

RECORDING REQUESTED BY:

SEATTLE-FIRST NATIONAL BANK

AND WHEN RECORDED MAIL TO:

Brobeck, Phleger & Harrison
550 So. Hope Street
Los Angeles, California 90071
Attention: Drew Jones, Esq.

K-410402

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

ASSIGNMENT OF DEED OF TRUST AND RELATED INDEBTEDNESS

FOR VALUE RECEIVED, the undersigned Seller hereby grants, transfers, assigns, conveys and delivers to the Lenders under the Loan Documents, including Seattle-First National Bank, as Agent for itself, Bank of America-Oregon and Wells Fargo Bank, N.A., the current Lenders and their respective successors and assigns (collectively, the "Buyer"), the indebtedness evidenced by that certain Promissory Note Secured by Deed of Trust, dated February 18, 1986, in the original face amount of \$57,000,000 made by Red Lion Inn-Costa Mesa, a California joint venture general partnership (the partners of whom subsequently restructured their partnership agreement and converted the same from a general partnership to a limited partnership such that the current obligor under such promissory note is Red Lion Orange County Partners, L.P., a California limited partnership), together with the beneficial interests of Seller under (i) that certain Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing recorded on February 20, 1986 in the official records of Orange County, California as instrument no. 86-069109, (ii) that certain Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing recorded in the Mortgage Records of Klamath County, Oregon on November 20, 1991 in Volume M91, Page 24286, (iii) that certain Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing recorded on November 20, 1991 as Document No. 91-28297 in the official records of Jackson County, Oregon, together with all right, title and interest of Seller under the Loan Documents described in Exhibit A attached hereto and incorporated herein by this reference.

Seller hereby represents and warrants to Buyer that:

a. Seller is the sole owner and holder of the indebtedness evidenced by the Loan Documents and no other person or entity holds or owns any interest in the Loan or the Loan Documents other than the participation interests of Seattle-First National Bank, Bank of America-Oregon and Wells Fargo Bank, N.A.

which participation interests, without further action or acknowledgment are hereby terminated upon the delivery and acceptance of this Assignment; and

b. Seller has full power and authority to enter into this Assignment and any other documents contemplated hereby; the persons executing this Assignment and any other documents contemplated hereby on behalf of Seller have been authorized and empowered to bind Seller thereto; and this Assignment is, and each instrument and document to be executed by Seller hereunder shall be, a valid, legally binding obligation of Seller enforceable against Seller in accordance with its terms.

Seller shall indemnify and hold harmless Buyer (with counsel acceptable to Buyer) from and against any loss, expense, cost, claim, demand, liability or damages, including reasonable attorneys' fees, attributable to any breach or default by Seller of any of its representations and warranties contained in this Assignment.

Except as expressly provided herein, this Assignment is made without recourse, representation or warranty of any kind.

This Assignment may be executed in counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one (1) Assignment.

IN WITNESS WHEREOF, Seller has executed and acknowledged this instrument on this day of December 14, 1994.

"Seller"

THE FIRST NATIONAL BANK OF CHICAGO

By: Jacqueline P. Hurdley

Its: Vice President

ACCEPTANCE AND ASSUMPTION:

Buyer hereby accepts the foregoing Assignment and assumes the duties and obligations of Seller under the Loan Documents.

"Buyer"

SEATTLE-FIRST NATIONAL BANK, as Agent
for the Lenders

By: _____

Its: _____

which participation interests, without further action or acknowledgment are hereby terminated upon the delivery and acceptance of this Assignment; and

b. Seller has full power and authority to enter into this Assignment and any other documents contemplated hereby; the persons executing this Assignment and any other documents contemplated hereby on behalf of Seller have been authorized and empowered to bind Seller thereto; and this Assignment is, and each instrument and document to be executed by Seller hereunder shall be, a valid, legally binding obligation of Seller enforceable against Seller in accordance with its terms.

