

05 FEB 17 PM 3:41

Vol M05 Page 11035

Recording Requested By,
And After Recording, Return To:
WELLS FARGO BANK
NATIONAL ASSOCIATION
1740 Broadway, C7300-033
Denver, Colorado 80274
Attn: Loan Documentation

State of Oregon, County of Klamath
Recorded 02/17/2005 3:41 p m
Vol M05 Pg 11035-38
Linda Smith, County Clerk
Fee \$ 36⁰⁰ # of Pgs 4

1st 511596

FIRST MODIFICATION OF DEED OF TRUST AND
ASSIGNMENT OF RENTS AND LEASES

This First Modification of Deed of Trust (this "Modification") is entered into as of February 1, 2005, by and between RED LION HOTELS, INC. ("Grantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Beneficiary").

RECITALS

This Modification is entered into upon the basis of the following facts and understandings of the parties:

A. This Modification pertains to that certain Deed of Trust and Assignment of Rents and Leases dated as of October 24, 2003, executed by Grantor to WELLS FARGO FINANCIAL BANK as Trustee, in favor of Beneficiary, and recorded on November 4, 2003, in volume No. M03 at page 81971, of the Records of Klamath County, Oregon ("Deed of Trust").

B. Certain additional obligations have been or are to be incurred which are to be secured by the Deed of Trust, and Grantor and Beneficiary have agreed to modify the Deed of Trust to reflect said additional obligations as secured thereby.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Deed of Trust is hereby modified to reflect as obligations secured thereby and included in the definition of Secured Obligations therein, in addition to any other Secured Obligations defined therein or arising thereunder, the payment to Beneficiary of all indebtedness and performance of all obligations evidenced by and arising under that certain promissory note dated as of February 1, 2005, executed by WESTCOAST HOSPITALITY CORPORATION and payable to Beneficiary or its order, and finally maturing on June 30, 2006, in the principal amount of Sixteen Million Dollars (\$16,000,000.00) (which promissory note represents the refinancing of that certain promissory note dated as of October 24, 2003, and secured by the Deed of Trust), together with interest thereon, and any such indebtedness or other obligations incurred under or in connection with the credit accommodation evidenced by said promissory note, even if not specifically referenced therein.

210F

2. Section 5.1 of the Deed of Trust is hereby amended and restated in its entirety to read as follows:

"5.1 Default. A "Default" under this Deed of Trust shall have the same meaning as an "Event of Default" as defined in that certain First Amended and Restated Credit Agreement between WestCoast Hospitality Corporation and Beneficiary dated as of February 1, 2005, as such may be amended, modified, supplemented or restated from time to time (the "Credit Agreement")."

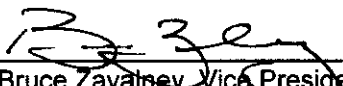
3. The real property and the whole thereof described in the Deed of Trust shall remain subject to the lien, charge or encumbrance of the Deed of Trust and nothing herein contained or done pursuant hereto shall affect or be construed to affect the liens, charges or encumbrances of the Deed of Trust, or the priority thereof over other liens, charges or encumbrances, or to release or affect the liability of any party or parties who may now or hereafter be liable under or on account of said promissory notes and/or the Deed of Trust.

4. All terms and conditions of the Deed of Trust not expressly modified herein remain in full force and effect, without waiver or amendment. This Modification and the Deed of Trust shall be read together, as one document.

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be executed as of the day and year first above written.

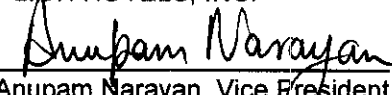
BENEFICIARY:

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: 
Bruce Zavainey, Vice President

GRANTOR:

RED LION HOTELS, INC.

By: 
Anupam Narayan, Vice President

OBTAIN NOTARY ACKNOWLEDGMENTS

11037

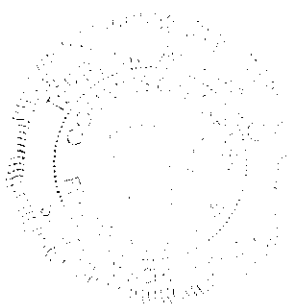
NOTARY ACKNOWLEDGMENT:

STATE OF WASHINGTON

COUNTY OF SPOKANE

On February 9, 2004, before me, the undersigned notary public in
and for said state, personally appeared Anupam Narayan, known to me to
be the Vice President of Red Lion Hotels Inc., has indicated they executed the within
instrument and acknowledged it is for the uses and purposes mentioned in this
instrument.

WITNESS my hand and official seal.



Hein M. Alvarado
Notary Public in and for Washington
residing at Spokane
My commission expires: 2/25/05

11038

NOTARY ACKNOWLEDGMENT:

STATE OF WASHINGTON

COUNTY OF SPOKANE

On February 9, 2004, before me, the undersigned notary public in
and for said state, personally appeared Bruce Zavalney, known to me to
be the Vice President of Wells Fargo Bank, National Association, has indicated they
executed the within instrument and acknowledged it is for the uses and purposes
mentioned in this instrument.

WITNESS my hand and official seal.



Sabina Bajric
Notary Public in and for Washington
residing at Spokane
My commission expires: 01/30/2008