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87- 2912

0141-1207

COLLATERAL ASSIGNMENT OF LEASE
(Lessors' Interest)

LEWIS B. HUFF and DORIS J. HUFF, as Tenants
in common, ("Assignors"),

do hereby sell, assign, transfer and convey unto

PIONEER TRUST BANK, N.A., a National Banking
Association ("Bank")

all of Assignors' interest as Lessors in that certain Lease dated
February 13, 1970, in which Condominium Land Co, an Oregon
corporation, was Lessor and Condominiums Northwest, Inc., an
Oregon corporation, was Lessee, covering the property described
in the attached Exhibit "A." The interest of the Lessor in the
lease has been assigned to Assignors through mesne assignments.
The interest of the Lessee in the lease is now owned by the
Association of Unit Owners of the Inn of the Seventh Mountain.

(1) LOAN. This collateral assignment is given as additional
security for a loan made by Bank to Assignors (the "Indebted-
ness"). The loan is evidenced by a promissory note dated
February 10, 1987, in the amount of \$460,000. Any default
in the payment of the note shall be default in the terms of this
agreement.

(2) OTHER COLLATERAL. The Indebtedness is also secured by a
mortgage on the property described on Exhibit "A." Any default
in the performance of the mortgage shall be a default in the
terms of this agreement.

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(3) WARRANTIES. Assignors warrant that the above lease is in good standing, is not in default in any way and that all rentals due thereunder have been paid as required by the lease.

(4) RENT. As long as Assignors are not in default hereunder, Assignors may collect all rentals due under the lease.

(5) CANCELLATION AND AMENDMENT. In no event shall Assignors cancel the lease. Assignors shall not amend the lease without first obtaining Bank's written consent, which shall not be unreasonably withheld. Bank's refusal to consent to any amendment which, in the sole opinion of Bank would materially affect the value of the lease as collateral, is conclusively presumed to be reasonable.

(6) DEFAULT. Time is of the essence of this agreement. Upon the occurrence of any event of default, and at any time thereafter, the Bank may exercise any one or more of the following rights and remedies:

(a) The right at its option by notice to Assignors to declare the entire Indebtedness immediately due and payable;

(b) With respect to all or any part of the property that constitutes realty, the right to foreclose by judicial foreclosure in accordance with applicable law;

(c) With respect to all or any part of the property that constitutes personalty, the rights and remedies of a secured party under the uniform commercial code;

(d) The right without notice to Assignors to take possession of the property and to collect all rents and profits,

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including those past due and unpaid, and to apply the net proceeds over and above the Bank's costs against the Indebtedness. In furtherance of this right, the Bank may require any tenant or user to make payments of rent or use fees directly to the Bank, and payments by such tenant or user to the Bank in response to its demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed;

(e) The right in connection with any legal proceedings to have a receiver appointed to take possession of any or all of the property with the power to protect and preserve the property and to operate the property preceding foreclosure or sale, and to apply the proceeds over and above the cost of the receivership against the Indebtedness. The receiver may serve without bond if permitted by law. The Bank's right to the appointment of a receiver shall exist whether or not the apparent value of the property exceeds the Indebtedness by a substantial amount; or

(f) Any other right or remedy provided in this assignment or the promissory note evidencing the Indebtedness.

(7) ATTORNEY'S FEES. In case of any dispute concerning the interpretation of this agreement or in case of any default in the performance of any of the terms hereof, the parties not prevailing shall pay all the costs of interpreting this agreement or enforcing the terms or provisions hereof whether incurred in or out of any trial or appellate court, including reasonable attorney's fees and costs and disbursements.

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(8) FINANCING STATEMENTS. Assignors shall execute such financing statements as may be necessary to allow Bank to perfect its security interest.

Duly executed February 12, 1987.

Lewis B. Huff
Lewis B. Huff

PIONEER TRUST BANK, N.A.

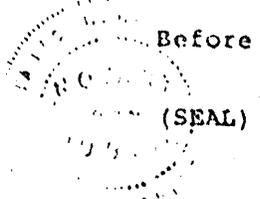
Doris J. Huff
Doris J. Huff
ASSIGNORS

By Lemaise
Its _____
BANK

Marion County, Oregon - ss.

On this 12th day of February, 1987, personally appeared LEWIS J. HUFF and DORIS J. HUFF, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

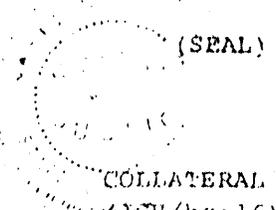


James H. Holstrom
Notary Public for Oregon
My commission expires 2/14/89

Marion County, Oregon - ss.

On this 12th day of February, 1987, personally appeared W.R. Meyer, who being duly sworn, did say that he is the Vice President of PIONEER TRUST BANK, N.A. and that the foregoing instrument was signed in behalf of the corporation by authority of its board of directors, and he acknowledged the instrument to be its voluntary act and deed.

Before me:



James H. Holstrom
Notary Public for Oregon
My commission expires 2/14/89

EXHIBIT A

0141-1211

8181-1440

PARCEL I: That portion of the Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4) and the Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4) of Section Twenty-two (22), TOWNSHIP EIGHTEEN (18) SOUTH, RANGE ELEVEN (11) EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon, which is described as follows:

Beginning at the Northwest corner of the Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4) of Section 22, TOWNSHIP 18 SOUTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon; thence South 23° 43' 15" East, 826.29 feet; thence South 69° 45' 45" West, 305.00 feet; thence North 79° 45' 45" West, 300.00 feet; thence South 73° 09' 15" West, 855.00 feet; thence North 75° 35' 45" West, 276.00 feet to the West line of the Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4) of said Section 22; thence along said West line, North 00° 48' 25" East, 995.28 feet to the Northwest corner of the Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4) of said Section 22; thence along the North line of said Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4), South 89° 40' 45" East, 1320.63 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM the right of way of the Century Drive Highway, formerly known as the Century Drive Market Road, as the same is now laid out and established over the Northwestern corner of said Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4) of said Section 22.

PARCEL II: That portion of the Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4) and the Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4) of Section Twenty-two (22), TOWNSHIP EIGHTEEN (18) SOUTH, RANGE ELEVEN (11) EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon, which is described as follows:

Beginning at the Northwest corner of the Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4) of Section 22, TOWNSHIP 18 SOUTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN, Deschutes County, Oregon; thence South 89° 49' 30" East, 362.43 feet along the North line of said Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4); thence South 11° 15' 45" East, 200.00 feet; thence South 51° 16' 10" East, 561.91 feet; thence South 00° 30' 45" East, 80.00 feet; thence South 17° 44' 15" West, 417.00 feet; thence South 69° 45' 45" West, 108.00 feet; thence North 23° 43' 15" West, 826.29 feet to the POINT OF BEGINNING.

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STATE OF OREGON)
COUNTY OF DESCHUTES) ss.

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES, IN AID FOR SAID
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

1997 FEB 17 PM 3:38

MARY SUE PENHOLLOW
COUNTY CLERK

BY: P. Lusk DEPUTY

NO. 87-2912 FEE 25-

DESCHUTES COUNTY OFFICIAL RECORDS