

Record and return to:

→ Tom Wolf  
Weinstein, Fischer, Riley,  
Erickson & Wolf, P.S.  
18735 SW Boones Ferry Road  
PO Box 547  
Tualatin OR 97062-0547

98-52580

ASSIGNMENT AND ASSUMPTION OF LEASE

In consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, THE ASSOCIATION OF UNIT OWNERS OF THE INN OF THE SEVENTH MOUNTAIN, an Oregon unincorporated association (the "Assignor"), does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER and DELIVER unto THE ASSOCIATION OF UNIT OWNERS OF THE INN OF THE SEVENTH MOUNTAIN, an Oregon non-profit corporation (the "Assignee"), as of the date of this assignment:

1. All of the right title and interest of the Assignor, as lessee or tenant, in, to and under:

(a) That certain Lease dated February 13, 1970 ("Original Lease"), between Condominium Land Co., as lessor, and Condominiums Northwest, Inc., as lessee, recorded in the public records of Deschutes County ("Public Records"), in Volume 168 at Page 874; as modified by

(b) That certain Errata dated August 11, 1971, between Condominium Land Company, as lessor, and Condominiums Northwest, Inc., as lessee, recorded in the Public Records, in Volume 178 at Page 302, as modified by

(c) That certain Amendment dated December 10, 1971 ("December 1971 Amendment"), between Condominium Land Co., Inc., as lessor, and Condominiums Northwest, Inc., as lessee, recorded in the Public Records in Volume 180 at Page 991, as modified by

(d) That certain Lease Amendment dated May 18, 1972, between McMillan Inns, Inc., as lessor, and Condominiums Northwest, Inc., as lessee, recorded in the Public Records in Volume 185 at Page 574, as modified by

(e) That certain Lease Amendment Correction dated July 24, 1972, between McMillan Inns, Inc. and Condominiums

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After recording, return to  
AmeriTitle  
15 OREGON AVENUE, BEND

Northwest, Inc., recorded in the Public Records in Volume 186 at Page 902; as modified by

(f) That certain Addendum and Correction to Lease dated March 12, 1973, between McMillan Inns, Inc. and Condominiums Northwest, Inc., recorded in the Public Records in Volume 193 at page 449, as modified by

(g) That certain Assignment and Rental Reservation Agreement dated July 7, 1980, between Lewis B. Huff and Doris J. Huff, as grantee, and United Savings Bank, Mutual, as grantor, recorded in the Public Records in Volume 324 at Page 561, as modified by

(h) That certain Assignment of Rental Reservation Agreement dated June 7, 1985, between United Savings Bank, Mutual, as assignor, and The Association of Unit Owners of the Inn of the Seventh Mountain, as assignee, recorded in the Public Records as Microfilm Document No. 85.-12411, as modified by

(i) That certain Amendment to Lease dated May 29, 1985, between Lewis B. Huff and Doris J. Huff, as lessor, and The Association of Unit Owners of the Inn of the Seventh Mountain, as lessee, recorded in the Public Records as Microfilm Document No. 85-12609, as modified by

(j) That certain unrecorded Agreement dated May 29, 1985, between Lewis B. Huff and Doris J. Huff, as lessor, and The Association of Unit Owners of the Inn of the Seventh Mountain, as lessee

(collectively referred to as the "Ground Lease"); and

2. All of the rights, powers, estate, benefits and privileges of the lessee or tenant in, to and under the Ground Lease, including without limitation intended and by way of example only, the right of the lessee or tenant to occupy the property covered by the Ground Lease.

The Ground Lease demises certain real property in the County of Deschutes, State of Oregon, which has been more particularly described in Exhibit "A" of the Original Lease, and Exhibit "A" of the December 1971 Amendment, which exhibits are incorporated by reference and by this reference made a part hereof, subject to any changes in the legal description of the real property as set forth in the Ground Lease.

Assignee hereby assumes and agrees to perform all of the terms, covenants, obligations and conditions of the Ground Lease which are required to be performed or complied with by the lessee or tenant under the Ground Lease, which accrue on or after the date of this

ASSIGNMENT AND ASSUMPTION OF LEASE - 2

assignment.

Assignor hereby agrees to indemnify and hold the Assignee harmless from and against all liabilities, damages, costs and expenses (including without limitation intended and by way of example only, reasonable attorneys' fees, disbursements and amounts paid in settlement of claims) arising out of the failure of the Assignor or its predecessors in interest, to perform their respective obligations under the Ground Lease, which accrued on or prior to the date of this assignment.

Assignee hereby agrees to indemnify and hold the Assignor harmless from and against all liabilities, damages, costs and expenses (including without limitation intended and by way of example only, reasonable attorneys' fees, disbursements and amounts paid in settlement of claims) arising out of the failure of the Assignee or its successors in interest, to perform their respective obligations under the Ground Lease, which accrue after the date of this assignment.

