

THE DEBT SECURED HEREBY IS SECURED BY REAL ESTATE LOCATED IN THE STATES OF CALIFORNIA, COLORADO, IDAHO, MONTANA, OREGON, UTAH AND WASHINGTON

THE NAMES OF THE TRUSTOR AND THE SECURED PARTY, THE MAILING ADDRESS OF THE SECURED PARTY FROM WHICH INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED, THE MAILING ADDRESS OF THE DEBTOR AND A STATEMENT INDICATING THE TYPES, OR DESCRIBING THE ITEMS, OF COLLATERAL, ARE AS DESCRIBED ON PAGES 4 THROUGH 6 AND IN ARTICLE 3 HEREOF.

K-46402
RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:
Barbara J. Goodman, Esq.
White & Case
1155 Avenue of the Americas
New York, New York 10036

THIS DEED OF TRUST IS FILED AS AND SHALL CONSTITUTE A FIXTURE FILING
LINE OF CREDIT DEED OF TRUST

FIRST FEE AND LEASEHOLD DEED OF TRUST,
SECURITY AGREEMENT, FIXTURE FILING,
ASSIGNMENT OF LEASES AND RENTS AND FINANCING STATEMENT

Dated as of August 1, 1995

among

RED LION HOTELS, INC.,
a Delaware corporation,
as Trustor (Index as Trustor),

Public Trustee of the County of La Plata, State of Colorado, as Trustee (Index as Beneficiary),
solely with respect to Mortgaged Properties located
in the State of Colorado,

First American Title Insurance Company, as Trustee (Index as Beneficiary),
solely with respect to Mortgaged Properties located in the States of
Oregon, Utah, Washington, Montana and California

First American Title Company of Idaho, Inc., as Trustee
(Index as Beneficiary), solely with respect to Mortgaged
Properties located in the State of Idaho

and

CREDIT LYONNAIS NEW YORK BRANCH,
in its Capacity as Collateral Agent,
as Beneficiary (Index as Beneficiary)

THE PARTIES HERETO DESIRE THIS FINANCING STATEMENT TO BE INDEXED AGAINST
THE RECORD OWNER OF THE REAL ESTATE IN THE INDEX OF FINANCING STATEMENTS

Name of Record Owner: RED LION HOTELS, INC.

PORTIONS OF THE COLLATERAL ARE GOODS WHICH ARE OR ARE TO BECOME AFFIXED TO OR FIXTURES ON THE LAND

Maximum Aggregate Principal Amount of Indebtedness is \$265,000,000.00
This Instrument Also Secures Protective Advances, If Any

Stated Maturity Date is July 31, 2002

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

White & Case
1155 Avenue of the Americas
New York, New York 10036
Attention: Barbara J. Goodman, Esq.

First Fee and Leasehold Deed of Trust, Security Agreement,
Fixture Filing, Assignment of Leases and
Rents and Financing Statement.

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FIRST FEE AND LEASEHOLD DEED OF TRUST,
SECURITY AGREEMENT,
FIXTURE FILING, ASSIGNMENT OF LEASES
AND RENTS AND FINANCING STATEMENT

THIS FIRST FEE AND LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FILING, ASSIGNMENT OF LEASES AND RENTS AND FINANCING STATEMENT, dated as of August 1, 1995 (as amended, restated, replaced, supplemented or otherwise modified from time to time, this "Deed of Trust"), among (1) RED LION HOTELS, INC., a Delaware corporation, the trustor, grantor and debtor hereunder (together with its permitted successors and assigns, "Trustor"), whose address for all purposes hereunder is 4001 Main Street, Vancouver, Washington 98663, Attention: Legal Department; (2) Public Trustee of the County of La Plata in the State of Colorado ("Trustee" solely with respect to Mortgaged Properties located in the State of Colorado), whose address for all purposes hereunder is La Plata County Courthouse, P.O. Box 5190, Durango, Colorado 81302; (3) First American Title Insurance Company, a California corporation (the "Trustee" solely with respect to Mortgaged Properties located in the States of Oregon, Utah, Washington, Montana and California), whose address for all purposes hereunder is 114 East Fifth Street, Santa Ana, California 92701; (4) First American Title Company of Idaho, Inc. (the "Trustee" solely with respect to Mortgaged Properties located in the State of Idaho), whose address for all purposes hereunder is 7311 Potomac Drive, Boise, Idaho 83704 and (5) CREDIT LYONNAIS NEW YORK BRANCH, as Collateral Agent, beneficiary to the extent that this Deed of Trust operates as a deed of trust and secured party (together with its permitted successors and assigns, "Beneficiary"), whose address for all purposes hereunder is 1301 Avenue of the Americas, New York, New York 10019, Attention: Jenny Hutchison, as beneficiary, grantee and secured party for its own benefit and for the benefit of, (x) the Banks (as defined below) under, and any other lenders from time to time party to, the Credit Agreement hereinafter referred to (such Banks, Beneficiary and other lenders, if any, the "Bank Creditors"), and (y) if Beneficiary in its individual capacity, any Bank, any affiliate of Beneficiary or any such Bank or a syndicate of financial institutions organized by Beneficiary or any such Bank enter into one or more Interest Rate Protection Agreements with, or guaranteed by, Trustor, any such Bank or Banks or any affiliate of such Bank or Banks (even if any such Bank subsequently ceases to be a Bank under the Credit Agreement for any reason), so long as any such Bank or affiliate thereof participates in the extension of such Interest Rate Protection Agreements, and their subsequent assigns, if any (collectively, the "Other Creditors" and,

together with the Bank Creditors, the "Secured Creditors"), to secure a maximum aggregate principal indebtedness of \$265,000,000.00.

Capitalized terms used in this Deed of Trust shall have the respective meanings ascribed to them in Section 1.1 hereof.

W I T N E S S E T H :

WHEREAS, Trustor is the fee owner of the land described on Exhibit A annexed hereto and made a part hereof (the fee owned land, together with the land demised to Trustor, as lessee, under the Master Lease, is collectively referred to herein as the "Land"), together with the Improvements thereon;

WHEREAS, Trustor is the lessee of the land described in Exhibit B annexed hereto and made a part hereof pursuant to the Master Lease described in Exhibit B (as the same may hereafter be amended, renewed, modified, replaced, assigned or substituted from time to time, the "Master Lease"), together with the Improvements thereon;

WHEREAS, Trustor, various lenders from time to time party thereto (the "Banks"), and Beneficiary, as Collateral Agent and Administrative Agent, have entered into a Credit Agreement, dated as of July 31, 1995, providing for the making of loans to Trustor in the maximum aggregate principal amount at any time outstanding of \$265,000,000 (as the same may be amended, modified, extended, renewed, replaced, restated, supplemented, restructured or refinanced from time to time, and including any agreement extending the maturity of, refinancing or restructuring all or any portion of the Indebtedness under such agreement or any successor agreements, the "Credit Agreement"), provided, that with respect to any agreement providing for the refinancing of Indebtedness under the Credit Agreement, such agreement shall only be treated as, or as part of, the Credit Agreement hereunder if (i) either (A) all obligations under the Credit Agreement being refinanced shall be paid in full at the time of such refinancing, and all commitments and letters of credit issued pursuant to the refinanced Credit Agreement shall have terminated in accordance with their terms or (B) the Required Banks shall have consented in writing to the refinancing Indebtedness being treated, along with their Indebtedness, as Indebtedness pursuant to the Credit

Agreement, (ii) the refinancing Indebtedness shall be permitted to be incurred under the Credit Agreement being refinanced (if such Credit Agreement is to remain outstanding) and (iii) a notice to the effect that the refinancing Indebtedness shall be treated as issued under the Credit Agreement shall be delivered by Trustor to Beneficiary;

WHEREAS, Trustor desires to incur Loans and to have Letters of Credit issued for its account, from time to time, pursuant to the Credit Agreement;

WHEREAS, Trustor may at any time and from time to time enter into one or more Interest Rate Protection Agreements with one or more Other Creditors;

WHEREAS, it is a condition to each of the above-described extensions of credit that Trustor execute and deliver this Deed of Trust to Beneficiary; and

WHEREAS, Trustor desires to enter into this Deed of Trust in order to provide security for the Obligations and to satisfy the condition described in the preceding paragraph.

NOW, THEREFORE, with reference to the foregoing Recitals, in reliance thereon and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound:

Trustor does hereby presently, unconditionally, irrevocably and absolutely grant, bargain, sell, convey, alien, enfeoff, confirm, release, pledge, assign and transfer to Trustee and its successors and assigns, **IN TRUST WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION** for the benefit of Beneficiary as beneficiary to the extent that the Mortgaged Property is in a Deed of Trust State, the following properties, whether now owned or hereafter acquired by Trustor (collectively, the "Mortgaged Properties" and individually, a "Mortgaged Property"), subject only to the Permitted Encumbrances:

(i) all of Trustor's estate, right, title and interest in and to the Land;

(ii) all of Trustor's estate, right, title and interest in, to and under the Master Lease and the leasehold estate created thereby, together with all appurtenances thereto including, but not limited to, (a)

extension, renewal, modification and option rights, and all of the estate and right of Trustor of, in, and to the Land under and by virtue of the Master Lease, (b) all credits to and deposits of Trustor under the Master Lease and all other options, privileges and rights granted and demised to Trustor under the Master Lease, (c) all the right or privilege of Trustor to terminate, cancel, surrender or merge the Master Lease, and (d) all claims and rights to the payment of money and/or other relief or remedy at any time arising in connection with any rejection or breach of the Master Lease by Trustor or trustee of Trustor under Section 365 of the Bankruptcy Code, 11 U.S.C. § 365, including without limitation all rights to recover damages arising out of such breach or rejection, all rights to charges payable by Trustor or any such trustee in respect of the property or any other part of the estate following the entry of an order for relief under the Bankruptcy Code in respect of Trustor, and all rentals and other charges due to the lessor under the Master Lease (the "Master Lessor") and outstanding under the Master Lease as of the date of entry of such order for relief;

(iii) all additional estates in the Land, if any, which may, from time to time, by supplemental mortgage or deed of trust or otherwise, be expressly made subject to the Lien hereof;

(iv) all of Trustor's right, title and interest in and to the Improvements, including without limitation, any alterations thereto or replacements thereof, now existing or hereafter erected upon the Land;

(v) all of Trustor's right, title and interest in and to all Fixtures now or at any time hereafter affixed to, attached to, placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Land or the Improvements, together with any and all replacements thereof and additions thereto excluding, however, those Fixtures which are the subject of the rights granted to the Master Lessor (or any successor thereto or assignee thereof) under Section 10.4 of the Master Lease (concerning replacements of furnishings, fixtures and equipment), or of similar rights granted by Trustor to other parties pursuant to instruments to which Beneficiary has agreed in writing;

(vi) all of Trustor's right, title and interest in and to all Equipment and Personalty now or at any time

hereafter located at or used in connection with the Land or the Improvements, together with any and all replacements thereof and additions thereto;

(vii) all of Trustor's right, title and interest in, to and under all Leases of the Land and the Improvements, or any part thereof, now or hereafter entered into, and in and to all cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder and the right upon the occurrence and continuation of an Event of Default hereunder to receive and collect the Rents thereunder;

(viii) to the extent assignable, all of Trustor's right, title and interest now owned or hereafter acquired in and to the permits, licenses, liquor licenses and rights in and to the use, occupation and operation of the Land and the Improvements, any business conducted thereon or therein and any part thereof;

(ix) all of Trustor's right, title and interest in and to all rights of way or use, air rights, water rights (whether riparian, appropriative, or otherwise), utility rights, privileges, franchises, servitudes, easements, tenements, hereditaments and appurtenances now or hereafter belonging or appertaining to any of the foregoing or to the Land, and all of Trustor's right, title and interest in and to any streets, ways, alleys, roadbeds, inclines, tunnels, culverts, strips or gores of land adjoining or serving the Land or the Improvements or any part thereof, whether now owned or hereafter acquired by Trustor;

(x) all of Trustor's surviving rights, options and privileges (including, without limitation, any and all indemnities in favor of Trustor) under, pursuant to or arising out of or delivered in connection with, the [Conveyance Documents];

(xi) all of Trustor's right, title and interest in and to any and all of the real estate tax refunds payable to Trustor with respect to the Land or the Improvements, and refunds, credits or reimbursements payable with respect to bonds, escrow accounts or other sums payable in connection with the use, development, or ownership of the Land or Improvements; and

(xii) all of Trustor's right, title and interest in and to all Rents, receipts, issues, profits, proceeds and products arising from any of the foregoing and all of Trustor's right, title and interest, if any, to all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards.

"Mortgaged Properties," including each component thereof, shall be expressly interpreted as meaning all or, where the context permits or requires, any portion of the above, and all or, where the context permits or requires, any interest of Trustor therein.

AND without limiting any of the other provisions of this Deed of Trust, Trustor expressly, presently, unconditionally, irrevocably and absolutely grants, transfers and assigns to Beneficiary, as secured party, a security interest in the portion of each Mortgaged Property which is or may be subject to the provisions of the Uniform Commercial Code as in effect from time to time in the state in which the relevant Mortgaged Property is located (the "Commercial Code") which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Real Property and appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Deed of Trust be deemed conclusively to be real estate and conveyed hereby in a Deed of Trust State.

TO HAVE AND TO HOLD as provided herein, and subject to the terms hereof, the above granted and described Mortgaged Properties unto Beneficiary (or the Trustee for the benefit of Beneficiary in a Deed of Trust State) and its assigns, substitutes and successors forever in trust (in a Deed of Trust State), and Trustor hereby binds itself and its successors and assigns to warrant and forever defend the Mortgaged Properties unto Beneficiary (or the Trustee for the benefit of Beneficiary in a Deed of Trust State) and its assigns, substitutes and successors against the claim or claims of all Persons claiming or to claim the same, or any part thereof.