Seller shall indemnify and hold harmless Buyer (with counsel acceptable to Buyer) from and against any loss, expense, cost, claim, demand, liability or damages, including reasonable attorneys' fees, attributable to any breach or default by Seller of any of its representations and warranties contained in this Assignment.

Except as expressly provided herein, this Assignment is made without recourse, representation or warranty of any kind.

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IN WITNESS WHEREOF, Seller has executed and acknowledged this instrument on this day of December 14, 1994.

"Seller"

THE FIRST NATIONAL BANK OF CHICAGO

By: _____

Its: _____

ACCEPTANCE AND ASSUMPTION:

Buyer hereby accepts the foregoing Assignment and assumes the duties and obligations of Seller under the Loan Documents.

"Buyer"

SEATTLE-FIRST NATIONAL BANK, as Agent
for the Lenders

By: _____

Its: _____

STATE OF Illinois)

COUNTY OF Cook

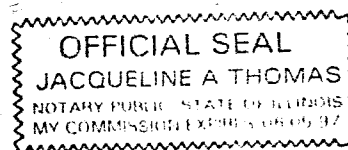
On December 13, 1994, before me, Jacqueline A. Thomas
Vice President, personally appeared Jacqueline P. Yardley
 _____, personally known to me (or proved to me on
 the basis of satisfactory evidence) to be the person(s) whose
 name(s) is/are subscribed to the within instrument and
 acknowledged to me that he/she/they executed the same in
 his/her/their authorized capacity(ies), and that by his/her/their
 signature(s) on the instrument the person(s), or the entity upon
 behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Jacqueline A. Thomas

(Seal)



38155

STATE OF Washington)COUNTY OF King)

On December 13, 1994, before me, Dora A. Brown
Ben Flaro, personally appeared _____,
personally known to me (or proved to me on
the basis of satisfactory evidence) to be the person(s) whose
name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

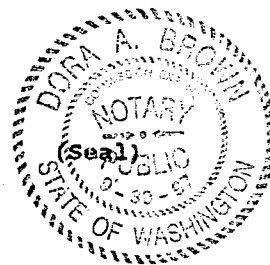
Signature Dora A. Brown

EXHIBIT A

Loan Documents

\$57,000,000 CONSTRUCTION AND TERM LOAN

RED LION INN - COSTA MESA, CALIFORNIA

RED LION INN - MEDFORD, OREGON

RED LION INN - KLAMATH FALLS, OREGON

1. Construction Loan Agreement, dated February 18, 1986;
2. Promissory Note Secured by Deed of Trust, dated February 18, 1986, in the face amount of \$57,000,000;
3. Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing recorded February 20, 1986 in the Official Records of Orange County, California as instrument no. 86-069109;
4. Construction Security Agreement, dated February 18, 1986;
5. UCC-1 Fixture Filing filed in the Official Records of Orange County, California on February 20, 1986 as instrument no. 86-069110, as amended by UCC-2s recorded May 16, 1988 as instrument no. 88-227488 and recorded November 20, 1991 as instrument no. 91-632829;
6. UCC-1 Financing Statement filed with the California Secretary of State on February 20, 1986 under file no. 86-041466, as amended by a UCC-2 filed on May 12, 1988;
7. UCC-1 Financing Statement filed with the Department of Licensing, Washington, on February 20, 1986 under file no. 86-052-0000, as amended by UCC-3s filed on May 16, 1988 under file no. 88-137-0006 and December 15, 1991 under file no. 01-350-0018;
8. Assignment, dated February 18, 1986;
9. Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing recorded in the Mortgage Records of Klamath County, Oregon on November 20, 1991 in Volume M91, Page 24286;
10. Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing recorded on November 20, 1991 as Document No. 91-28297 in the Official Records of Jackson County, Oregon;

