detention of the money advanced thereunder or hereunder exceed the highest lawful rate permissible. If, from any circumstances whatsoever, fulfillment of any provisions of this Deed of Trust or the Note or any other Document at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable thereto or hereto, then the obligations to be fulfilled shall be reduced to the limit of such validity and, if from any circumstances Beneficiary shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due hereunder and not to the payment of interest. This provision shall control every other provision of all agreements between Trustor and Beneficiary.

XLVIII. Limitation on Recourse. Beneficiary's source of satisfaction of the indebtedness evidenced by the Loan Documents shall be limited as specified in the Loan Agreement.

XLIX. Counterparts. This Deed of Trust may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one Deed of Trust.

XLX. Special Covenants of Non-Borrowing Trustor.

a. Since this Deed of Trust secures a promissory note made by a party or parties not identical to the party or parties constituting Trustor, Trustor warrants that (i) this Deed of Trust is executed at the request of Borrower, (ii) this Deed of Trust complies with all agreements between Trustor and Borrower about Trustor's execution hereof, (iii) Beneficiary has made no representation to Trustor as to the credit-worthiness of Borrower and (iv) Trustor has established adequate means of obtaining from Borrower on a continuing basis financial and other information pertaining to Borrower's financial condition. Trustor agrees to keep adequately informed from such means of any facts, events or circumstances which might in any way affect Trustor's risks hereunder; and Trustor further agrees that Beneficiary shall have no obligation to disclose to Trustor

information or material acquired in the course of Beneficiary's relationship with Borrower.

b. Trustor waives any right to require Beneficiary to (i) proceed against any person, including Borrower, (ii) proceed against or exhaust any collateral held from Borrower, or any other person, (iii) give notice of the terms, time and place of any public or private sale of personal property security held from Borrower or comply with any other provision of UCC § 9504, (iv) pursue any other remedy in Beneficiary's power or (v) make any presentment, demand for performance or give any notice of nonperformance, protest, notice of protest or notice of dishonor in connection with any obligation or evidence of indebtedness held by Beneficiary as security in connection with any obligation or evidence of indebtedness which constitutes in whole or in part the Secured Obligations or in connection with the creation of new or additional obligations.

c. Trustor waives any defense arising by reason of (i) any disability or other defense of Borrower or any other person, (ii) the cessation from any cause whatsoever, other than payment in full, of the Secured Obligations, (iii) the application by Borrower of the proceeds of any obligation secured hereby for purposes other than the purposes represented by Borrower to Beneficiary or intended or understood by Beneficiary or Trustor, (iv) any act or omission by Beneficiary which directly or indirectly results in or aids the discharge or release of Borrower, any other person, any Secured Obligation or any collateral by operation of law or otherwise or (v) any modification of any Secured Obligation in any form whatsoever, including, without limit, the renewal, extension, acceleration or other change in time for payment of such obligations, increase or decrease of the rate of interest thereon or other change in the terms of such obligations or any part thereof.

d. Trustor waives all right which Trustor may have under (i) any law which may limit the amount of a deficiency judgment based on any Secured Obligation, (ii) any bar to deficiency judgments, (iii) any requirement of law that Beneficiary exhaust this or any other security for the Secured Obligations before proceeding against Borrower, (iv) any law which may prohibit Beneficiary from enforcing its rights and remedies against Trustor by both a private trustee's sale and an action in court or (v) any law which requires that a court action to enforce Beneficiary's rights be an action to foreclose this Deed of Trust. The foregoing waiver includes, but is not limited to, waivers of the benefit of Oregon Revised Statutes (ORS) Section 86.770(2), as amended or recodified from time to time.

e. Until all Secured Obligations have been performed and paid in full, Trustor shall have no right of subrogation, and Trustor further waives any right to enforce any remedy which Beneficiary now has or later may have against Borrower

or any other person, and waives any benefit of, and any right to participate in, any security now or later held by Beneficiary. Trustor waives all defenses Trustor may have based upon any election or remedies by Beneficiary which destroys Trustor's subrogation rights or Trustor's rights to proceed against Borrower or any other person for reimbursement, including, without limit, any loss of rights that Trustor may suffer by reason of any rights, powers or remedies of Borrower in connection with any anti-deficiency laws or any other laws limiting, qualifying or discharging indebtedness of or remedies against Borrower (including, without limit, ORS 86.770(2), as amended or recodified from time to time).