THIS DEED OF TRUST IS EXECUTED, ACKNOWLEDGED AND DELIVERED TO SECURE AND ENFORCE:

(i) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations and liabilities (including, without limitation, the principal of and interest on the notes issued, and loans made, under the Credit Agreement, all reimbursement obligations and unpaid drawings with respect to letters of credit issued under the Credit Agreement, and all indemnities, fees and interest thereon or owed thereunder) of Trustor to the Bank Creditors, whether now existing or hereafter incurred under, arising out of or in connection with the Credit Agreement or the other Credit Documents and the due performance and compliance by Trustor with all of the terms, conditions and agreements contained in the Credit Agreement and such other Credit Documents;

(ii) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations and liabilities of Trustor to the Other Creditors, whether now existing or hereafter incurred under, arising out of or in connection with any Interest Rate Protection Agreements and the due performance and compliance by Trustor with all the terms, conditions and agreements contained in such Interest Rate Protection Agreements;

(iii) any and all sums advanced by Beneficiary pursuant to this Deed of Trust or any other Credit Document in order to preserve or protect any portion of the Mortgaged Properties or preserve or protect its security, title and interest in and to any portion of the Mortgaged Properties;

(iv) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations, or liabilities of Trustor referred to in clauses (i) and (ii) above after an Event of Default shall have occurred and be continuing, the reasonable expenses of re-taking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Mortgaged Properties or any of them, or of any exercise by Beneficiary of its rights hereunder, together with reasonable attorneys' fees and court costs; and

(v) any and all renewals, extensions and modifications of any of the obligations and liabilities referred to in clauses (i) through (iv) above (all of such obligations and agreements referred to above being hereinafter collectively referred to as the "Obligations").

AND TO PROTECT THE SECURITY OF This Deed of Trust, Trustor represents, warrants, covenants and agrees as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions. Capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Credit Agreement herein defined. As used herein, the following terms shall have the following meanings:

"Bank Creditors" shall have the meaning provided in the introductory paragraph hereof.

"Banks" shall have the meaning provided in the Recitals hereof.

"Beneficiary" shall have the meaning provided in the introductory paragraph hereof.

"Casualty" shall have the meaning provided in Section 2.1(e).

"Casualty Insurance Proceeds" shall have the meaning provided in Section 2.1(e).

"Collateral" shall have the meaning provided in Section 3.1 hereof.

"Commercial Code" shall have the meaning provided in the Granting Clauses hereof.

"Condemnation" shall have the meaning provided in Section 2.1(e).

"Condemnation Proceeds" shall have the meaning provided in Section 2.1(e).

"Conveyance Documents" shall mean all documents and instruments pursuant to which Trustor acquired its interests in the Mortgaged Properties.

"Credit Agreement" shall have the meaning provided in the Recitals hereof.

"Deed of Trust" shall mean this First Fee and Leasehold Deed of Trust, Security Agreement, Fixture Filing, Assignment of Leases and Rents and Financing Statement, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Deed of Trust State" shall mean a state described as such in Section 1.3 hereof.

"Equipment" shall mean all "equipment," as such term is defined in Article 9 of the Commercial Code, now owned or hereafter acquired by Trustor, which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Trustor and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto, excluding, however, that equipment which is the subject of the rights granted to the Master Lessor (or any successor thereto or assignee thereof) under Section 10.4 of the Master Lease (concerning replacement of furnishings, fixtures and equipment), or of similar rights granted by Trustor to other parties pursuant to instruments to which Beneficiary has agreed in writing. Notwithstanding the foregoing, Equipment shall not include any property belonging to tenants under Leases except to the extent that Trustor shall have any right or interest therein.

"Fixtures" shall mean all Equipment now owned or hereafter acquired by Trustor which is so related to the Land and Improvements forming part of a Mortgaged Property that it is deemed fixtures or real property under the law of the particular state in which the Equipment is located, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on a Mortgaged Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the

Improvements or the Land, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Trustor's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof; excluding, however, those items which are the subject of the rights granted to the Master Lessor (or any successor thereto or assignee thereof) under Section 10.4 of the Master Lease (concerning replacement of furnishings, fixtures and equipment), or similar rights granted by Trustor to other parties pursuant to instruments to which Beneficiary has agreed in writing. Notwithstanding the foregoing, "Fixtures" shall not include any property which tenants are entitled to remove pursuant to Leases except to the extent that Trustor shall have any right or interest therein.

"Ground Leases" shall mean the ground leases described in Exhibit C annexed hereto under which RLH Partnership is the lessee and which affect the Mortgaged Properties listed in Exhibit C, as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Impositions" shall mean, with respect to a Mortgaged Property, all real estate and personal property taxes, water, sewer and vault charges and all other taxes, levies, assessments and other similar charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of every kind and nature whatsoever, which at any time prior to, at or after the execution hereof may be assessed, levied or imposed by, in each case, a Governmental Authority upon a Mortgaged Property or the rents, issues or profits therefrom or the ownership, use, occupancy or enjoyment thereof, and any interest, costs or penalties with respect to any of the foregoing.

"Improvements" shall mean any and all buildings, structures, utility sheds, workrooms, air conditioning towers, open parking areas, and all other structures and improvements of every kind whatsoever, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed or constructed on, over or under the Land or any part thereof.

"Interest Rate Protection Agreements" shall mean any of the following: (i) interest rate protection agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements), (ii) foreign exchange contracts, currency swap agreements or other similar agreements or arrangements designed to protect against the fluctuations in currency values and/or (iii) other types of hedging agreements.

"Land" shall have the meaning provided in the Recitals hereto.

"Lease" shall mean, to the extent of the interest therein of Trustor, any lease (other than the Master Lease and the Ground Leases) any sublease or subsublease, license, concession, hotel room occupancy agreement or other agreement (whether written or oral and whether now or hereafter in effect) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of any space in the Mortgaged Properties, and every modification, amendment or other agreement relating to such lease, sublease, subsublease, hotel room occupancy agreement or other agreement entered into in connection with such lease, sublease, subsublease, or other agreement and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto.

"Legal Requirements" shall mean, with respect to each Mortgaged Property, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities (including, without limitation, Environmental Laws) affecting Trustor or such Mortgaged Property or any part thereof or the construction, use, alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, and all permits, licenses, authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Trustor, at any time in force affecting such Mortgaged

Property or any part thereof (other than Leases, management agreements and service contracts now in effect or hereafter entered into in accordance with the terms of the Credit Documents), including, without limitation, any such covenants, agreements, restrictions and encumbrances which may (i) require repairs, modifications or alterations in or to such Mortgaged Property or any part thereof, or (ii) in any material way limit the existing use and enjoyment thereof.

"Loss Proceeds" shall have the meaning provided in Section 2.1(e).

"Master Lease" shall have the meaning provided in the Recitals hereof.

"Mortgaged Property" shall have the meaning provided in the Granting Clauses hereto.

"Obligations" shall have the meaning provided in the Granting Clauses hereto.

"Other Creditors" shall have the meaning provided in the introductory paragraph hereof.

"Personalty" shall mean all furniture, furnishings, objects of art, machinery, goods, tools, supplies, fixed asset supplies, operating equipment, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever (as defined in and subject to the provisions of the Commercial Code), other than Fixtures, which are now or hereafter owned by Trustor and which are located within or about, or used or useful in connection with, the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof. Notwithstanding the foregoing, Personalty shall not include (i) any property belonging to tenants under Leases except to the extent that Trustor shall have any right or interest therein; (ii) any property or other items included within the foregoing definition which are leased by Trustor and (iii) those items which are the subject of the rights granted to the Master Lessor (or any successor thereto or assignee thereof) under Section 10.4 of the Master Lease (concerning replacement of furnishings, fixtures and equipment), or similar rights granted by Trustor to other parties pursuant to instruments to which Beneficiary has agreed in writing.

"Real Property" shall mean, collectively, the Land, the Improvements and the Fixtures.

"Rents" shall mean all rents, revenues, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable and to become due or payable to Trustor in respect of the use, occupancy, license or possession of any portion or portions of the Mortgaged Properties pursuant to Leases; the foregoing shall include, but not be limited to, all revenues, receipts, income, accounts receivable and other receivables derived or to be derived from the ownership and operation of the Mortgaged Properties and related facilities located on the Land, including, without limitation of the generality of the foregoing, all room revenues and room charges and charges for and other revenues and income derived or to be derived from the sale or rental of hotel rooms and meeting rooms, the provisions of hotel services, the sale of food, beverages and merchandise, the rental of shops, leasing of commercial or residential spaces, the granting of concessions (including taxi concessions and concessions for the installation of coin-operated machines) within or about the Mortgaged Properties and related facilities, the rental or operation of travel desks, the rental or operation of parking facilities and the provision of services to guests of the hotel and related facilities located on the Land and any other items of revenue, receipts or other income as identified in the Uniform System of Accounts for Hotels, 8th Edition.

"Restoration" shall have the meaning provided in Section 2.1(e).

"Secured Creditors" shall have the meaning provided in the introductory paragraph hereof.

"Trustee" shall mean the designee(s) as such provided in the introductory paragraph hereto or any successor trustee appointed pursuant to Section 6.18.

"Trustor" shall have the meaning provided in the introductory paragraph hereof.

"Zone" shall have the meaning set forth in Section 2.1(g) hereof.

1.2 Principles of Construction. All references to sections, schedules and exhibits are to sections, schedules and exhibits in or to this Deed of Trust unless otherwise specified. Unless otherwise specified, the words "hereof,"

"herein" and "hereunder" and words of similar import when used in this Deed of Trust shall refer to this Deed of Trust as a whole and not to any particular provision of this Deed of Trust. All meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined. All persons stated in the masculine, feminine or neuter gender shall include other genders as appropriate.

1.3 Provisions Concerning Particular States. Notwithstanding anything to the contrary herein contained to the extent a Mortgaged Property is located in California, Colorado, Oregon, Washington, Montana, Idaho and Utah (a "Deed of Trust State"), (i) this instrument shall be deemed to be and shall be enforceable as a deed of trust and as a security agreement, fixture filing, assignment of leases and rents and financing statement, (ii) the word "Beneficiary" shall be deemed to refer to (1) Trustee for the benefit of Beneficiary (as beneficiary) and (2) if the context so requires or permits and if Beneficiary so elects and if the law of the applicable Deed of Trust State permits, Beneficiary.

ARTICLE 2

REPRESENTATIONS, WARRANTIES AND COVENANTS OF TRUSTOR

2.1 Affirmative Covenants. Trustor hereby covenants and agrees with Beneficiary that:

(a) Inspection. Trustor will permit any Person designated by Beneficiary, at Beneficiary's expense, to (i) visit and inspect, during normal business hours and upon reasonable prior notice, the Mortgaged Properties and the books and records maintained by Trustor in respect of the Mortgaged Properties, and to make copies of and to take extracts from such records as are reasonably necessary for Beneficiary's evaluation of the Mortgaged Properties, (ii) discuss, with Trustor, the affairs, finances and accounts of the Mortgaged Properties, and (iii) verify the amount, quantity, quality, value and/or condition of, or any other matter relating to, any or all of the Mortgaged Properties, all at such reasonable times and as often as Beneficiary may reasonably request; provided, however, that Beneficiary shall not materially interfere with the rights of any of the tenants at the Mortgaged Properties under the Leases or disturb the conduct of their business or interfere

with the rights of any other Person under any Permitted Encumbrance affecting the Mortgaged Properties or with the conduct of Trustor's business thereon.

(b) Impositions; Liens. Trustor will duly pay and discharge, or cause to be paid and discharged, the Impositions prior to the date the same become delinquent, provided, however, that Trustor may in good faith, by means of an appropriate proceeding, contest the validity, applicability or amount of any asserted Imposition so long as (i) Trustor has notified Beneficiary prior to the date on which such Imposition becomes delinquent of its intent to contest such Imposition, (ii) reasonable reserves in an amount not less than the tax, assessment or governmental charge being so contested shall have been established during the pendency of such contest, (iii) no risk of sale, forfeiture or loss of any interest in the Mortgaged Properties or any part thereof arises during the pendency of such contest and (iv) such contest does not have a material adverse effect on the affected Mortgaged Property. Trustor shall not suffer to continue and shall promptly cause to be paid and discharged or, to the extent permitted by applicable law, bonded off the Mortgaged Properties any Lien or charge whatsoever, other than a Permitted Encumbrance, which may be or become a Lien or charge against the Mortgaged Properties or any of them; provided, however, that Trustor may in good faith by means of an appropriate proceeding, contest the validity, applicability or amount of any such Lien so long as (i) Trustor has notified Beneficiary before the date on which the obligation relating to such Lien is due of its intent to contest such Lien, (ii) reasonable reserves in an amount not less than the claim secured by such Lien which is the subject of such contest shall have been established during the pendency of such contest or Trustor shall have caused such contested Lien to be duly bonded in accordance with applicable law, (iii) no risk of sale, forfeiture or loss of any interest in the affected Mortgaged Property or any part thereof arises during the pendency of such contest and (iv) such contest does not have a material adverse effect on the Mortgaged Properties or any of them.

(c) Maintenance of Mortgaged Properties. Trustor will maintain and preserve the Mortgaged Properties in good and safe condition and repair, ordinary wear and tear excepted, and will make or cause to be made all

necessary repairs and replacements. Except as otherwise contemplated or provided herein or in the Credit Agreement, the Improvements, the Fixtures and the Equipment shall not be removed, demolished or materially altered without the prior written consent of Beneficiary. Trustor shall complete or cause to be completed promptly and in a good and workmanlike manner any Improvement which may now or hereafter be constructed on a Mortgaged Property. Trustor shall promptly restore or cause to be restored in like manner any portion of the Improvements which may be damaged or destroyed at a Mortgaged Property from any cause whatsoever (except as may be otherwise expressly provided in Section 2.1(e)), and pay or cause to be paid when due all claims for labor performed and materials furnished therefor, subject to Trustor's rights of contest set forth in Section 2.1(b) hereof. Trustor shall comply in all material respects with all Legal Requirements and Environmental Laws and all covenants, conditions and restrictions now or hereafter affecting the Mortgaged Properties or any part thereof or requiring any alterations or improvements thereto. Trustor, at its own expense, shall cure any and all violations of law affecting the Mortgaged Properties after receiving notice thereof from the appropriate Governmental Authority, subject to Trustor's contest rights set forth in the Credit Documents. Trustor shall not commit or permit any waste at the Mortgaged Properties.

(d) Insurance. (i) Trustor, at its sole cost and expense, will keep or cause to be kept each Mortgaged Property insured during the entire term of this Deed of Trust in a manner consistent with prudent industry practice and in all events in accordance with Article 13 of the Master Lease (whether or not such Mortgaged Property is encumbered by the Master Lease), such insurance to include coverage for floods and earthquakes if applicable to the related Mortgaged Property.