EXHIBIT A

11. UCC-1 Financing Statement filed with the Oregon Secretary of State on November 20, 1991 under File No. 81228;
12. UCC-1 Fixture Filing filed in the Mortgage Records of Klamath County under Volume M91, Page 24313;
13. UCC-1 Fixture Filing filed in the Official Records of Jackson County, Oregon on November 20, 1991 as Instrument No. 91-28298;
14. Repayment and Completion Guaranty, dated February 18, 1986;
15. Non-Foreign Investor Affidavit, dated February 18, 1986;
16. Partnership Borrowing Certificate, dated February 18, 1986;
17. Partnership Guaranty Certificate, dated February 18, 1986;
18. Partnership Estoppel Certificate (RL Acquisition), dated February 18, 1986;
19. Partnership Estoppel Certificate (KKR), dated February 18, 1986;
20. Letter Agreement, dated February 18, 1986, of Peter A. Lendrum Associates;
21. Letter Agreement, dated February 18, 1986, of Jones Brothers Construction;
22. Two (2) Letter Agreements, each dated February 17, 1986, of RL Acquisition Company (on Red Lion Inns letterhead);
23. City of Costa Mesa letter of February 18, 1986;
24. United States National Bank of Oregon letter of January 31, 1986;
25. Legal Opinions of (i) Latham & Watkins and (ii) Hugie and Hugie, each dated February 18, 1986;
26. Amendment No. 1, dated November 21, 1986; and a Short Form Amendment thereof recorded in the Official Records of Orange County, California on December 26, 1986 as instrument no. 86-643963;
27. Amendment No. 2, dated May 15, 1987; and a Short Form Amendment thereof recorded in the Official Records of Orange County, California on August 14, 1987 under instrument no. 87-463961;

EXHIBIT A

28. Amendment No. 3, dated September 28, 1990; and an Omnibus Amendment to Security Agreements pertaining thereto recorded in the Official Records of Orange County, California on October 12, 1990 as instrument no. 90-543560;
29. Amendment No. 4, dated October 15, 1991; and an Omnibus Amendment to Security Agreements pertaining thereto recorded in the Official Records of Orange County, California on November 20, 1991 as instrument no. 91-632828;
30. Amendment No. 5, dated April 23, 1993; and an Omnibus Amendment to Security Documents pertaining thereto recorded in the Official Records of Orange County, California on June 7, 1993 as instrument no. 93-0378039, in the Official Records of Jackson County, Oregon on June 4, 1993 as Document No. 93-18157 and in the Mortgage Records of Klamath County, Oregon on June 4, 1993 in Volume M93, Page 12859;
31. Amendment No. 6, dated October 10, 1994;
32. Environmental Indemnity (Oregon Properties), dated October 15, 1991;
33. Environmental Indemnity (Costa Mesa), dated October 15, 1991;
34. ALTA Policy of Title Insurance issued by First American Title Insurance Company on February 20, 1986 as Policy No. OR-1413149, together with endorsements issued at original closing and subsequent amendments (August 14, 1987; October 12, 1990; November 20, 1991; and June 7, 1993);
35. ALTA Loan Policy issued by First American Title Insurance Company of Oregon on December 19, 1991 as Policy No. 217130/CTI-82460, together with the endorsements issued at original closing and on June 4, 1993;
36. Legal Opinions of Stoel Rives Boley James & Grey, dated September 28, 1990 and November 20, 1991;
37. Legal Opinions of Brobeck, Phleger & Harrison, dated September 28, 1990 and November 20, 1991;
38. Legal Opinion of Lane Powell Spears Lubersky, dated November 20, 1991;
39. Legal Opinion of Rutan & Tucker, dated April 23, 1993;
40. Amendment No. 7, dated November 30, 1994; and
41. Any other documents, agreements and/or instruments evidencing, securing or governing this Loan.

BPHLA\JX\0292132.04
12/14/94

EXHIBIT A

3.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co the 19th day
of Dec A.D., 19 94 at 3:25 o'clock P M., and duly recorded in Vol. M94
of Mortgages on Page 38151

FEE \$45.00

Evelyn Biehn County Clerk
By *Debra M. Mink*