f. Trustor warrants and agrees that each of the waivers set forth above are made with Trustor's full knowledge of their significance and consequences, with the understanding that events giving rise to any defense waived may diminish, destroy or otherwise adversely affect rights which Trustor otherwise may have against Borrower, Beneficiary or others, or against collateral, and that under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any of the waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective to the maximum extent permitted by law.

g. All indebtedness of Borrower now or later held by Trustor is subordinated to the Secured Obligations and Trustor hereby grants to Beneficiary a security interest in all of Trustor's rights of payment as security for the Secured Obligations; and, if Beneficiary requests, shall be collected and received by Trustor as trustee for Beneficiary and paid over to Beneficiary on account of the Secured Obligations but without reducing or affecting in any manner the liability of Trustor under the other provisions of this Deed of Trust. All notes, documents, instruments, accounts, general intangibles and chattel paper now or later evidencing indebtedness of Borrower to Trustor shall be marked with a legend that the indebtedness is subject to this Deed of Trust and, if Beneficiary so requests, shall be delivered to Beneficiary. Trustor will, and Beneficiary is authorized, in the name of Trustor, from time to time, to execute and file financing statements and continuation statements and execute such other documents and take such other action as Beneficiary deems necessary or appropriate to perfect, preserve and enforce its right hereunder.

h. Trustor's interest in the Property shall not be discharged, released or exonerated from the lien or charge hereof by the voluntary or involuntary participation by Borrower in any settlement or composition for the benefit of Borrower's creditors either in liquidation, readjustment, receivership, bankruptcy or otherwise.

24309

IN WITNESS WHEREOF, this Deed of Trust has been duly executed, acknowledged and delivered by Trustor as of the day and year first above written.

"Trustor"

RED LION, a California Limited Partnership

By: RLA-GP, Inc., a Delaware corporation, as General Partner

By: [Signature]
Its: Senior Vice President

By: _____
Its: _____

Attached: Exhibit A: Land
Exhibit B: Land Encumbered by Medford Property Deed of Trust

WASHINGTON
STATE OF OREGON

County of Clark) ss

On this 4th day of November, in the year 1991, before me, Diane E. Harrington, Notary Public in and for the State of Oregon, personally appeared H. Raymond Bingham, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument on behalf of the limited partnership and acknowledged to me that the limited partnership executed it.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Clark the day and year in this certificate first above written.



Diane E. Harrington
Notary Public for the State of Oregon-Washington*
My Commission Expires: 7/23/95
* Residing at Vancouver

EXHIBIT A

Legal Description of Land

All that certain real property located in the City of Klamath Falls, Klamath County, Oregon, more particularly described as follows:

Beginning at a $\frac{1}{4}$ inch iron pin on the South line of the relocated right of way of the Klamath Falls-Lakeview Highway (South Sixth Street) which bears South $80^{\circ}45'$ West a distance of 290.3 feet and South $0^{\circ}06'30''$ West a distance of 11.82 feet from the Northeast corner of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3 Township 39 South, Range 9 E.W.M.; said iron pin also being the Northwest corner of parcel of land conveyed to the United States National Bank of Portland by deed recorded in Vol. 293, page 435, Deed records of Klamath County, Oregon; thence North $89^{\circ}58'30''$ West along said relocated right of way line, a distance of 100.0 feet to an iron pin and the true point of beginning of this description; thence South $0^{\circ}06'30''$ West parallel with the West line of said United States National Bank parcel a distance of 150.0 feet to an iron pin; thence South $89^{\circ}58'30''$ East parallel to the South line of said re-located highway right of way a distance of 100.0 feet to an iron pin on the West line of said United States National Bank parcel; thence South $0^{\circ}06'30''$ West along said West line a distance of 30.0 feet to a $\frac{5}{8}$ inch iron pin marking the Southwest corner of said parcel; thence South $0^{\circ}55'30''$ East a distance of 329.18 feet, more or less, to a $\frac{5}{8}$ inch iron pin on the Northeasterly right of way line of the O.C.&E. Railroad; thence North $67^{\circ}15'$ West along said right of way line a distance of 472.81 feet, more or less, to an iron pin on the Easterly right of way line of the U.S.R.S. Drain 1-C; thence North $29^{\circ}11'00''$ West along said right of way line a distance of 65.47 feet to an iron pin; thence North $01^{\circ}22'00''$ West along the West line of parcel of land conveyed to Johann L. Uherek et ux., by deed recorded September 20, 1950, Deed Vol. 242, page 201, records of Klamath County, Oregon, a distance of 266.9 feet, more or less, to the South line of the said Klamath Falls-Lakeview Highway (South Sixth Street); thence South $89^{\circ}58'30''$ East along said relocated right of way line a distance of 367.8 feet, more or less, to the point of beginning.