(ii) All policies of insurance required pursuant to this Section 2.1(d): (A) shall be issued by an insurer reasonably satisfactory to Beneficiary, (B) shall contain the standard New York mortgagee non-contribution clause (or equivalent) naming Trustor and Beneficiary as the persons to which all payments made by such insurance company shall be paid, (C) shall be maintained throughout the term of this Deed of Trust without cost to the Banks, Beneficiary or the Administrative Agent,

(D) shall be delivered to Beneficiary (or Beneficiary shall receive original certificates of insurance), (E) shall contain such provisions as Beneficiary deems reasonably necessary or desirable to protect the interests of the Banks including, without limitation, endorsements providing that neither Trustor, the Banks nor any other Person shall be a co-insurer under said insurance policies and that Beneficiary shall receive at least thirty (30) days' prior written notice of any modification or cancellation, and (F) shall be reasonably satisfactory in form and substance to Beneficiary and shall be reasonably approved by Beneficiary as to amounts, form, risk coverage, deductibles, loss payees, and insureds. Each of such insurance policies shall name Beneficiary as an insured thereunder and the commercial general liability insurance policy shall also name the relevant property manager(s) (if any) as an insured thereunder. Trustor shall pay (or cause to be paid) the premiums for such insurance policies as the same become due and payable. Not later than thirty (30) days prior to the expiration date of each of the insurance policies, Trustor will deliver to Beneficiary satisfactory evidence of the renewal of each of the insurance policies. Trustor will deliver to Beneficiary on or before the Initial Borrowing Date original certificates setting forth in reasonable detail the terms (including, without limitation, any applicable notice requirements) of all insurance policies that Trustor is required to cause to be maintained hereunder. All insurers shall be authorized to issue insurance in the State in which the relevant Mortgaged Property is located and all insurers shall have and maintain the claims paying ability ratings required pursuant to the Master Lease.

(iii) In the event Trustor fails to provide, maintain or keep in force the insurance policies required hereunder, or deliver and furnish to Beneficiary the certificates required hereunder, Beneficiary may procure such insurance or single-interest insurance for such risks covering Beneficiary's and the Banks' interests, such procurement to be made after 5 Business Days' notice to Trustor if prior to the date upon which any such coverage will lapse or at any time Beneficiary deems necessary (regardless of prior notice to Trustor) to avoid the lapse of any such coverage, and Trustor will reimburse Beneficiary for all premiums paid by Beneficiary, together with interest thereon from the date of demand, promptly upon demand by Beneficiary.

Until such payment is made by Trustor, the amount of all such premiums, together with interest thereon at the Default Rate, shall be a part of the Obligations and secured by this Deed of Trust.

(e) Casualty and Condemnation. (i) Trustor shall give prompt written notice to the Administrative Agent of (x) any damage to or destruction of all or any portion of any Mortgaged Property involving property with a value exceeding \$500,000 (any such event being herein referred to as a "Casualty") and (y) any actual or, to the knowledge of Trustor, proposed, contemplated or threatened commencement of any taking, condemnation, eminent domain or other similar proceeding relating to all or any portion of any Mortgaged Property (any such event being referred to herein as a "Condemnation") and shall deliver to the Administrative Agent copies of any and all papers served in connection with such proceedings. Any insurance proceeds in respect of a Casualty shall be referred to herein as "Casualty Insurance Proceeds." Any award proceeds or other compensation payable in respect of a Condemnation shall be referred to herein as "Condemnation Proceeds." Casualty Insurance Proceeds and Condemnation Proceeds are sometimes referred to herein collectively as "Loss Proceeds." All Loss Proceeds shall be applied and disbursed in accordance with the provisions of this Section 2.1(e).

(ii) Subject to the provisions of the Master Lease (if the affected Mortgaged Property is encumbered thereby), in the event of any Casualty at or Condemnation of a Mortgaged Property and if (x) a Default under Section 9.01 or 9.03 (i) of the Credit Agreement or an Event of Default under the Credit Agreement exists, or (y) the Restoration of such Mortgaged Property would, in the reasonable judgment of Beneficiary, cost more to complete than the amount of Loss Proceeds available therefor, the Loss Proceeds payable to Trustor in connection with such Casualty or Condemnation shall be paid directly to Beneficiary, and Beneficiary may, in its sole discretion, elect to apply such Loss Proceeds to the repayment of Loans; provided, however, in the case of clause (y) above, Trustor may within (30) days following the date on which it is notified of the amount of the Loss Proceeds, elect to restore the affected Mortgaged Property (with any construction undertaken in connection therewith conforming to all requirements set forth in Section 2.1(e)(iv) notwithstanding the

deficiency Loss Proceeds, in which event Trustor shall deposit with Beneficiary an amount equal to said deficiency, and the parties shall thereafter proceed in accordance with Section 2.1(e)(iv)).

(iii) In the event of any Casualty at or Condemnation of a Mortgaged Property encumbered by the Master Lease in connection with which Trustor has the right pursuant to the Master Lease to terminate the Master Lease in respect of such Mortgaged Property, Trustor shall not elect to terminate the Master Lease in respect of the affected Mortgaged Property and make the offer to purchase such Mortgaged Property required in connection with such termination pursuant to the Master Lease without first obtaining the prior written consent of Beneficiary (which consent may be given or withheld in Beneficiary's sole discretion). In the event the Master Lease is terminated in respect of the affected Mortgaged Property in accordance with the preceding sentence, the excess Loss Proceeds payable to Trustor in connection with such Casualty or Condemnation remaining after purchase of the affected Mortgaged Property pursuant to the Master Lease shall be paid directly to Beneficiary, and Beneficiary may, in its sole discretion, elect to apply such excess Loss Proceeds to the repayment of Loans.

(iv) Trustor shall utilize all Loss Proceeds paid to it pursuant to the Master Lease for Restoration as provided in the Master Lease. In the event of any Casualty at or Condemnation of a Mortgaged Property not encumbered by the Master Lease, and if the Loss Proceeds payable to Trustor in respect of such Casualty or Condemnation are not applied to the repayment of Loans by Beneficiary as provided in Section 2.1(e)(ii), all of such Loss Proceeds shall be paid directly to Beneficiary, Beneficiary shall make such Loss Proceeds available to Trustor for Restoration, and the following provisions shall apply:

(A) Trustor shall upon receipt of the Loss Proceeds, commence diligently to restore the affected Mortgaged Property, in which event Trustor shall comply with the following conditions in connection with the performance of all of such work ("Restoration"):

(1) no Restoration shall be undertaken until Trustor shall have procured and paid

for, so far as the same may be required from time to time, all permits and consents of all Governmental Authorities having jurisdiction;

(2) any Restoration done pursuant to this Section 2.1(e)(iv) the cost of which exceeds \$500,000 shall be conducted under the supervision of a licensed architect and/or engineer reasonably approved by the Administrative Agent and no such Restoration shall be done except in accordance with plans and specifications and cost estimates prepared and approved in writing by such architect and/or engineer. Promptly following its receipt of same, Trustor shall deliver to the Administrative Agent, and the Administrative Agent shall have the right to review, copies of all plans and specifications and cost estimates relating to any such Restoration;

(3) any Restoration shall be commenced promptly and, once commenced, shall be prosecuted diligently to completion in a good and workmanlike manner and in compliance with all applicable permits and authorizations and with all other applicable Legal Requirements;

(4) the Restoration shall be performed with the objective of restoring the affected Mortgaged Property as nearly as practicable (after taking into account the consequences of a Condemnation, if any) to at least its value, character and general utility (in light of commercial materials and services then available) immediately prior to such Casualty or Condemnation, together with such alterations as may be made at Trustor's election in accordance with this Deed of Trust and without regard to the sufficiency of the available Loss Proceeds;

(5) any Restoration shall be completed free and clear of all Liens, encumbrances, chattel mortgages, conditional bills of sale and other charges, and substantially in accordance with the plans and specifications therefor;

(6) during the performance of any such Restoration, Trustor shall procure and maintain (x) all-risk builders coverage for full replacement value, and (y) statutory Workers' Compensation and employers' liability coverage, if applicable to Trustor; and

(7) Trustor shall reimburse the Administrative Agent for all reasonable fees and expenses incurred by the Administrative Agent in connection with its review of such Restoration.

(B) All Loss Proceeds to be made available to Trustor for Restoration shall be deposited with Beneficiary immediately upon the payment thereof and in all events prior to the commencement of such Restoration, together with any and all additional sums required to complete the Restoration in accordance with the terms hereof. Beneficiary shall disburse such additional sums deposited, and thereafter, such Loss Proceeds to or for the account of Trustor, monthly upon request, in installments, to pay the costs and expenses associated with the restoration of the affected Mortgaged Property, as set forth below.

(1) Each request for disbursement shall be made on 5 days' prior notice to Beneficiary and shall be accompanied by a certificate of an Authorized Officer of Trustor stating that the sum requested is required to reimburse Trustor for payments to, or is due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other Persons rendering services or materials for the Restoration (giving a brief description of such services and materials).

(2) Each request shall be accompanied by waivers of Lien reasonably satisfactory to Beneficiary covering that part of the Restoration for which payment or reimbursement is being requested, or by other evidence including by title endorsement or bond reasonably satisfactory to Beneficiary that there has not been filed with respect to

such portion of the relevant Mortgaged Property any mechanics' or other Lien or instrument for the retention of title in respect of any part of the Restoration not discharged of record or bonded to the satisfaction of Beneficiary.

(3) Such Restoration efforts may be terminated by the Administrative Agent giving Trustor written notice thereof, upon which termination no further Loss Proceeds will be made available for such Restoration, it being understood that the Administrative Agent may only give such notice while an Event of Default exists.

(v) The Administrative Agent alone shall have the right to settle, adjust or compromise any claim under any policy of insurance or any claim in connection with a Condemnation (A) when an Event of Default exists, or (B) when Beneficiary has elected to apply the Loss Proceeds payable in respect of such Casualty or Condemnation to the repayment of Loans as provided in Section 2.1(e)(ii). In all other cases, Trustor may settle, adjust or compromise any claim. Any adjustment or settlement by Trustor of any claim which is in excess of \$500,000 shall be subject to the prior approval of the Administrative Agent.

(vi) Nothing in this Section 2.1(e) shall prevent Beneficiary from applying at any time all or any part of the Loss Proceeds then held by Beneficiary to the payment of the Obligations following the occurrence and during the continuance of an Event of Default.

(vii) Trustor will cooperate with Beneficiary and the Administrative Agent in obtaining for the Banks the benefits of any Loss Proceeds lawfully or equitably payable in connection with any Mortgaged Property, and Beneficiary and the Administrative Agent shall be reimbursed for any reasonable expenses incurred in connection therewith (including reasonable attorneys' fees and disbursements) out of such Loss Proceeds.

(f) Property Management. Trustor shall operate and manage the Mortgaged Properties to a standard that does not deviate significantly from the standard to which the Mortgaged Properties are operated and managed on the Effective Date, in accordance with current

industry standards and practices and in compliance with all applicable provisions of the Credit Documents and the Master Lease. Trustor will not suffer or permit the management of any Mortgaged Property to be delegated to a Person other than Trustor without the prior or written consent of the Required Banks. In the event the Required Banks consent to the delegation of management responsibilities in respect of a Mortgaged Property to a Person other than Trustor, such management shall be pursuant to a management agreement in form and substance satisfactory to the Administrative Agent, containing standard industry terms and providing for the payment of management fees which are not greater than the then current market management fees for comparable properties. Any management fees payable pursuant to any such management agreement shall be expressly subject and subordinate to all payments due or to become due in respect of the Obligations.

(g) Notice Regarding Special Flood Hazards. Trustor hereby represents that no portion of any Mortgaged Property is in a zone identified by the Director of the Federal Emergency Management Agency as a special flood hazard zone (the "Zone") described in 12 CFR § 22.2 and that if it receives evidence that any of the Mortgaged Properties is within a Zone, Trustor shall furnish Beneficiary with a copy of the notice regarding Federal disaster relief assistance referred to in the Appendix to 12 CFR Part 22.

(h) Title to Mortgaged Properties. Trustor represents and warrants that (a) it has good fee title to each Mortgaged Property other than the Mortgaged Properties encumbered by the Master Lease, in each case, free and clear of any Liens or encumbrances (other than Permitted Encumbrances); (b) it has a valid Leasehold estate pursuant to the Master Lease in each Mortgaged Property encumbered by the Master Lease, in each case, free and clear of any Liens or encumbrances (other than Permitted Encumbrances); (c) it is lawfully seized and possessed of its estate and interest in each Mortgaged Property; (d) this Deed of Trust is a valid first priority Lien upon each Mortgaged Property (subject only to Permitted Encumbrances); (e) Trustor has full power and authority to encumber the Mortgaged Properties in the manner set forth herein; and (f) there are no defenses or offsets to this Deed of Trust or to the Obligations which it secures. Trustor shall, subject to Permitted Encumbrances, preserve such title and the

validity and priority of this Deed of Trust and shall forever warrant and defend the same to Beneficiary against the claims of all Persons whomsoever.

(i) Utilities and Public Access. Trustor represents as follows: Each Mortgaged Property has rights of access to public ways or private recorded easements or rights of way providing access to public ways and is served by water, sewer, sanitary sewer and storm drain facilities adequate to service such Mortgaged Property for its intended use. All public utilities necessary to the full use and enjoyment of such Mortgaged Property are located in the public right-of-way or private recorded easements or rights of way abutting such Mortgaged Property, and all such utilities are connected so as to serve such Mortgaged Property without passing over other property (except with respect to easements therefor benefitting the relevant Mortgaged Property). All roads necessary for the use of such Mortgaged Property for its current purpose have been completed and dedicated to public use or established pursuant to recorded easements or rights of way and, to the extent applicable, accepted by all Governmental Authorities.

(j) Separate Lots. Trustor represents that each Mortgaged Property is comprised of one or more parcels which constitutes a separate tax lot and does not constitute a portion of any other tax lot not part of such Mortgaged Property.

(k) Assessments. Trustor represents that there are no pending or, to the knowledge of Trustor, proposed special or other assessments for public improvements or otherwise affecting any Mortgaged Property, nor are there any contemplated improvements to any Mortgaged Property that could reasonably be expected to result in any such special or other assessments. Trustor shall not suffer, permit or initiate the joint assessment of any Mortgaged Property with any other Real Property constituting a tax lot separate from such Mortgaged Property.

(l) Physical Condition. Trustor represents that except as set forth in the engineering reports delivered by Trustor to the Administrative Agent prior to the Initial Borrowing Date, each Mortgaged Property is free of material structural defects and all building systems contained therein are in good working order, subject to ordinary wear and tear.