Assignor hereby agrees to forever warrant and defend this Assignment against all claims and causes of action brought by all persons lawfully alleging or attempting to allege any right, title or interest by, through or under the Assignor.

The provisions of this assignment and agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Assignor and Assignee; subject, however to any

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522 - 1723

limitations on the right of assignment contained in the Ground Lease.

IN WITNESS WHEREOF, the Assignor and Assignee have executed this assignment and agreement as of the 17 day of October, 1998.

ASSIGNOR:

THE ASSOCIATION OF UNIT OWNERS OF  
THE INN OF THE SEVENTH MOUNTAIN,  
an Oregon unincorporated association

By: [Signature]  
Its: Chairman

ASSIGNEE:

THE ASSOCIATION OF UNIT OWNERS OF  
THE INN OF THE SEVENTH MOUNTAIN,  
an Oregon non-profit corporation

By: [Signature]  
Its: Chairman

CONSENT

The undersigned are the sole Lessors under the above described Ground Lease and hereby consent to the Assignment and Assumption of Lease set forth above. By consenting to the above Assignment and Assumption of Lease, the undersigned Lessors expressly do not release the Assigor above or its members from their personal liability under the Lease.

DATED: 11-12-98, 1998

PIONEER TRUST BANK, N.A., <sup>TRUSTEE UNDER</sup>  
THE WILL OF LEWIS BEN HUFF, DECEASED

Doris J. Huff  
DORIS J. HUFF

By: [Signature]  
Its: PRESIDENT

Linda D. Huff  
LINDA D. HUFF



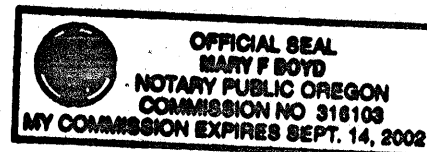
Pamela S. Pruitt  
PAMELA S. PRUITT

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STATE OF OREGON       )  
                              )  
COUNTY OF DESCHUTES )

This instrument was acknowledged before me on 10/17/98,  
1998 by Fred Bartel, as president of THE ASSOCIATION OF UNIT OWNERS  
OF THE INN OF THE SEVENTH MOUNTAIN, an Oregon non-profit  
corporation.

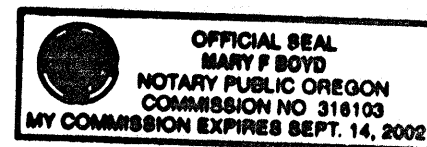
Mary F. Boyd  
Notary Public, State of Oregon  
My commission expires 9/14/02



STATE OF OREGON       )  
                              )  
COUNTY OF DESCHUTES )

This instrument was acknowledged before me on 10/17/98,  
1998 by Fred Bartel, as president of THE ASSOCIATION OF UNIT OWNERS  
OF THE INN OF THE SEVENTH MOUNTAIN, an Oregon unincorporated  
association.

Mary F. Boyd  
Notary Public, State of Oregon  
My commission expires 9/14/02



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STATE OF OREGON       )  
                                  )  
COUNTY OF MARION    )

This instrument was acknowledged before me on Nov 9,  
1998 by Michael S. Compton as PRESIDENT of  
Pioneer Trust Bank, N.A.

Martha A. Howell  
Notary Public, State of Oregon  
My commission expires 12-4-99



STATE OF OREGON       )  
                                  )  
COUNTY OF MARION    )

This instrument was acknowledged before me on Nov 9,  
1998 by Doris J. Huff.

Shelly Hall  
Notary Public, State of Oregon  
My commission expires 10-1-2002



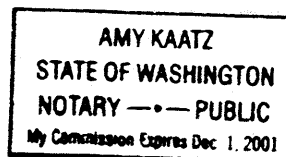


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STATE OF Washington )  
COUNTY OF Clark )

This instrument was acknowledged before me on 11/12/98,  
1998 by Linda D. Huff.

Amy Kaatz  
Notary Public, State of Oregon  
My commission expires 12/01/01



STATE OF OREGON )  
COUNTY OF Marion )

This instrument was acknowledged before me on Nov 9,  
1998 by Pamela S. Pruitt.

Shelly Hall  
Notary Public, State of Oregon  
My commission expires 10-1-02



STATE OF OREGON )  
COUNTY OF DESCHUTES ) SS.

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

98 NOV 19 PM 3:52

MARY SUE PENHOLLOW  
COUNTY CLERK

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BY. [Signature] DEPUTY  
NO. 98-52580 FEE 120  
DESCHUTES COUNTY OFFICIAL RECORDS