EXHIBIT B

Legal Description of Land

All that certain real property located in the City of Medford, Jackson County, Oregon, more particularly described as follows:

PARCEL 1:

Commencing at the Northeast corner of Riverside Avenue and East Main Street in the City of Medford, Jackson County, Oregon; thence North 28° 43' 00" West 273.83 feet, along the Easterly line of North Riverside Avenue, to the center line of the Northerly wall of the Denison Building for the true point of beginning; thence continue North 27° 43' 00" West 100.00 feet, along said Easterly line of North Riverside Avenue; thence North 66° 08' 20" East 106.08 feet (Record North 66° 08' 30" East); thence South 27° 43' 00" East 100.00 feet to an intersection of the outside line of the Easterly wall of the Denison Building with the projection of center line of the Northerly wall of said Denison Building; thence South 66° 08' 30" West 106.08 feet along the center line and the projection thereof, of the Northerly wall of said Denison Building, to the true point of beginning.

EXCEPTING THEREFROM all that portion of the Northerly wall of the Denison Building lying Northerly of the centerline of said wall, including all footings and foundations thereof, together with the land upon which or underneath which said wall and footings stand, the centerline of said Northerly wall of the Denison Building being situated as follows: Beginning at a point on the Easterly line of Riverside Avenue in the City of Medford, Jackson County, Oregon, said point being North 27° 43' West 224.06 feet from the intersection of said Easterly line of Riverside Avenue with the Northerly line of East Main Street (said intersection being also North 34° 12' East 68.0 feet from the intersection of the Westerly line of Riverside Avenue with the center line of East Main Street); thence along said Easterly line of Riverside Avenue, North 27° 43' West 49.42 feet to the centerline of Northerly wall of the Denison Building.

PARCEL 2:

Commencing at the Northeast corner of Riverside Avenue and East Main Street in the City of Medford, Jackson County, Oregon; thence North 27° 43' 00" West 273.83 feet along the Easterly line of North Riverside Avenue to the center line of the Northerly wall of the Denison Building; thence North 66° 08' 30" East 106.08 feet along the center line and the projection thereof the Northerly wall of said Denison Building, to an intersection with the outside line of the Easterly wall of said Denison Building, for the true point of beginning; thence North 27° 43' 00" West 100.00 feet; thence South 66° 08' 20" West (Record South 66° 08' 30" West) 106.08 feet to the Easterly line of North Riverside Avenue; thence North 27° 43' 00" West 50.00 feet along the Easterly line of North Riverside Avenue; thence North 61° 49' 00" East 105.84 feet; thence North 27° 43' 00" West 111.09 feet; thence North 67° 45' 00" East 23.68 feet to a 1 inch galvanized iron pipe; thence North 68° 45' 00" East 100.30 feet to a 1 inch galvanized iron pipe; thence North 60° 58' 42" East 144.73 feet (Record North 61° 00' 00" East 144.75 feet); thence North 14° 30' 00" West 60.15 feet (Record 60.13 feet); thence North 80° 00' 00" East 83.08 feet to intersect the Westerly right of way line of Interstate Highway No. 5; thence along said Westerly right of way line as follows: South 13° 49' 50" East 401.71 feet to intersect the center line of channel of Bear Creek, and South 4° 22' 00" East 177.04 feet along center line of channel of said Bear Creek, to the Northerly line of East Main Street in the City of Medford, Oregon; thence South 76° 32' 35" West 51.41 feet along said Northerly line of East Main Street; thence North 17° 28' 00" West 138.30 feet; thence South 66° 17' 00" West 171.30 feet to the Southeast corner of the Niedermeyer Building; thence North 23° 29' 30" West 49.98 feet along the outside line of the Easterly wall of said Niedermeyer Building, to the center line of the Northerly wall of said Niedermeyer Building; thence South 66° 10' 00" West 1.92 feet along the center line of said Northerly wall of said Niedermeyer Building, to a point of intersection with the projected

outside line of the Easterly wall of the Denison Building; thence North 27° 37' 10" West 49.81 feet along the outside line of the Easterly wall of said Denison Building, to the center line of the Northerly wall of said Denison Building, the true point of beginning.