(m) Matters Relating to Leases. Trustor shall comply in all material respects with all of the terms and conditions of the Ground Leases and the Master Lease and shall not suffer or permit any action or inaction which could reasonably be expected to give rise to a default under the Master Lease or any of the Ground Leases on the part of the "tenant" thereunder. Trustor shall timely perform all of its obligations under the Master Lease and shall use best efforts to ensure the timely performance of all obligations of the "tenant" under the Ground Leases. All Leases now existing or hereafter entered into in respect of any part of the Mortgaged Properties shall be subject and subordinate to the Credit Documents, and, if applicable, the Master Lease.

(n) Zoning. Trustor shall not (i) initiate or consent to any zoning reclassification of any material portion of any Mortgaged Property, (ii) seek any variance under any existing zoning ordinance if such variance could reasonably be expected to have a material adverse effect on the value of such Mortgaged Property, its intended use or the security afforded to the Banks under, or the priority of, any of the Security Documents, or (iii) use or permit the use of any portion of any Mortgaged Property in violation of any zoning ordinance or any other applicable land use law, rule or regulation, without the prior consent of the Administrative Agent in each instance. If at any time the then existing use or occupancy of any part of any Mortgaged Property shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue or so long as any portion of the Obligations remain unpaid, Trustor will not cause or permit such use or occupancy to be discontinued without the prior written consent of Beneficiary. Trustor shall promptly notify Beneficiary of any anticipated or proposed change in the zoning for any Mortgaged Property or any portion thereof or any other property with respect to which a change in zoning would materially and adversely affect the zoning of, or Trustor's use and enjoyment of, any Mortgaged Property or any part thereof. Beneficiary shall have the right to participate in any judicial, administrative or other proceeding with respect to or in any way materially and adversely affecting any Mortgaged Property (including, without limitation, any proceeding relating to zoning or environmental matters).

(o) Appraisals. The Administrative Agent may, at Trustor's sole cost and expense, procure appraisals with respect to some or all of the Mortgaged Properties (i) at any time that an Event of Default exists, and (ii) no more than three times during the term of the Loans, if any Bank is required pursuant to applicable laws, regulatory requirements applicable to such Bank or such Bank's internal policies to obtain such appraisals, and Trustor covenants and agrees to cooperate with the Administrative Agent and the Banks in connection with obtaining any such appraisals.

(p) Compliance with Law. Trustor represents that it possesses all material certificates, licenses, authorizations, registrations, permits and/or approvals (including, without limitation, a certificate of occupancy) necessary for the ownership, operation, leasing and management of each Mortgaged Property, including, without limitation, all required environmental permits, all of which are in full force and effect and not the subject of any revocation proceeding, undisclosed amendment, release, suspension, forfeiture or the like. The present and contemplated use and occupancy of each Mortgaged Property does not materially conflict with or violate any such material certificate, license, authorization, registration, permit or approval, including, without limitation, the extant certificate of occupancy for such Mortgaged Property.

(q) Agreements. Except for Permitted Encumbrances, Trustor is not a party to, and no Mortgaged Property is subject to, any contract or other agreement providing for the transfer, conveyance, hypothecation or encumbrance of any Mortgaged Property or any part thereof or interest therein.

(r) Transfers; Liens. Except as otherwise permitted in accordance with the terms of the Credit Agreement, no part of any Mortgaged Property or of any legal or beneficial interest therein shall be sold, assigned, conveyed, leased, transferred, pledged, hypothecated or otherwise disposed of (whether voluntarily or involuntarily, directly or indirectly, by sale of stock or any interest in Trustor, or by operation of law or otherwise) by Trustor. Except as otherwise permitted in accordance with the terms of the Credit Agreement, Trustor shall not create, incur or suffer to exist, directly or indirectly, Liens (other

than Permitted Liens) against any Mortgaged Property or any part thereof or any Rents or other income arising therefrom.

(s) Environmental Protection Matters. Trustor shall comply with the provisions of the Credit Agreement relating to environmental matters, including, but not limited to, Section 7.08 of the Credit Agreement, which provisions are incorporated herein by reference.

(t) The Credit Agreement. This Deed of Trust is made pursuant to the Credit Agreement and is subject to all of the provisions of the Credit Agreement, including, without limitation, the provisions of the Credit Agreement entitling Beneficiary, the Banks and/or the other Secured Creditors to declare the respective indebtedness secured hereby to be immediately due and payable, as the case may be, all of which provisions are incorporated herein with the same force and with like effect as if they were fully set forth herein at length and made a part hereof. In the event of a conflict between any of the provisions of the Credit Agreement and any of the provisions of this Deed of Trust, the provisions of the Credit Agreement shall control.

(u) Brokers. Trustor represents and warrants that it has not dealt with any broker in connection with this transaction and that it knows of no other Person who is entitled to a commission in connection with this transaction. Trustor hereby agrees to indemnify, defend and hold the Indemnitees (as defined in Section 12.01 of the Credit Agreement) harmless from and against any and all claims, liabilities, damages, demands, costs, expenses (including, without limitation, the costs and expenses of defending or settling any such claims and all attorneys' fees and disbursements) or causes of action arising out of a breach of the representations, warranties or agreements contained in this Section 2.1(u). The representations, warranties and agreements contained in this Section 2.1(u) shall survive repayment of the Obligations and discharge of this Deed of Trust.

(v) Title Matters. Trustor will not, without the prior written consent of Beneficiary, (a) modify, amend or supplement any of the Permitted Encumbrances in a manner that has a material adverse effect on any Mortgaged Property, (b) impose any restrictive covenants or encumbrances upon any Mortgaged Property which have a material adverse effect on such Mortgaged Property,

(c) execute or file any subdivision plat affecting any Mortgaged Property or consent to the annexation of any Mortgaged Property to any municipality, or (d) permit or allow any Mortgaged Property to be used by the public or any Person in any manner which could serve as the reasonable basis for a claim of adverse usage or possession or of any implied dedication or easement by prescription.

(w) Changes to Obligations and/or Credit Documents. If the Obligations or any part thereof are extended or varied or if any part of the security is released, all Persons now or at any time hereafter liable therefor, or whose consent to this Deed of Trust was obtained, shall be held to assent to such extension, variation or release, and their liability and the Lien and all provisions hereof shall continue in full force, the right of recourse, if any, against all such Persons being expressly reserved by Beneficiary, notwithstanding such extension, variation or release. Any Person taking a junior mortgage or other Lien upon any Mortgaged Property or any interest therein, shall take said Lien subject to the rights of Beneficiary to amend, modify, and supplement, restate and consolidate this Deed of Trust and/or the other Credit Documents and to impose additional fees and other charges, and to extend the maturity of all or any of the Obligations, and to grant partial releases of the Lien of this Deed of Trust, in each and every case without obtaining the consent of such Person and without the Lien of this Deed of Trust losing its priority over the rights of any such junior Lien. Nothing contained in this Section shall be construed as waiving any provision contained herein or in any other Credit Document which provides, among other things, that it shall constitute an Event of Default if any portion of any Mortgaged Property be sold, conveyed, or encumbered unless permitted by this Deed of Trust and/or the other Credit Documents.

(x) Actions Affecting Mortgaged Properties. Trustor will appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary hereunder; and Trustor will pay all reasonable costs and expenses incurred by Trustor, including cost of evidence of title and reasonable attorneys' fees, in any such action or proceeding.

(y) Actions by Beneficiary to Preserve Mortgaged Properties. (i) Should Trustor fail to pay or perform any of its obligations hereunder, after expiration of any applicable notice and cure period, Beneficiary (or Trustee, if necessary or appropriate and if directed by Beneficiary) may pay or perform the same in such manner and to such extent as Beneficiary may deem necessary in its sole discretion. In connection therewith, without limiting its general powers, Beneficiary or Trustee (at the direction of the Beneficiary) shall have and is hereby given the right, but not the obligation: (1) to enter upon and take possession of the Mortgaged Properties; (2) to make additions, alterations, repairs and improvements to the Mortgaged Properties which are reasonably necessary or proper to keep the Mortgaged Properties in good condition and repair; (3) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary; (4) to pay, purchase, contest or compromise any encumbrance, claim, charge, Lien or debt which may affect the security of this Deed of Trust or be prior or superior hereto, giving due regard to Trustor's right to contest same; and (5) in exercising such powers, to pay all necessary expenses, including the reasonable fees and expenses of counsel or other necessary or desirable consultants. Trustor shall, on demand therefor by Beneficiary, pay or reimburse Beneficiary for all reasonable costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing rights, including, without limitation, cost of evidence of title, court costs, appraisal costs, surveys and reasonable attorneys' fees.

(ii) 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 Mortgaged Properties not then or theretofore released as security for the 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 cause to be released at any time at Beneficiary's option any parcel, portion or all of the Mortgaged Properties; (5) take or release any other or additional security for any obligation herein mentioned; (6) while an Event of Default is continuing, make compositions or other arrangements with debtors or other

mortgagors in relation to this Deed of Trust; (7) advance additional funds to protect the security hereof; (8) while an Event of Default is continuing, pay or discharge any or all of the obligations of Trustor with respect to the Mortgaged Properties; (9) consent in writing to the making of any map or plat thereof; (10) join in granting any easement thereon; or (11) join in any extension agreement or any agreement subordinating the Lien or charge hereof; and, in any case referred to in clauses (7) or (8), all amounts so advanced, with interest thereon from the date of demand until paid, shall be secured hereby.

(z) Actions by Trustee. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust, and without affecting the personal liability of any Person for payment of the Obligations secured hereby or the effect of this Deed of Trust upon the remainder of the Mortgaged Properties, Trustee may (1) reconvey any part of the Mortgaged Properties; (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.

ARTICLE 3

SECURITY AGREEMENT

3.1 Rights to Collateral under the Commercial Code. This Deed of Trust is a deed of trust and a "security agreement" within the meaning of the Commercial Code. The Mortgaged Properties include both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Trustor in the Mortgaged Properties. Trustor, by executing and delivering this Deed of Trust, has granted to Beneficiary or Trustee, as applicable under Section 1.3, as security for the Obligations, a continuing first priority security interest in the Mortgaged Properties to the full extent that the Mortgaged Properties may be subject to the Commercial Code (said portion of the Mortgaged Properties so subject to the Commercial Code being called in this Article 3 the "Collateral"). If an Event of Default shall occur and be continuing, Beneficiary, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default

under the Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Beneficiary may deem necessary for the care, protection and preservation of the Collateral. Any sale of Collateral may be held as part of and in conjunction with a sale of the Land. Upon request or demand of Beneficiary, Trustor shall, at its expense, assemble the Collateral and make it available to Beneficiary at a convenient place (at the Land if tangible property) acceptable to Beneficiary. Trustor shall pay to Beneficiary on demand any and all expenses, including reasonable legal expenses and attorneys' fees, incurred or paid by Beneficiary in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral. Any notice of sale, disposition or other intended action by Beneficiary with respect to the Collateral sent to Trustor in accordance with the provisions hereof at least ten (10) business days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Trustor. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Beneficiary to the payment of the Obligations in such priority and proportions as Beneficiary in its discretion shall deem proper. Trustor's (Debtor's) principal place of business and its address and the address of Beneficiary (Secured Party) are as set forth on page one hereof. Trustor represents and warrants that its principal place of business is at the address of Trustor set forth on page 1 hereof, and Trustor shall not change its principal place of business without first giving Beneficiary 30 days prior written notice of such change specifying the address of Trustor's new principal place of business.

3.2 Character of Mortgaged Property. (a) The grant of a security interest to Beneficiary in the Granting Clauses of this Deed of Trust shall not be construed to derogate from or impair the Lien or provisions of or the rights of Beneficiary under this Deed of Trust with respect to any property described herein which is real property or which the parties have agreed to treat as real property. The hereby stated intention of Trustor and Beneficiary is that everything used in connection with the production of income from such real property or adopted for use thereon is, and at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as real property, irrespective of whether or not the same is physically attached to the Land or the Improvements thereon. If required by Beneficiary, at any time during the term of this

Deed of Trust, Trustor will execute and deliver to Beneficiary, in form satisfactory to Beneficiary, additional security agreements, financing statements and/or other instruments covering all personal property or Fixtures of Trustor which may at any time be furnished, placed on, or annexed or made appurtenant to the Land or used, useful or held for use, in the operation of the Improvements.

(b) Trustor hereby irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor, to execute, deliver and file with the appropriate filing officer or office such security agreements, financing statements and/or other instruments as Beneficiary may reasonably request or reasonably require in order to impose and perfect the Lien and security interest hereof more specifically on the Collateral or any Fixtures.

3.3 Purchase Money Security Interest. It is understood and agreed that, in order to protect Beneficiary from the effect of the Commercial Code, as amended from time to time, in the event that (i) Trustor intends to purchase any goods costing more than \$500,000 which may become Fixtures attached to any Mortgaged Property, or any part thereof, and (ii) such goods will be subject to a purchase money security interest held by a seller or any other party:

(a) Trustor shall, before executing any security agreement or other document evidencing such security interest, obtain the prior written approval of Beneficiary, and all requests for such written approval shall be in writing and contain the following information:

(1) a description of the Fixtures to be replaced, added to, installed or substituted;

(2) the address at which the Fixtures will be replaced, added to, installed or substituted: and

(3) the name and address of the proposed holder and proposed amount of the security interest.

Trustor's execution of any such security agreement or other document evidencing such security interests in contravention of this subparagraph (a) shall be a material breach of Trustor's covenants under this Deed of Trust, and shall, at the option of Beneficiary, entitle

Beneficiary to all rights and remedies provided for herein upon the occurrence and continuance of an Event of Default. No consent by Beneficiary pursuant to this subparagraph shall be deemed to constitute an agreement to subordinate any right of Beneficiary in fixtures or other property covered by this Deed of Trust.

(b) If at any time Trustor fails to make any payment when due and payable on an obligation secured by a purchase money security interest in any Fixture, Beneficiary, at its option, may at any time pay the amount secured by such security interest and the amount so paid shall be payable on demand by Trustor to Beneficiary.

(c) Beneficiary shall have the right to acquire by assignment from the holder of such security interest any and all contract rights, accounts receivable, negotiable or nonnegotiable instruments, or other evidence of Trustor's indebtedness for such personal property or Fixtures, and, upon acquiring such interest by assignment, shall have the right to enforce the security interest as assignee thereof, in accordance with the terms and provisions of the Commercial Code then in effect, and in accordance with any other provisions of law.

(d) Whether or not Beneficiary has paid the indebtedness secured by or taken an assignment of such security interest, Trustor covenants to pay all sums when due and payable and perform all obligations secured thereby, and if Trustor at any time shall be in default under such security agreement after the exhaustion of all applicable notice and cure periods provided for herein, or such greater time as provided for in an applicable Credit Document, it shall be a material breach of Trustor's covenants under this Deed of Trust.

