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AFTER RECORDING, MAIL TO:

Vol MQ1 Page 49149

Marianne Kuehnell  
Trendwest Resorts, Inc.  
9805 Willows Road  
Redmond, WA 98052

mtc 54579

## ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE ("Assignment") is made and entered into this 4<sup>th</sup> day of September, 2001, by and between EAGLE CREST VACATION CLUB, an Oregon nonprofit corporation ("Assignor") and WORLDMARK, THE CLUB, a California nonprofit mutual benefit corporation ("Assignee").

### RECITALS:

A. Assignor has, conveyed, assigned and transferred to Assignee that certain real property commonly known as 4961 Falcon Drive, Klamath Falls, Oregon and legally described in Exhibit A attached hereto and made a part hereof, together with all improvements, buildings and structures situated thereon and therein (which real property, improvements, buildings and structures are collectively referred to as the "Property");

B. Prior to transfer of the Property to Assignee, Assignor leased a portion of the Property to Running Y Resort, Inc. (hereinafter referred to as "Tenant") pursuant to that certain written lease dated September 1, 2001 (hereinafter referred to as the "Lease").

C. Assignor desires to assign the Lease to Assignee and Assignee desires to accept such Lease.

**NOW, THEREFORE**, in consideration of the mutual terms and conditions herein set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

**1. Assignment and Acceptance of Lease.** Effective as of the date set forth above, Assignor hereby assigns, conveys, grants and sets over unto Assignee, its successors and assigns, all of the Assignor's right, title and interest in and to, and all of Assignor's rights and obligations under the Lease, including all

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rents and prepaid rents. Assignee hereby accepts this Assignment and agrees to be bound by and perform each and every obligation of the Assignor, as landlord under the Lease, at the time and in the manner such obligations are to be performed from and after the date hereof.

**2. Delivery of Lease and Rents.** The parties hereto agree that the original Lease and all amendments, are herewith delivered to Assignee. The Assignor represents and warrants to Assignee that (i) the Lease delivered to Assignee herewith is the original of the Lease in existence on the date hereof with respect to the Property and that there are no amendments thereto, except as shown in the Lease delivered to Assignee; (ii) there are no tenancy agreements, leases, or rights to occupy all or any part of the Property, other than the tenancy of Tenant; and (iii) there is no current default in the payment of rent or the performance of the Lease.

**3. Indemnification.** The Assignor hereby indemnifies and holds Assignee harmless from and shall defend Assignee against any damage, expense (including attorneys' fees) or liability resulting from Assignor's breach of its landlord's responsibilities and obligations under said Lease, which may accrue or relate to a period prior to the date hereof. The Assignee hereby indemnifies and holds Assignor harmless from and shall defend Assignor against any damage, expense (including attorneys' fees) or liability resulting from any breach by Assignee of the landlord's responsibilities and obligations under said Lease, which may relate to a period from and after the date hereof.

**4. General.**

(a) This Assignment shall inure to and be binding upon the parties hereto and their respective successors and assigns.

(b) This Assignment shall be governed by and construed under the laws of the State of Oregon.

(c) The section headings and captions hereof are for convenience purposes only.

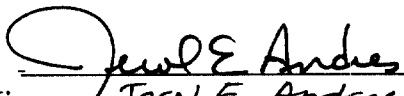
49151

(d) This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one (1) and the same instrument.

**IN WITNESS WHEREOF**, the Assignor and Assignee have caused this Assignment to be executed as of the day and year first above written.

**ASSIGNOR:**

**EAGLE CREST VACATION CLUB,  
INC.**, an Oregon nonprofit corporation

By:   
Print: Jerol E. Andrus  
Its President

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its \_\_\_\_\_

**ASSIGNEE:**

**WORLD MARK, THE CLUB**, a California  
nonprofit mutual benefit corporation

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its \_\_\_\_\_

(d) This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one (1) and the same instrument.

IN WITNESS WHEREOF, the Assignor and Assignee have caused this Assignment to be executed as of the day and year first above written.

**ASSIGNOR:**

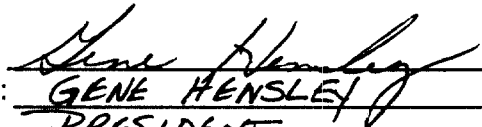
**EAGLE CREST VACATION CLUB,  
INC., an Oregon nonprofit corporation**

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its \_\_\_\_\_

**ASSIGNEE:**

**WORLDMARK, THE CLUB, a California  
nonprofit mutual benefit corporation**

By:   
Print: GENE HENSLEY  
Its: PRESIDENT

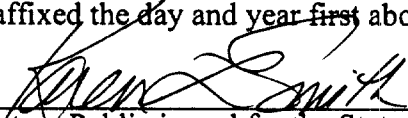
By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF OREGON                    )  
  )ss  
COUNTY OF DESCHUTES         )

On this 31 day of August, 2001, before me, the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn, personally appeared Jerol E. Andres to me known to be the President of Eagle Crest Vacation Club, the Oregon nonprofit corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath, stated that he is authorized to execute the said instrument.

Witness my hand and official seal affixed the day and year first above written.



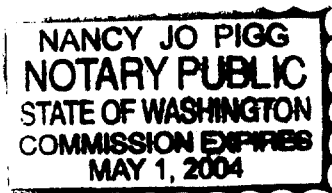
  
\_\_\_\_\_  
Notary Public in and for the State of Oregon  
Residing at Bend, Oregon  
My appointment expires: 10-17-04

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STATE OF WASHINGTON    )  
  )ss  
COUNTY OF KING        )

On this 21<sup>ST</sup> day of September, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared GENE HENSLEY to me known to be the PRESIDENT of WorldMark, The Club, the California nonprofit mutual benefit corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath, stated that he is authorized to execute the said instrument.

Witness my hand and official seal affixed the day and year first above written.



Nancy Jo Pigg  
Notary Public in and for the State of Wash.  
Residing in Pierce County  
My appointment expires: May 1, 2004

STATE OF WASHINGTON    )  
  )ss  
COUNTY OF KING        )

On this \_\_\_\_ day of September, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_ of WorldMark, The Club, the California nonprofit mutual benefit corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath, stated that he is authorized to execute the said instrument.

Witness my hand and official seal affixed the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Wash.  
Residing in Pierce County  
My appointment expires: May 1, 2004

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**EXHIBIT A**

**Legal Description**

Unit 105 located in the building on Lot 603 of RUNNING Y RESORT, PHASE 6,  
according to the official plat thereof on file in the office of the County Clerk of  
Klamath County, Oregon.

State of Oregon, County of Klamath  
Recorded 09/26/01 at 2:14 p. m.  
In Vol. M01 Page 49149  
Linda Smith,  
County Clerk Fee \$ 51.00