EXCEPTING THEREFROM all that part of said wall between the Niedermeyer and Denison Buildings extending Easterly from the said Denison Building.

PARCEL 3:

Commencing at the Northeast corner of Riverside Avenue and East Main Street in the City of Medford, Jackson County, Oregon; thence North 27° 43' 00" West 273.83 feet along the Easterly line of north Riverside Avenue to the center line of the Northerly wall of the Denison Building; thence continue North 27° 43' 00" West 150.00 feet, along said Easterly line of North Riverside Avenue, to the true point of beginning; thence continue North 27° 43' 00" West 122.08 feet, along said Easterly line of North Riverside Avenue, to a 1 inch iron pipe at the Northwest corner of "Adkins Tract"; thence North 67° 45' 00" East 106.32 feet; thence South 27° 43' 00" East 111.09 feet; thence South 61° 49' 00" West 105.84 feet to the true point of beginning.

PARCEL 4:

Commencing at a concrete monument with bronze disk located at the intersection of the center line of North Riverside Avenue with the center line of East Fourth Street in the City of Medford, Jackson County, Oregon; thence along said East Fourth Street center line North 71° 03' 20" East 30.00 feet; thence parallel with the monumented center line of North Riverside Avenue, South 18° 40' 45" East 298.27 feet to a 5/8 inch iron pin for the true point of beginning; thence continue South 18° 40' 45" East 78.32 feet; thence South 16° 02' 20" East 165.00 feet to the Northwest corner of the "Adkins Tract"; thence to and along the Northwesterly boundary of that parcel described in Volume 537, Page 13, Jackson County, Oregon, Deed Records, North 67° 50' 30" East (record North 67° 45' 00" East) 130.05 feet; thence along said parcel boundary North 68° 51' 40" East (record North 68° 45' 00" East) 100.27 feet; thence along said parcel boundary North 61° 05' 30" East (Record North 61° 00' 00" East) 144.75 feet; thence along the Southwesterly boundary of said parcel, North 14° 24' 30" West 60.13 feet (Record North 14° 30' 00" West 60.15 feet); thence along the Northwesterly boundary of said parcel, North 80° 05' 30" East, 83.11 feet (record North 80° 00' 00" East 83.08 feet) to intersect the Southwesterly right of way line of Interstate Highway No. 5; thence along said highway line North 13° 44' West 110.98 feet; thence along the Southwesterly boundary of the tract described in Final Judgment rendered November 2, 1953, in the Circuit Court of Oregon for Jackson County, under Case No. 53-188-E and recorded in Volume 115, Page 347, of the Circuit Court Journal, North 27° 42' West 312.02 feet to the Southeasterly boundary of East Fourth Street; thence along said street boundary, South 71° 03' 20" West 213.37 feet to the most Northerly corner of that tract described in Volume 579, Page 429, said Deed Records; thence along the Northeasterly boundary of said tract, South 18° 56' 40" East 154.75 feet to the most Easterly corner thereof; thence along the Southeasterly boundary of said tract, South 77° 58' West 57.86 feet; thence along the Southeasterly boundary of said tract South 76° 53' 50" West 17.03 feet; thence South 18° 40' 45" East 112.80 feet; thence South 71° 19' 15" West 125 feet to the true point of beginning.

PARCEL 5:

Commencing at the Northeast corner of Riverside Avenue and East Main Street in the City of Medford, Jackson County, Oregon; thence North 27° 36' 40" West (record North 27° 33' 00" West) 545.91 feet along the Easterly line of North Riverside Avenue to a 1 inch pipe at the Northwest corner of "Adkins Tract"; thence North 16° 40' 45" West along said Easterly line 165.59 feet; thence North 18° 40' 45" West along said Easterly line 203.25 feet to the true point of beginning; thence South 18° 40' 45" East along said Easterly line 125.00 feet; thence North 71° 19' 15" East, at right angles to the said Easterly line of North Riverside Avenue, 125.00 feet; thence North 18° 40' 45" West, parallel with said Easterly line to a point on the South line of tract described in Volume 579, Page 427, Jackson County, Oregon, Deed Records; thence South 76° 53' 50" West along said line to the true point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 20th day of Nov. A.D., 19 91 at 8:30 o'clock A.M., and duly recorded in Vol. M91 of Mortgages on Page 24286.

FEE \$138.00

Evelyn Biehn County Clerk
By Douglas M. Lindgren