3.4 Representations, Warranties and Covenants of Trustor. Trustor hereby represents, warrants and covenants as follows:

(a) Trustor is, and as to all Collateral acquired after the date hereof will be, the sole owner of the Collateral, free from any Lien, security interest, encumbrance or claim thereon of any kind whatsoever (other than Permitted Liens). Trustor will notify Beneficiary of, and will defend the Collateral against, all claims and demands of all Persons at any time

claiming the Collateral or any interest therein other than such interests as are permitted herein.

(b) Except as otherwise provided in this Deed of Trust or other Credit Document, or in connection with conveyance of a Mortgaged Property or a portion thereof permitted elsewhere in this Deed of Trust or other Credit Document, Trustor will not assign, pledge, encumber, lease, sell, convey or in any manner transfer any item of the Collateral, without the prior written consent of Beneficiary.

(c) Trustor shall cause all financing and continuation statements and other instruments with respect to the Collateral at all times to be kept recorded, filed or registered in such manner and in such places as may be required by law to fully evidence, perfect and secure the interests of Beneficiary in the Collateral, and shall pay all filing fees in connection therewith. At the request of Beneficiary, Trustor will join Beneficiary in executing one or more financing statements with respect to the Collateral, and renewals, continuation statements and amendments thereof, pursuant to the Commercial Code in customary form, and will pay the cost of filing the same in all public offices wherever filing is necessary to the effectiveness thereof. Without limiting the foregoing, Trustor hereby irrevocably appoints Beneficiary its attorney-in-fact to execute, deliver and file such instruments for or on behalf of Trustor upon Trustor's failure to do so within a reasonable time after demand, and Trustor will pay the cost of any such filing.

3.5 Fixture Filing. Certain portions of the Mortgaged Properties are or will become "fixtures" (as that term is defined in the Commercial Code) on the Land described or referred to in this Deed of Trust, and this Deed of Trust, upon being filed for record in the real estate records of the county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said Commercial Code upon such portion of the Mortgaged Properties that is or may become fixtures. With respect to Mortgaged Properties located in Montana reference should be made to Section 5.9(d).

ARTICLE 4

ASSIGNMENT OF LEASES AND RENTS

4.1 Authority to Collect Rents. Trustor does hereby presently, absolutely, unconditionally and irrevocably assign, transfer, convey and set over unto Beneficiary, all right, title and interest of Trustor in and to all Leases and Rents. The assignment of Leases and Rents contained in this Article 4 constitutes a present and continuing assignment and not merely the passing of a security interest. Notwithstanding the foregoing, unless and until an Event of Default shall occur and be continuing, Trustor is hereby granted the right and license, subject to the terms of the Credit Documents, to receive, retain, use and enjoy all Rents and to exercise all rights of landlord, owner or developer under all Leases.

4.2 Collection and Application of Rents. (a) At any time that an Event of Default has occurred and is continuing, Beneficiary may, and Trustor hereby appoints Beneficiary as its attorney-in-fact, which appointment is irrevocable and coupled with an interest, to, at its option, without waiving such Event of Default, without regard to the adequacy of the security for the Obligations, either in person or by agent, without bringing any action or proceeding, or by a receiver appointed by a court, revoke the authority and license granted to Trustor in Section 4.1 of this Article and without taking possession of the Mortgaged Properties or any of them, in its own name, demand, sue for or otherwise collect and receive all Rents, including those past-due and unpaid and may apply the Rents to the payment of the Obligations in such order and proportion as Beneficiary in its sole discretion may determine, and may, at its election, exercise all rights of landlord under the Leases. The exercise by Beneficiary of the option granted it in this Section and the collection of the Rents and the application thereof as herein provided shall not be considered a waiver of any Event of Default by Trustor under this Deed of Trust or any other Credit Document.

(b) Notwithstanding anything to the contrary herein or in the other Credit Documents, if any Event of Default shall be cured or waived, the license granted to Trustor in Section 4.1 hereof shall be reinstated and Beneficiary shall, upon request and at the expense of Trustor, promptly give notice to lessees or occupants that all Rents are to be paid to Trustor.

4.3 Limitation on Liability: Indemnity. Beneficiary shall not be obligated to perform or discharge any obligation, duty or liability of Trustor under any of the Leases by reason of this Article, and Trustor shall, and hereby agrees to indemnify Beneficiary for, and to hold Beneficiary harmless from and against, any and all claims, liability, expenses, losses or damages which may or might be asserted against or incurred by Beneficiary solely by reason of Beneficiary's status as an assignee pursuant to the assignment of leases and rents contained herein or in any other Credit Document except, in each case, to the extent incurred as a result of the gross negligence or wilful misconduct of Beneficiary or the failure of Beneficiary to comply in all material respects with applicable Legal Requirements. Should Beneficiary incur any such liability, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall constitute Obligations secured hereby and Trustor shall reimburse Beneficiary therefor promptly upon demand.

4.4 Authorization and Direction to Lessees. Trustor hereby authorizes and directs each present and future lessee and occupant of the Mortgaged Properties upon receipt from Beneficiary of written notice to the effect that an Event of Default has occurred and is continuing, to pay over to Beneficiary all Rents and to continue so to do until otherwise notified by Beneficiary.

4.5 No Mortgagee-In-Possession. It is understood and agreed that neither the foregoing assignment of Leases and Rents to Beneficiary nor Beneficiary's exercise of any of its rights and remedies under this Article 4 shall be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Properties or the use, occupancy, enjoyment or operation of any portion thereof, unless and until Beneficiary, in person or by agent, assumes actual possession thereof, nor shall appointment of a receiver for the Mortgaged Properties by any court at the request of Beneficiary or by agreement with Trustor or the entering into possession of the Mortgaged Properties or any part thereof by such receiver be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Properties or the use, occupancy, enjoyment or operation of any portion thereof.

ARTICLE 5

DEFAULT AND FORECLOSURE

5.1 Remedies. An "Event of Default" hereunder shall mean (i) the occurrence of an Event of Default under and as defined in the Credit Agreement or any other Credit Document, or (ii) the breach by Trustor of any covenant contained herein if not cured in the manner and within the time periods provided in Section 9 of the Credit Agreement. Subject to the terms of Section 5.9 hereof, upon the commencement and during the continuance of an Event of Default (as defined in the Credit Agreement), Beneficiary or Trustee may, at Beneficiary's election, after notice to or demand upon Trustor, without releasing Trustor from any obligation under the Credit Agreement or any other Credit Document and without waiving any rights Beneficiary may have or impairing any notice of default or election to cause the Mortgaged Properties or any of them to be sold or any sale proceeding predicated thereon:

(a) demand, collect or realize upon all or any part of the Mortgaged Properties and assemble or require Trustor to assemble all or any part of the Mortgaged Properties;

(b) commence, appear in or defend any action or proceeding purporting to affect all or any part of the Mortgaged Properties or the interests, rights, powers or duties of Beneficiary or Trustee therein, whether brought by or against Trustor or Beneficiary or Trustee;

(c) pay, purchase, contest or compromise any claim, debt, Lien, charge or encumbrance which in the reasonable judgment of Beneficiary may adversely affect the Mortgaged Properties or any of them or the interest, rights, powers or duties of Beneficiary or Trustee therein;

(d) in such manner and to such extent as Beneficiary may reasonably deem necessary to protect the Mortgaged Properties or any of them or the interests, rights, powers or duties of Beneficiary or Trustee therein, Beneficiary may by itself, its agents or attorneys, enter into and upon the Mortgaged Properties or any of them or any other property at which any portion of the Mortgaged Properties may be located and take and hold exclusive possession of all or any part of the Mortgaged Properties (which Trustor agrees to

surrender) and exclude Trustor from the Mortgaged Properties or any of them, and upon any appointment of a receiver, whether appointed pursuant to Section 5.3 hereof or otherwise (Trustor hereby waiving any right to require appointment of a receiver), (i) operate and manage the Mortgaged Properties or any of them either itself or by other Persons, (ii) rent and lease the same, (iii) perform such reasonable acts of repair or protection as may be reasonably necessary or proper to conserve the value of the Mortgaged Properties or any of them, (iv) make such useful alterations, betterments and improvements to the Mortgaged Properties or any of them as it may deem advisable, (v) collect any and all income, Rents, issues, profits and proceeds from the Mortgaged Properties or any of them, the same being hereby assigned and transferred to Beneficiary, and (vi) from time to time apply or accumulate such income, Rents, issues, profits and proceeds in such order and manner as Beneficiary shall determine, it being understood that the collection or receipt of income, Rents, issues, profits or proceeds from the Mortgaged Properties or any of them after an Event of Default and election to cause the Mortgaged Properties or any of them to be sold under and pursuant to the terms of this Deed of Trust shall not affect or impair any Event of Default or election to cause the Mortgaged Properties or any of them to be sold or any sale proceedings predicated thereon, but such proceedings may be conducted and sale effected notwithstanding the collection or receipt of any such income, Rents, issues, profits and proceeds;

(e) cause the Trustee to foreclose by exercise of the power of sale provided for in this Deed of Trust, and/or judicially foreclose this Deed of Trust, or proceed in any other manner permitted by law. In exercising the power of sale provided for in this Deed of Trust, subject to all Legal Requirements, Beneficiary, or Trustee may, without demand on Trustor except as otherwise required by law, sell the Mortgaged Properties or any part thereof at the time and place of sale fixed by it in such notice of sale, either as a whole or in separate parcels, and in such order as it may determine, having first given notice prior to the sale of such time, place and terms by publication in a newspaper published in the county where the related Mortgaged Property, or some portion thereof, is located, or otherwise in a newspaper having a substantial circulation in said county for the minimum number of

times as may be required by applicable law, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale or upon such other terms as notice of the same may permit, provided that Beneficiary shall have the right to bid for such Mortgaged Property and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations the net sales price after deducting therefrom the expenses of the sale and costs of the action and any other sums Beneficiary is authorized to deduct under this Deed of Trust. Trustee may in the Notice of Sale reserve the right, to be exercised by the successful bidder at sale, to elect within a reasonable time following the sale to either continue in existence or terminate one or more of the tenancies of or on any part of the Mortgaged Properties. Beneficiary or Trustee may postpone sale of all or any portion of a Mortgaged Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Beneficiary or Trustee shall deliver to any purchaser its deed or deeds conveying the Mortgaged Property, or any portion thereof, so sold, but without any covenant or warranty, express or implied. The recitals in such deed or deeds of any matters or facts shall be prima facie proof of the truthfulness thereof. Any Person other than the Trustee, including Trustor or Beneficiary, may purchase at such sales.

Without limiting the foregoing:

(i) In connection with any sale or sales hereunder, Beneficiary, or the Trustee shall be entitled to elect to treat any portion of any of the Mortgaged Properties which consists of a right in action or which is property that can be severed from the Real Property covered hereby or any improvements without causing structural damage thereto as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of Real Property. Where a Mortgaged Property consists of Real Property, Personalty or Fixtures, whether or not such Personalty is located on or within the Real Property, Beneficiary and/or the Trustee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personalty and Fixtures in such order

and manner as is now or hereafter permitted by applicable law;

(ii) Beneficiary and/or the Trustee shall be entitled to elect to proceed against any or all of the Real Property, Personalty and Fixtures constituting part of any Mortgaged Property in any manner permitted under applicable law; and if Beneficiary and/or the Trustee so elects pursuant to applicable law, power of sale herein granted shall be exercisable with respect to all or any of the Real Property, Personalty and Fixtures covered hereby, as designated by Beneficiary and/or the Trustee, and Beneficiary is hereby authorized and empowered to conduct any such sale of any Real Property, Personalty and Fixtures in accordance with the procedures applicable to Real Property;

(iii) Should Beneficiary and/or the Trustee elect to sell any portion of a Mortgaged Property which is Real Property or which is Personalty or Fixtures that Beneficiary and/or the Trustee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of Real Property, Beneficiary and/or the Trustee shall give such notice of Event of Default and election to sell as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, and without the necessity of any demand on Trustor, Beneficiary and/or the Trustee, at the time and place specified in the notice of sale, shall sell said Real Property and/or Personalty and/or Fixtures, or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Beneficiary, or the Trustee may from time to time postpone any sale hereunder by public announcement thereof at the time and place noticed therefor;

(iv) If a Mortgaged Property consists of several lots, parcels or items of property, Beneficiary, or the Trustee at the direction of Beneficiary shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive

sales, or in any other manner Beneficiary, or the Trustee designates. Any person, other than the Trustee, including Trustor or Beneficiary, may purchase at any sale hereunder. Should Beneficiary, or the Trustee at the direction of Beneficiary desire that more than one sale or other disposition of a Mortgaged Property be conducted, Beneficiary, or the Trustee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Beneficiary, or the Trustee may designate, and no such sale shall terminate or otherwise affect the Lien of this Deed of Trust on any part of such Mortgaged Property not sold or on any other Mortgaged Property not sold until all the Obligations have been paid in full. In the event Beneficiary, or the Trustee elects to dispose of all or any portion of any of the Mortgaged Properties through more than one sale, except as otherwise provided by applicable law, Trustor agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein each such sale may be made;

(f) subject to the provisions of Article 4 hereof, take over and direct collection of the Rents of Trustor that are included in the Mortgaged Properties and the proceeds thereof, give notice of the Lien of this Deed of Trust upon the Rents and the proceeds thereof to any or all Persons obligated to Trustor thereon, direct such Persons to make payment of all moneys paid or payable thereon directly to Beneficiary (and, at the request of Beneficiary, Trustor shall indicate on all billings that payments thereon are to be made to Beneficiary) and give any Person so notified and directed the receipt of Beneficiary for any such payment as full release for the amount so paid;

(g) subject to the provisions of Article 4 hereof, take control of any and all of the Rents, accounts, contractual and other rights that are included in the Mortgaged Properties and proceeds arising from any such contractual and other rights, and enforce collection, either in the name of Beneficiary or in the name of Trustor, of any or all of the Rents, accounts, contractual and other rights that are included in the Mortgaged Properties and proceeds thereof by suit or otherwise, and receive, receipt for, surrender, release

or exchange all or any part thereof or compromise, settle, extend or renew (whether or not longer than the original period) any indebtedness thereunder;

(h) endorse in the name of Trustor any instrument, howsoever received by Beneficiary, representing part of any Mortgaged Property, or proceeds of any of the Mortgaged Properties; and

(i) subject to the provisions of Article 3 hereof, exercise all the rights and remedies granted to a secured party under Article 9 of the Commercial Code in effect in the jurisdiction where the relevant Mortgaged Property is located and all other rights and remedies given to Beneficiary and/or the Trustee by this Deed of Trust or any other Credit Document or otherwise available at law or in equity.

Beneficiary and the Trustee shall not be under any obligation to make any of the payments or do any of the acts referred to in this Section 5.1 and, except as otherwise required by law, any of the actions referred to in this Section 5.1 may be taken irrespective of whether any notice of Event of Default or election to sell has been given hereunder (provided, however, that all notices required by this Deed of Trust, any of the other Credit Documents or by law shall be given in accordance with this Deed of Trust, such other Credit Document or such law) and without regard to the adequacy of the security for the Obligations. To the fullest extent permitted by applicable law, Trustor waives and releases any right to have the Mortgaged Properties or any of them marshalled. To the fullest extent permitted by applicable law, Trustor hereby expressly waives on behalf of Trustor and each and every Person acquiring any interest in or title to all or any portion of any of the Mortgaged Properties subsequent to the date of this Deed of Trust and on behalf of any other Persons any and all rights to claim, insist or plead, following any sale under any order or judgment of foreclosure of the Lien of this Deed of Trust, that Trustor (or such successor party) had or has the right to redeem the Mortgaged Property so sold or any part thereof. Beneficiary shall have the right from time to time to take other action to recover any sum or sums which constitute a part of the Obligations as the same become due, without regard to whether or not the balance of the Obligations shall be due, and without prejudice to the right of Beneficiary thereafter to bring an action of foreclosure (after applicable notice and cure periods, if any), or any other action, by reason of an Event of Default existing at the time such earlier action was

commenced. The costs and expenses (including, without limitation, reasonable attorneys' fees) of Beneficiary incurred in connection with the preservation, collection and enforcement of this Deed of Trust or of the Liens and security granted hereby, including, without limitation, any amounts advanced by Beneficiary to protect or preserve the Mortgaged Properties, shall be secured by this Deed of Trust and Trustor covenants and agrees to pay them to the order of Beneficiary promptly upon demand.

5.2 Rescission of Notice of Event of Default. Beneficiary, at any time before the sale, may rescind any notice of Event of Default and of election to cause the Mortgaged Properties or any of them to be sold. The exercise by Beneficiary of such right of rescission shall not (unless otherwise expressly provided by the terms of such rescission) constitute a waiver of any Event of Default then existing or subsequently occurring, shall not impair the right of Beneficiary to cause all or any portion of the Mortgaged Properties to be sold and shall not otherwise affect any provision, agreement, covenant or condition of this Deed of Trust, the Credit Agreement or any other Credit Document or the rights, obligations or remedies of the parties hereunder or thereunder.

5.3 Appointment of Receiver. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, upon written notice to Trustor and as a matter of right, and without regard to the then value of the Mortgaged Properties or any of them or the interest of Trustor in the Mortgaged Properties or any of them, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of all or any of the Mortgaged Properties, and Trustor hereby irrevocably consents to such appointment. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein and in the other Credit Documents and shall continue as such and exercise all such powers until the date of sale of the related Mortgaged Property unless such receivership is sooner terminated.

5.4 Application of Proceeds. (a) To the extent permitted by applicable law and except as otherwise required by applicable law, all proceeds received from the sale or other disposition of all or any portion of any Mortgaged Property pursuant to this Deed of Trust shall be applied by Beneficiary in accordance with the following priorities:

First: to the costs and expenses of the sale or other disposition of the related Mortgaged Property or portion thereof, including, without limitation, the reasonable fees and expenses incurred by Beneficiary in connection with the services of attorneys, appraisers, environmental consultants and engineers and other experts; costs and expenses incurred by Beneficiary in enforcing and preserving its rights under the Credit Documents; and sheriff, referee, deed of trust trustee or auctioneer's fees if such expenses have been incurred;

Second: to the satisfaction of all Obligations then outstanding other than (a) those set forth in clause First above; and (b) principal and interest payable on the Notes;

Third: to the satisfaction of principal and interest payable on the Notes; and

Fourth: when all Obligations have been satisfied and discharged in full, to the payment to whomsoever shall be entitled thereto under applicable Legal Requirements or, if the identity of such Person is not known, to the clerk of the superior, district or circuit court (or other court having jurisdiction) of the county or city where such sale was consummated.

(b) If Beneficiary shall be ordered, in connection with any bankruptcy, insolvency or reorganization of Trustor, to restore or repay to or for the account of Trustor or its creditors any amount theretofore received under this Article 5, the amount of such restoration or repayment shall be deemed to be an Obligation so as to place Beneficiary in the position it would have been in had such amount never been received by Beneficiary.

5.5 Additional Security. If Beneficiary at any time shall have a security interest securing any Obligations in addition to the Mortgaged Properties, Beneficiary may enforce the terms of the Security Documents or otherwise realize upon the Mortgaged Properties, at its option, either before or concurrently with the exercise of remedies as to such other security or after a sale is made of such other security, and may apply the proceeds to the Obligations without affecting the status of or waiving any right to exhaust all or any other security, including the Mortgaged Properties, and without waiving any breach or Event of Default or any right or power whether exercised under the

Credit Documents, contained in the Credit Documents or provided for in respect of any such other security.

5.6 Sale of Certain Property. Trustor recognizes that Beneficiary may be unable to effect a public sale of any securities which may constitute a portion of the Mortgaged Properties by reason of certain prohibitions contained in the Securities Act of 1933 and applicable state securities laws and instead may resort to one or more private sales of such portion of the Mortgaged Properties to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Trustor recognizes and agrees that, because of those restrictions, sales of securities may result in prices and other terms less favorable to the seller than if the disposition were made pursuant to a public sale and, notwithstanding such circumstances, agrees that any such private or limited sale or sales of securities shall be deemed to have been made in a commercially reasonable manner, provided that Beneficiary shall have the right to bid for securities and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations the net sales price after deducting therefrom the expenses of the sale and costs of the action and any other sums Beneficiary is authorized to deduct under this Deed of Trust. Beneficiary shall be under no obligation to delay a sale of any of the securities constituting part of the Mortgaged Properties for the period of time necessary to permit the issuer of such securities to register them for public sale under the Securities Act of 1933 or under applicable state securities laws. The foregoing agreement by Trustor shall not limit in any respect Beneficiary's right to sell any other portion of the Mortgaged Properties at public or private sale pursuant to Section 5.1.

5.7 Remedies Cumulative. No remedy conferred upon or reserved to Beneficiary by this Deed of Trust, any other Security Document or any other Credit Document is intended to be exclusive of any other remedy provided or permitted by any Security Document, any other Credit Document or by law, but each shall be cumulative and shall be in addition to every other remedy so provided or permitted. Every power or remedy given by this Deed of Trust, any other Security Document or any other Credit Document to Beneficiary or to which it may be otherwise entitled may be exercised concurrently or independently, from time to time, and as often as may be deemed expedient by Beneficiary, and Beneficiary may pursue inconsistent remedies. The obtaining of a judgment or decree

on the Notes or any of them shall not in any manner affect the Lien of this Deed of Trust upon the Mortgaged Properties, and any judgment or decree so obtained shall be secured hereby to the same extent as the Notes are now secured. It is expressly understood that Beneficiary has taken no part in the determination of the value of the Mortgaged Properties for recordation, tax, insurance or other purposes. In the event of any foreclosure sale hereunder, all net proceeds shall be available for application to the indebtedness hereby secured whether or not such proceeds exceed the value of the Mortgaged Properties for recordation, tax, insurance or other purposes. The only limitation upon the foregoing agreements as to the exercise of Beneficiary's remedies is that there shall be but one full and complete satisfaction of the Obligations secured hereby.

5.8 Legal Requirements. Beneficiary acknowledges and agrees that all rights and remedies set forth in this Article 5 and Articles 3 and 4 of this Deed of Trust are in all respects subject to any Legal Requirement applicable to their exercise.

5.9 Special State Provisions. In the event of any conflict between the provisions of this Section 5.9 as they relate to a Mortgaged Property situated in the relevant State and the other provisions of this Deed of Trust, the provisions of this Section 5.9 shall control with respect to any Mortgaged Property situated in such State.

(a) California. With respect to Mortgaged Properties located in the State of California, Trustor waives all rights, legal and equitable, it may now or hereafter have to require marshalling of assets or to require upon foreclosure sales of assets in a particular order, including without limitation the rights provided by California Civil Code Sections 2899 and 3433, as such Sections may be amended from time to time. Each successor and assign of Trustor, including without limitation, a holder of a Lien subordinate to the Lien created hereby (without implying that Trustor has, except as expressly provided in the Credit Documents, a right to grant an interest in, or a subordinate Lien on, the Mortgaged Properties), by acceptance of its interest or Lien agrees that it shall be bound by the above waiver, as if it gave the waiver itself.

(b) Colorado. With respect to Mortgaged Properties located in the State of Colorado, Trustor and Beneficiary acknowledge and agree that if the provisions set forth in Article 5 of this Deed of Trust conflict with the

provisions of Chapter 38, Articles 37 through 39, Colorado Revised Statutes, 1973, as amended, the provisions of the Colorado Revised Statutes shall govern.

(c) Idaho. With respect to Mortgaged Properties located in the State of Idaho, the Land is located within an incorporated City or Village at the date hereof, or contains no more than twenty acres. The Tax Identification Number of the Trustor is 91-1634199.

(d) Montana. With respect to Mortgaged Properties located in the State of Montana, the County of Residence of the Trustor/Debtor is Clark County, Washington, and the real estate secured by this Deed of Trust is 30 acres or less in size. The Tax Identification Number of the Trustee/Debtor is: 91-1634199. The aggregate maximum principal balance of the Loans is \$265,000,000. Interest shall be paid in accordance with Section 1 of the Credit Agreement and payments on the Loans shall be made in accordance with Section 4 of the Credit Agreement. The maturity date of the Loans is set forth in the Credit Agreement and the Notes.

(e) Oregon. With respect to Mortgaged Properties located in the State of Oregon, Trustor warrants that this Deed of Trust is not and will not at any time be a residential trust deed (as that term is defined in ORS 86.705(3)) UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY BENEFICIARY AFTER OCTOBER 3, 1989 CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES, OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY BENEFICIARY TO BE ENFORCEABLE. The Assessor's real property tax account number(s) for each of the Mortgaged Properties located in Oregon is:

Astoria:	0101-80907CB-00181
	0101-80907CB-00183
	0101-80907CB-00184
	0101-80907CB-00201
	0101-80907CB-00203
	0101-80907CB-00204
Bend-North:	1-001 17 12 33 BB 02101
	1-001 17 12 33 BB 02100
Bend-South:	1-001 17 12 33 CB 02500
	1-001 17 12 33 CB 03400

Coos Bay: 251326BB500

Eugene: 170329/000500

Kalmath Falls: R-3909-003DB-00600 00
R-3909-003DB-00500 00

Medford: 371W30BB 9900
371W30BB 10000
371W30BB 10100
371W30BB 10300
371W30BB 10301

Pendleton: 112270-00600
112271-00700
112274-00800

Portland -
Columbia
River: R-95134-0140
R-95134-0600

Portland -
Jantzen
Beach: R-95134-0340

(f) Utah. The Beneficiary is not a seller or purchase money lender of Collateral.

(g) Washington. With respect to Mortgaged Properties located in the State of Washington, the Mortgaged Properties are not used principally for agricultural or farming purposes.

ARTICLE 6

MISCELLANEOUS

6.1 Performance at Trustor's Expense. Except as expressly provided herein or in the other Credit Documents to the contrary, no portion of the cost and expense of performing or complying with any of the obligations imposed on Trustor by this Deed of Trust shall be borne by Beneficiary or any of the other Secured Creditors, and no portion of such cost and expense shall be, in any way or to any extent, credited against the aggregate amounts payable by Trustor

pursuant to the Credit Agreement or any other Credit Document.

6.2 Beneficiary's Right to Perform the Obligations; Attorney-in-Fact. If Trustor shall fail, refuse or neglect to make any payment or to perform any act required of it by this Deed of Trust or any other Credit Document, then at any time after the occurrence and during the continuance of an Event of Default or as otherwise permitted by the terms hereof or of the Credit Agreement, without waiving or releasing any other right, remedy or recourse Beneficiary may have because of same, Beneficiary may (but shall not be obligated to), after notice to Trustor, make such payment or perform such act for the account of and at the expense of Trustor. Upon the occurrence and during the continuance of an Event of Default, to the fullest extent permitted by applicable Legal Requirements, Trustor hereby appoints Beneficiary attorney-in-fact of Trustor for the purpose of carrying out the provisions of this Deed of Trust and taking any action and executing any instrument that Beneficiary may deem reasonably necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. All sums paid by Beneficiary pursuant to this Section and all other sums expended by Beneficiary in respect of which it shall be entitled to indemnity, together with interest thereon at the Default Rate from the date of such payment or expenditure, shall constitute additions to the obligations, and shall be secured by this Deed of Trust and Trustor covenants and agrees to pay them to the order of Beneficiary upon demand.

6.3 Survival of Obligations. Except as otherwise provided in the Credit Agreement, each and all of the Obligations shall survive the execution and delivery of this Deed of Trust and the other Credit Documents, the foreclosure or other exercise of remedies hereunder and the consummation of the transactions called for therein and herein until the Obligations shall be satisfied in full, but Trustor shall be released from the Obligations insofar as they concern or affect any Mortgaged Property which has been released from the Liens of this Deed of Trust in accordance with the applicable provisions of the Credit Documents.

6.4 Notices. Except as otherwise provided herein, all notices and other communications required under the terms and provisions hereof shall be in writing and shall be delivered by hand or by nationally recognized overnight courier or registered first-class mail, postage prepaid, return receipt requested, to the addresses set forth below:

If to Beneficiary:

Credit Lyonnais New York Branch
1301 Avenue of the Americas
New York, New York 10019

Attention: Jenny Hutchison

with copies to:

White & Case
1155 Avenue of the Americas
New York, New York 10036
Attention: Sean J. Geary, Esq.

If to Trustee:

Colorado
Public Trustee of the County of La Plata
in the State of Colorado
La Plata County Courthouse
P.O. Box 5190
Durango, Colorado 81302

Oregon, Utah, Washington, Montana
First American Title Insurance Company
114 East Fifth Street
Santa Ana, CA 92701

Idaho
First American Title Company of Idaho, Inc.
7311 Potomac Drive
Boise, Idaho 83704

If to Trustor:

Red Lion Hotels, Inc.
4001 Main Street
Vancouver, Washington 98663

Attention: Legal Department

with copies to:

Latham & Watkins
633 West Fifth St., Suite 4000

Los Angeles, CA 90071

Attention: Martha B. Jordan, Esq.

If to any of the foregoing parties, at such other address as such party shall from time to time designate in writing to the other parties hereto in accordance with these notice provisions.

Such notices, requests, approvals, communications and demands shall be deemed given on the date on which a receipt therefor is signed or on the date on which the attempted initial delivery is refused or cannot be made because of a change of address of which the sending party has not been notified.

6.5 No Waiver; Remedies. Beneficiary's failure, at any time or times hereafter, to require strict performance by Trustor of any provision of this Deed of Trust shall not waive, affect or diminish any right of Beneficiary thereafter to demand strict compliance and performance therewith, and Beneficiary's single or partial exercise of any right, remedy, power or privilege hereunder shall not preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers or privileges herein provided are cumulative and not exclusive of any rights, remedies, powers or privileges provided by applicable Legal Requirements. Any suspension or waiver by Beneficiary of an Event of Default by Trustor under this Deed of Trust or under the Credit Agreement shall not suspend, waive or affect any other Event of Default thereunder, whether of the same or of a different kind or character. None of the undertakings, agreements, warranties, covenants and representations of Trustor contained in this Deed of Trust and no Event of Default by Trustor under this Deed of Trust shall be deemed to have been suspended or waived unless such suspension or waiver is in writing signed by an officer of Beneficiary, and directed to Trustor specifying such suspension or waiver.

6.6 Covenants Running with the Land. All Obligations are intended by the parties to be, and shall be construed as, covenants running with the Mortgaged Properties until such Mortgaged Properties are released from the Lien and security hereof. In the event the ownership of a Mortgaged Property becomes vested in a Person other than Trustor, Beneficiary may, without notice to Trustor, deal with such successor or successors in interest with reference

to this Deed of Trust and the Obligations in the same manner as with Trustor, and may alter the interest rate and/or alter or extend the terms of payment of any of the Obligations and such action shall not in any way affect the liability of Trustor hereunder or the Lien or priority of this Deed of Trust with respect to any part of any Mortgaged Property covered hereby.

6.7 Recording Fees; Further Assurances. (a) Trustor shall pay, together with interest, fines, and penalties, if any, any documentary stamp, recording, transfer, mortgage, intangibles or other taxes or fees whatsoever due under applicable Legal Requirements in connection with the making, execution, delivery, filing of record, recordation, release, or discharge of this Deed of Trust.

(b) Trustor, upon the request of Beneficiary, will execute, acknowledge, record and/or file such further instruments in form reasonably satisfactory to Beneficiary and do such further acts as may be reasonably necessary, desirable or proper to carry out more effectively the purposes of this Deed of Trust and the Credit Agreement and to subject to the Lien and security interest and security of this Deed of Trust any property intended by the terms hereof or of the Credit Agreement to be covered by this Deed of Trust.

(c) In the event that the legal description attached to any Credit Document is inaccurate or does not fully describe all of the Real Property in which Trustor has an interest, Trustor hereby agrees to the amendment of such legal description and the legal description contained in the corresponding title policy so that such error is corrected, and Trustor shall execute and cause to be recorded, if applicable, such documentation as may be appropriate for such purpose.

(d) Trustor will, at Trustor's sole cost and expense, execute, acknowledge, deliver and file any financing statements, continuation statements and other instruments in addition to or supplemental to this Deed of Trust, including, without limitation, contracts, licenses and permits affecting any Mortgaged Property, which may be necessary or reasonably requested by Beneficiary from time to time in order to perfect and maintain the validity, priority and effectiveness of this Deed of Trust and the Lien hereof on the Mortgaged Properties, in such manner and places and within such times, in each case as is commercially reasonable and as may be necessary or appropriate to accomplish such purposes and to

preserve and protect the rights and remedies of Beneficiary. Trustor or its agents will furnish reasonably satisfactory evidence of every such recording, filing and registration to Beneficiary. Trustor hereby appoints Beneficiary as its true and lawful attorney-in-fact, coupled with an interest, to file (with or without the Mortgagor's signature, as permitted by applicable law) in the state and county where the relevant Mortgaged Property is located and in any other jurisdiction in which such filing may lawfully and effectively be made, any and all Uniform Commercial Code financing and continuation statements which Beneficiary may reasonably deem necessary or appropriate to file with respect to this Deed of Trust.

(e) All right, title and interest of Trustor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Properties, hereafter acquired by, or released to, Trustor or constructed, assembled or placed by Trustor on the Land, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by Trustor or any other Person, shall be and become subject to the Lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Trustor and encumbered hereby, but at all times Trustor shall execute and deliver to Beneficiary all such other assurances, mortgages, conveyances or assignments thereof as Beneficiary may reasonably require for the purpose of expressly and specifically subjecting the same to the Lien of this Deed of Trust: excluding in each case, however, all items which are the subject of the rights granted to the Master Lessor (or any successor thereto or assignee thereof) under Section 10.4 of the Master Lease (concerning replacements of furnishings, fixtures and equipment), or similar rights granted by Trustor to other parties pursuant to instruments to which Beneficiary has agreed in writing. Trustor hereby irrevocably authorizes and appoints Beneficiary the agent and attorney-in-fact of Trustor to execute all such documents and instruments on behalf of Trustor, which appointment is deemed to be coupled with an interest, if Trustor fails or refuses to do so within ten (10) days after its receipt of a request therefor from Beneficiary.

6.8 Severability. This Deed of Trust is intended to be performed in accordance with, and only to the extent permitted by, applicable Legal Requirements. If any provi-

sion of this Deed of Trust or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, then neither the remainder of this Deed of Trust nor the application of such provision to other Persons or circumstances nor the other instruments referred to hereinabove shall be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable Legal Requirements.

6.9 Entire Agreement and Modification. Time is of the essence with respect to every provision of this Deed of Trust. This Deed of Trust and the other Credit Documents constitute the entire agreement between the parties relating to the subject matter hereof and thereof and supersede all prior and contemporaneous agreements, understandings, representations or other arrangements, whether express or implied, written or oral, of the parties in connection therewith except to the extent expressly incorporated or specifically referred to herein or therein. This Deed of Trust may not be amended, revised, waived, discharged, released or terminated orally but only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

6.10 Applicable Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of New York, including, without limitation, Section 5-1401 of the General Obligations Law, but otherwise without regard to conflict of law principles; provided, however, that with respect to the creation, attachment, perfection, priority and enforcement of the Liens created by this Deed of Trust, this Deed of Trust shall be governed by and construed in accordance with the laws of the state in which the relevant Mortgaged Property is located.

6.11 Limitation on Beneficiary's Responsibility. No provision of this Deed of Trust shall operate to place any obligation or liability for the control, care, management or repair of any Mortgaged Property upon Beneficiary, nor shall it operate to make Beneficiary responsible or liable for any waste committed on any Mortgaged Property by the tenants or any other Person, or for any dangerous or defective condition of any Mortgaged Property, or for any negligence in the management, upkeep, repair or control of any Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. Nothing herein contained

shall be construed as constituting Beneficiary a "mortgagee in possession." Beneficiary shall not be obligated to perform or discharge, and undertakes hereby neither to perform nor to discharge, any obligation, duty or liability with respect to any Mortgaged Property or the Leases or Permitted Encumbrances solely by reason of this Deed of Trust or the other Credit Documents, and Trustor shall and does hereby agree to defend, indemnify and hold harmless Beneficiary from and against any and all claims, losses, expenses, damage and liabilities (including, without limitation, reasonable attorneys' fees) which may arise or be incurred or accrue in connection therewith, except, in each case, to the extent incurred as a result of the gross negligence or wilful misconduct of Beneficiary or the failure of Beneficiary to comply in all material respects with applicable Legal Requirements. Should Beneficiary incur any such liability, loss or damage, the amount thereof, including all reasonable attorneys' fees and reasonable costs and expenses associated with actions taken by Beneficiary in defense thereof, or otherwise in protecting its interests hereunder, shall be part of the Obligations and shall be secured hereby, and Trustor covenants and agrees to reimburse Beneficiary therefor promptly following demand.

6.12 Headings. The Article and Section titles and Table of Contents herein are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of this Deed of Trust.

6.13 Marshalling. Beneficiary shall not be under any obligation to marshal any assets in favor of Trustor or any other party or against or in payment of any or all of the Obligations.

6.14 Waiver of Jury Trial; Consent to Jurisdiction. TO THE EXTENT PERMITTED UNDER APPLICABLE LEGAL REQUIREMENTS, TRUSTOR AND BENEFICIARY EACH HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS DEED OF TRUST, ANY OTHER CREDIT DOCUMENT, OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS DEED OF TRUST AND THE LENDER/ BORROWER RELATIONSHIP BETWEEN THEM. The scope of this waiver is intended to encompass any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including, without limitation, contract claims, tort claims, breach of duty claims, and all other common laws and statutory claims. Trustor and Beneficiary each acknowledge that this waiver is a material inducement to enter into this Deed of Trust, and that each

will continue to rely on the waiver in their related future dealing. Trustor and Beneficiary each further warrants and represents that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS DEED OF TRUST, OR ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS. In the event of litigation, this Deed of Trust may be filed as a written consent to a trial by the court. Trustor hereby irrevocably submits to the jurisdiction of any court of competent jurisdiction located in the state in which the related Mortgaged Property is located in connection with any proceeding arising out of or relating to this Deed of Trust involving such Mortgaged Property.

6.15 Future Advances. This Deed of Trust shall secure not only existing indebtedness, but also such future advances, whether such advances are obligatory or are to be made at the option of the Banks or Beneficiary, or otherwise, as are made by the Banks or Beneficiary to Trustor, to the same extent as if such future advances were made on the date of the execution of this Deed of Trust, including, without limitation, (a) any and all additional advances made to protect or preserve all or any of the Mortgaged Properties or the Lien hereof on all or any of the Mortgaged Properties, or to pay taxes, to pay premiums on insurance on all or any of the Mortgaged Properties, or to complete the improvements on all or any of the Mortgaged Properties (whether or not the original Trustor remains the owner of the related Mortgaged Property at the time of such advances and whether or not the original Beneficiary remains the owner of the indebtedness secured hereby and this instrument); (b) any and all expenses incident to the collection of the indebtedness secured hereby and the foreclosure hereof by action in any court or by exercise of the power of sale herein contained; (c) any and all indebtedness now owing or which may hereafter be owing by Trustor pursuant to the Credit Documents, however and whenever incurred or evidenced, whether direct or indirect, absolute or contingent, due or to become due, together with any an all renewal or renewals and extension or extensions of said indebtedness; and (d) the full and prompt payment and performance of any and all obligations or covenants of Trustor under the terms of any other agreements, assignments or other instruments now or hereafter evidencing, securing or otherwise relating to the indebtedness evidenced by the Notes, including, without limitation, the assignment of rents

and leases given by Trustor to Beneficiary contained herein, and the Credit Documents.

6.16 Lien Absolute, Multiple Collateral Transaction. Trustor acknowledges that this Deed of Trust and a number of other Credit Documents and those documents required by the Credit Documents together secure the Obligations. Trustor agrees that the Lien and security of this Deed of Trust and all Obligations of Trustor hereunder shall be absolute and unconditional and shall not in any manner be affected or impaired by any lack of validity or enforceability of the Credit Agreement or any other Credit Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing and, without limiting the generality of the foregoing, the Lien and security hereof shall not be impaired by any acceptance by Beneficiary of any security for or guarantees of any of the indebtedness hereby secured, or by any failure, neglect or omission on the part of Beneficiary to realize upon or protect any of the indebtedness hereby secured or any collateral security therefor, including the Credit Documents, or due to any other circumstance which might otherwise constitute a defense available to, or a discharge of, Trustor in respect of the Obligations or this Deed of Trust (other than the indefeasible payment in full of all the Obligations). The Lien and security hereof shall not in any manner be impaired or affected by any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations or by any release (except as to the property released), sale, pledge, surrender, compromise, settlement, nonperfection, renewal, extension, indulgence, alteration, exchange, modification or disposition of any of the indebtedness hereby secured or of any of the collateral security therefor, or any amendment or waiver of or any consent to any departure from the Credit Agreement or any other Credit Document or of any guaranty thereof, if any, and Beneficiary may in its discretion foreclose, exercise any power of sale, or exercise any other remedy available to it under any or all of the Credit Documents without first exercising or enforcing any of its rights and remedies hereunder. Such exercise of Beneficiary's rights and remedies under any or all of the Credit Documents shall not in any manner impair the Obligations hereby secured or the Lien of this Deed of Trust and any exercise of the rights or remedies of Beneficiary hereunder shall not impair the Lien of any of the other Credit Documents or any of Beneficiary's rights and remedies thereunder. Trustor specifically consents and agrees that Beneficiary may exercise its rights and remedies hereunder and under the other Credit Documents separately or

concurrently and in any order that Beneficiary may deem appropriate.

6.17 Discharge of Deed of Trust. Upon (a) the sale, transfer or other disposition of a Mortgaged Property in accordance with Section 8.02 of the Credit Agreement, or (b) satisfaction in full of the Obligations, this Deed of Trust shall be discharged and satisfied or assigned (to Trustor or to any other Person at Trustor's direction, which assignment shall be without recourse, representation or warranty of any kind by Beneficiary), at Trustor's option, by Beneficiary at the expense of Trustor upon its written request either (i) in the case of Clause (a) above with respect to the Mortgaged Property so sold, transferred or disposed of, or (ii) in the case of clause (b) above, in its entirety. Concurrently with such satisfaction and discharge or assignment of this Deed of Trust, Beneficiary will (x) return to Trustor all title and other insurance policies in Beneficiary's possession, if any, relating to the Mortgaged Property so released, (y) on the written request and at the expense of Trustor, execute and deliver such proper instruments of release and satisfaction or assignment (including appropriate UCC-2 or UCC-3 termination or assignment statements) as may reasonably be requested by Trustor to evidence such release or assignment, and any such instrument, when duly executed by Beneficiary and duly recorded by Trustor in the places where this Deed of Trust is recorded, shall conclusively evidence the release or assignment of this Deed of Trust as to the affected Mortgaged Property and (z) in the case of full satisfaction of the Obligations, return the Note to Trustor.

6.18 The Trustee in the Deed of Trust States.

(a) No Required Action. Trustee shall not be required to take any action toward the execution and enforcement of the trust hereby created or to institute, appear in or defend any action, suit or other proceeding in connection therewith where in its opinion such action will be likely to involve it in expense or liability, unless requested so to do by a written instrument signed by Beneficiary and, if Trustee so requests, unless Trustee is tendered security and indemnity satisfactory to it against any and all costs, expense and liabilities arising therefrom. Trustee shall not be responsible for the execution, acknowledgement or validity of the Credit Documents, or for the proper authorization thereof, or for the sufficiency of the Lien and security interest purported to be created hereby, and makes no

representation in respect thereof or in respect of the rights, remedies and recourse of Beneficiary.

(b) Certain Rights. Trustee shall have the right to take any and all of the following actions: (a) to select, employ and consult with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder, including the preparation, execution and interpretation of the Credit Documents, and shall be fully protected in relying as to legal matters on the advice of counsel; (b) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through its agents or attorneys; (c) to select and employ, in and about the execution of its duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee, and Trustee shall not be answerable for any act, default or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence or bad faith; and (d) to take any and all other lawful action as Beneficiary may instruct Trustee to take to protect or enforce Beneficiary's rights hereunder. Trustee shall not be personally liable, except for Trustee's gross negligence or bad faith, in case of entry by it, or anyone entering by virtue of the powers herein granted to it, upon any Mortgaged Property for debts contracted or liability or damages incurred in the management or operation of any Mortgaged Property. Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by it hereunder, reasonably believed by it in good faith to be genuine. Trustee shall be entitled to reimbursement for reasonable expenses incurred by it in the performance of its duties hereunder and to reasonable compensation for such of its services hereunder as shall be rendered. Trustor will, from time to time, pay the reasonable compensation due to Trustee hereunder and reimburse Trustee for, and save it harmless against, any and all liability and expenses which may be incurred by it in the performance of its duties.

(c) Retention of Moneys. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received and shall be segregated from moneys of the Trustee and Trustee shall account for interest, if any, earned on any moneys received by it hereunder.

(d) Successor Trustees. Any of the Trustees may resign by the giving of written notice of such resignation in recordable form to Beneficiary. If a Trustee shall die, resign or become disqualified from acting in the execution of this Trust, or shall fail or refuse to execute the same when requested by Beneficiary so to do, or if, for any reason, Beneficiary shall determine that it is prudent to appoint a substitute trustee or trustees to act instead of the aforementioned Trustee, Beneficiary shall have full power to appoint a substitute trustee or trustees and, if preferred, several substitute trustees in succession who shall succeed to all the estates, properties, rights, powers and duties of the aforementioned Trustee. Such appointment may be executed by any authorized agent or officer of Beneficiary, and if such Beneficiary be a corporation and such appointment be executed in its behalf by any officer of such corporation, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the Board of Directors or any superior officer of the corporation. Such appointment shall be duly recorded in the appropriate real estate records at any time before or, if permitted by applicable law, upon sale of the related Mortgaged Property by the successor appointed thereby. Trustor hereby ratifies and confirms any and all acts which the aforementioned Trustee, or its successor or successors in this Trust, lawfully does by virtue hereof. Trustor shall reimburse Beneficiary and/or Trustee for any reasonable expenses incurred pursuant to the provisions of this Section 6.20.

(e) Perfection of Appointment. Should any deed, conveyance or instrument of any nature be required from Trustor by any successor Trustee to more fully and certainly vest in and confirm to such new Trustee such estates, rights, powers and duties, then, upon request by such Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged and delivered and shall be caused to be recorded and/or filed by Trustor and Trustor shall pay for any expenses incurred by Trustee pursuant to this Section 6.20.

(f) Succession Instruments. Any new Trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor(s) in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Beneficiary or of the successor Trustee, the Trustee ceasing to act shall execute

and deliver an instrument in recordable form transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Trustee to the successor Trustee so appointed in its place.

(g) No Representation by Trustee. By accepting or approving anything required to be observed, performed or fulfilled or to be given to Trustee or Beneficiary pursuant to the Credit Documents, including, but not limited to, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty, consent or affirmation with respect thereto by Trustee.

6.19 Costs, Expenses, Fees, Etc. Trustor will pay Beneficiary and, if applicable, the Trustee any and all sums of money, including costs, expenses, reasonable attorneys' fees and, if applicable, Trustee's fees, which either of them may earn, incur or expend in any foreclosure or foreclosure proceeding (irrespective of whether a sale occurs under such proceeding) hereunder, or in any proceedings to sustain the Lien of this Deed of Trust, or its priority, or in defending any party hereto or any party hereby secured against the Liens, demands or claims of title, or any or either of them, of any person or persons asserting priority over this Deed of Trust or asserting title adverse to the title under which Beneficiary or, if applicable, the Trustee holds, or in the discharge of any such Lien or claim, or in connection with any suit at law or in equity to foreclose this Deed of Trust or to recover any indebtedness hereby secured, together with interest on such sums at the maximum rate then permitted by law but not to exceed the rate set forth in the Notes secured hereby until paid, and any such amount shall be repayable on demand and this Deed of Trust shall stand as security therefor.

6.20 Renewal or Extension of Notes; Substitute Notes. This Deed of Trust and all other instruments evidencing or securing the Notes shall likewise secure any extension, modification, renewal, or substitution of the Notes and any note or notes which may be executed and delivered in substitution for any Note. The Lien and priority of this Deed of Trust shall in no manner be affected

by any such extension, modification, renewal, or substitution.

6.21 Request For Notice. Trustor requests that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to Trustor at the address of Trustor given above.

6.22 Irrevocable Trust. The trust created hereby is irrevocable by Trustor unless and until the Mortgaged Properties are reconveyed to Trustor as provided in Section 6.17 hereof.

ARTICLE 7

THE MASTER LEASE

7.1 Master Lease Representations and Covenants.

(a) Trustor represents and warrants to Beneficiary that, (i) the Master Lease is in full force and effect in accordance with its terms; (ii) Trustor is the lessee under the Master Lease; (iii) Trustor has full right, power and authority to mortgage the leasehold estate of Trustor under the Master Lease to Beneficiary hereunder; and (iv) all consents required from all Persons in connection with the grant to Beneficiary of a Lien upon the leasehold estate of Trustor under the Master Lease pursuant hereto have been obtained and are in full force and effect. Except as otherwise provided in the Credit Agreement, Trustor shall not modify, waive, extend or in any way alter, or grant any consents in respect of any material terms of the Master Lease or in any way cancel, release, terminate or surrender the Master Lease without Beneficiary's prior written consent.

(b) Trustor shall at all times promptly and faithfully keep and perform, or cause to be kept and performed, all of the material covenants and conditions contained in the Master Lease by the lessee therein to be kept.

(c) Beneficiary's consent shall be required prior to any exercise or failure to exercise of any termination right or purchase option under the Master Lease.

(d) If Trustor exercises any option to purchase under the Master Lease, the real property so purchased shall for all purposes be treated as if the subject real property had been Land owned by Trustor and mortgaged hereunder and shall be subject to this Deed of Trust as such.

(e) Trustor shall give Beneficiary prompt notice in writing of the receipt by Trustor of any notice of default from the lessor under the Master Lease, together with a copy of the same.

(f) If Trustor shall fail to comply with Section 7.1(b) hereof, Beneficiary may (but shall not be obligated to), after notice to Trustor and Trustor's failure to cure the same as provided in Section 6.2 hereof, subject to applicable Legal Requirements, exercise the rights provided to it in Section 6.2 hereof as provided therein.

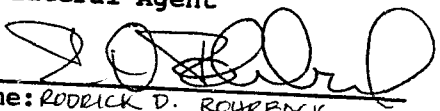
(g) So long as this Deed of Trust is in effect, there shall be no merger of the Master Lease or any interest therein, or of the leasehold estate created thereby, with the fee estate in the real property subject thereto or any portion thereof by reason of the fact that the Master Lease or such interest therein or such leasehold estate may be held directly or indirectly by or for the account of any Person who shall hold the fee estate in such real property or any portion thereof or any interest of the lessor under the Master Lease. In case Trustor acquires the fee title or the ground lease estate to any real property leased under the Master Lease, this Deed of Trust shall attach to and cover and be a Lien upon the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, mortgage or conveyance, become and be subject to the Lien of this Deed of Trust.

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

Beneficiary

CREDIT LYONNAIS NEW YORK BRANCH,
as Collateral Agent

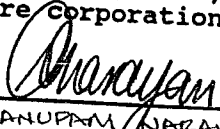
By


Name: RODRICK D. ROUBACH
Title: FIRST VICE PRESIDENT

Trustor

RED LION HOTELS, INC.,
a Delaware Corporation

By


Name: ANUPAM NARAYAN
Title: VICE PRESIDENT; TREASURER

[SEAL]

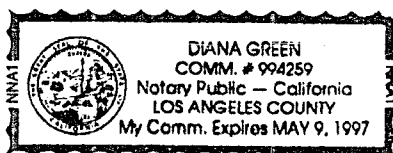


STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On August 1, 1995, before me, Diana Green, Notary Public, personally appeared Rodrick D. Rohrback, First Vice-President, ☐ personally known to me OR ☒ proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



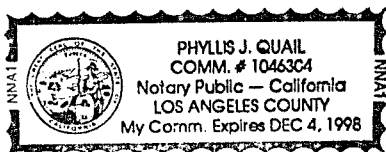
Diana Green
Signature of Notary

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On August 1, 1995, before me, Phyllis J. Quail, Notary Public, personally appeared Anupam Narayan, ☐ personally known to me OR ☒ proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Phyllis J. Quail
Signature of Notary

EXHIBIT A
PROPERTY DESCRIPTION
(Property: Klamath Falls, OR)

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

Beginning at a ½ 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°45' West a distance of 290.3 feet and South 0°06'30" West a distance of 11.82 feet from the Northeast corner of the NW¼SE¼ 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°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°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°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°06'30" West along said West line a distance of 30.0 feet to a 5/8 inch iron pin marking the Southwest corner of said parcel; thence South 0°55'30" East a distance of 329.18 feet, more or less, to a 5/8 inch iron pin on the Northeasterly right of way line of the O.C.&E. Railroad; thence North 67°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°11'00" West along said right of way line a distance of 65.47 feet to an iron pin; thence North 01°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°58'30" East along said relocated right of way line a distance of 367.8 feet, more or less, to the point of beginning.

NOTE: Street Address
3612 South 6th Street
Klamath Falls, OR 97603

Tax Parcel Numbers: R-3909-003DB-00600 00
R-3909-003DB-00500

20364

EXHIBIT B

PROPERTY DESCRIPTION OF MASTER LEASE

EXHIBIT CGROUND LEASES

(1) Astoria, Oregon: Lease agreement dated June 22, 1988 by and between the Port of Astoria, an Oregon municipal corporation, as lessor and Red Lion, a California limited partnership, as lessee, as evidenced by that certain Memorandum of Lease dated May 17, 1995 and recorded June 22, 1995 in Book 873, page 587 Official Records. Lessee's interest was assigned to and assumed by RLH Partnership, L.P., a Delaware limited partnership, pursuant to that certain Assignment and Assumption dated as of August 1, 1995.

(2) Seattle, Washington: Restated lease agreement dated October 16, 1979 by and between Robert Gordon Smith and Meta B. Smith, as lessor and Sea-Tac Thunderbird, Inc., as lessee recorded on December 4, 1979 under Recording Number 7912040461 in the records of King County, Washington. Lessor's interest was assigned to Robert and Meta Smith Family Limited Investment Partnership pursuant to that certain Assignment and Assumption of Lease dated December 4, 1989. Lessee's interest was assigned by RLA Holding Company, Inc. (successor-by-merger to Sea-Tac Thunderbird, Inc.) to Red Lion, a California limited partnership by that certain Assignment dated December 24, 1987; further assigned to and assumed by RLH Partnership, L.P., a Delaware limited partnership, pursuant to that certain Assignment and Assumption dated as of August 1, 1995.

(3) Vancouver, Washington: Lease agreement dated November 18, 1983 by and between Port of Vancouver, a Washington municipal corporation, as lessor, and Thunderbird Inn at the Quay, as lessee, recorded in the records of Clark County, Washington, as Instrument No. 8612120126. Lessee's interest was assigned pursuant to that certain Assignment of Lease dated February 21, 1985 to RL Acquisition Company and subsequently conveyed to Red Lion Properties, Inc. pursuant to that certain Quitclaim Deed dated December 15, 1988. Lessee's interest was further assigned to and assumed by RLH Partnership, L.P., a Delaware limited partnership, pursuant to that certain Assignment and Assumption dated as of August 1, 1995.

(4) Boise, Idaho. Lease agreement dated January 1, 1981 by and between J. Howard Hill and Rosemary Hill, as lessor and Tod E. McClaskey and Edward H. Pietz, doing business as partners, as lessee and recorded on May 13, 1981, as Instrument No. 8120564 in the Official Records of the County of Ada, State of Idaho. Lessee's interest was assigned to and assumed by RL Acquisition Company (predecessor to Red Lion) by that certain Assignment dated April 8, 1985. Lessee's interest was further assigned to and assumed by RLH Partnership, L.P., a Delaware limited partnership, pursuant to that certain Assignment and Assumption dated as of August 1, 1995.

(5) Salt Lake City, Utah: Lease agreement dated May 17, 1988 by and between Salt Lake City Corporation, a municipal corporation of the State of Utah, as lessor and Red Lion, a California limited partnership, as lessee; lessee's interest was further assigned to and assumed by RLH Partnership, L.P., a Delaware limited partnership, pursuant to that certain Assignment and Assumption dated as of August 1, 1995.

(6) Lease agreement dated April 16, 1965 by and between William G. Hewitt and Pearle A. Hewitt, as lessor and Thunderbird Eugene, Inc., and Oregon corporation, as lessee, as evidenced by that certain Memorandum of Lease dated April 8, 1965 and recorded April 9, 1965 as Reception No. 98820 Deed of Records. Lessee's interest was assigned to and assumed by Red Lion, a California limited partnership pursuant to that certain Blanket Bill of Sale and Assignment dated December 23, 1987. Lessee's interest was further assigned to and assumed by RLH Partnership, L.P., a Delaware limited partnership, pursuant to that certain Assignment and Assumption dated as of August 1, 1995.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 2nd day
of August A.D., 19 95 at 2:25 o'clock A M., and duly recorded in Vol. M95,
of Mortgages on Page 20293.

Bernetha G. Letsch, County Clerk

FEE \$380.00

Bernetha G. Letsch