



D-ASN Cnt=1 Stn=7 SRB
\$45.00 \$11.00 \$10.00 \$5.00

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

iStar FM Loans LLC
2727 East Imperial Highway
Brea, California 92821
Attention: Pam Kelly
Loan No.: 950115017

STATUTORY NOTICE

A. The address of the entity holding a lien or other interest created by this instrument is:

iStar FM Loans LLC
2727 East Imperial Highway
Brea, California 92821
Attention: Pam Kelly
Loan No.: 950115017

B. The tax account numbers of the property subject to the lien or which the interest are created are:
Map #181113 00 01400, Account #117557 and Map #181100 00 00120, Account #252286 i

COLLATERAL ASSIGNMENT OF OWNER'S RIGHTS UNDER CC&RS AND BYLAWS

Cover Sheet

Date:	As of January 31, 2008
Borrower:	TD CASCADE HIGHLANDS, LLC, an Oregon limited liability company
Borrower's State of Organization:	Oregon
Borrower's Organizational ID Number:	326070-95
Lender:	iSTAR FM LOANS LLC, a Delaware limited liability company
Note Amount:	\$48,150,000.00
Maturity Date:	June 1, 2009

Recorded by Western Title as an accommodation only. No liability accepted for condition of title or validity, sufficiency or affect of document.

Loan No.: 950115017

**COLLATERAL ASSIGNMENT OF OWNER'S RIGHTS UNDER CC&RS AND BYLAWS
WITH AN IRREVOCABLE POWER OF ATTORNEY**

THIS COLLATERAL ASSIGNMENT OF OWNER'S RIGHTS UNDER CC&RS AND BYLAWS (this "**Assignment**"), dated as of January 31, 2008, is made and given by **TD CASCADE HIGHLANDS, LLC**, an Oregon limited liability company, having its offices at 1399 Franklin Boulevard, Eugene, Oregon 97408 ("**Borrower**") in favor of **iStar FM LOANS LLC**, a Delaware limited liability company, as Lender ("**Lender**"), with respect to the following Recitals:

RECITALS:

A. Borrower and Fremont Investment & Loan, a California industrial bank ("**Fremont**") have entered into that certain Loan and Security Agreement dated May 26, 2006 (as amended, the "**Loan Agreement**"), wherein, among other things, Lender has agreed to make, and Borrower has agreed to accept, a loan (the "**Loan**") upon the terms and conditions set forth in the Loan Agreement. Each capitalized term used and not specifically defined in this Assignment shall have the same meaning given to such capitalized term in the Loan Agreement.

B. The Loan is evidenced by that certain Secured Promissory Note, dated as of May 26, 2006, in the original principal amount of the Loan made by Borrower and payable to Fremont (as amended, the "**Note**").

C. On or about October, 2007, Arrowood Tetherow, LLC, as declarant (the "**Declarant**") recorded that certain Declaration of Covenants, Conditions, Restrictions and Easements for Tetherow in the Deschutes County Official Records, Oregon, on October 3, 2007, as Document No. 2007-53418 (the "**CC&Rs**"). Pursuant to the CC&Rs, Tetherow Owners Association, an owners association comprised of the owners of the property which is governed by the CC&Rs (the "**Association**") was formed, which Association is governed by those certain Bylaws of Tetherow Owners Association (the "**Bylaws**").

D. Fremont has previously assigned all of its right, title and interest in the Loan (including the Loan Documents and Environmental Indemnity) to Lender.

E. Borrower has requested that Lender approve certain plat maps of the Property and other related documentation (the "**Phases**") and in connection therewith, Borrower and Lender are entering into that certain Second Amendment to Deed of Trust and other Loan Documents (the "**Second Amendment**").

F. As a condition to the effectiveness of the Second Amendment, Lender has required Borrower to assign to Lender, as additional security for the Loan, all of Borrower's right, title and interest as an owner under the CC&Rs and the Bylaws.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, separate and distinct from the consideration given by Lender with respect to the Loan, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees as follows:

- 1. Recitals.** The Recitals are incorporated herein by this reference.
- 2. Assignment.** As security for the performance of all of the Secured Obligations, Borrower hereby assigns and transfers to Lender all of the Borrower's right, title and interest as an owner under the CC&Rs and Bylaws, including, without limitation, Borrower's voting rights as an owner and member in the

Association. This Assignment is an absolute assignment thereof for security purposes that shall become void and of no further force or effect upon the full reconveyance of the Security Instrument in accordance with the terms thereof.

3. Representations and Warranties. Borrower hereby represents and warrants for the benefit of Lender that: (a) Borrower is the true owner of all of its owner's interests under the CC&Rs and Bylaws; (b) Borrower has not assigned or granted a security interest in its interests under the CC&Rs and Bylaws to any person or entity other than Lender; (c) Borrower's interest in the CC&Rs and Bylaws is not and will not be subject to any claims, setoffs, encumbrances or deductions, other than the rights of the other owners, Association and/or Declarant under applicable Laws or as expressly set forth therein; (d) the CC&Rs and Bylaws constitute and will constitute valid and binding obligations of Borrower and are and will be enforceable against Borrower and the other owners, Association and Declarant in accordance with its respective terms and has not been and will not be amended, extended, supplemented, or terminated except as expressly permitted under the Loan Documents, (e) Borrower is not in default, and to the best knowledge of Borrower, not in default under the terms of the CC&Rs and Bylaws beyond any applicable notice and cure period; (f) all covenants, conditions and agreements required to be performed by Borrower will be performed as required by the CC&Rs and Bylaws; and (g) true, correct and complete copies of the CC&Rs and Bylaws have been furnished to Lender.

4. No Assumption by Lender and Covenants of Borrower. Neither this Assignment nor any action or actions on the part of Lender shall constitute an assumption of any obligations on the part of Lender under the CC&Rs and Bylaws, and Borrower shall continue to be liable for all of its obligations thereunder. Borrower hereby does agree to promptly perform any and all obligations it may have under the CC&Rs and Bylaws and when required by the CC&Rs and Bylaws and applicable Laws, to take such steps as may be necessary or appropriate to secure performance by the other owners, Association or Declarant of all of its obligations under the CC&Rs and Bylaws. At Lender's option, Lender may, but shall not be obligated, to perform or discharge any obligation of Borrower under the CC&Rs and Bylaws, at the expense of Borrower, in the event that Borrower fails to do so within ten (10) days after written notice of such failure. Lender shall notify Borrower of any such actions as soon as reasonably practicable; provided, however, the failure of Lender to so notify Borrower shall not alter the obligation of Borrower to Lender under this Assignment. Borrower hereby agrees to indemnify and hold Lender and its agents harmless from and against any loss, cost, liability or reasonable expense (including, without limitation, reasonable attorneys' and accountants' fees and expenses actually incurred, court costs and investigation expenses) resulting from any failure of Borrower to perform its obligations under the CC&Rs and Bylaws.

5. Benefits Conditionally Retained by Borrower. Lender hereby grants Borrower the right to continue to receive the benefits of, and exercise the rights under, the CC&Rs and Bylaws unless and until an Event of Default occurs, in which event such rights may be revoked at any time thereafter at the option of Lender.

6. Action by Lender Following Event of Default. Lender shall have the right, but not the obligation, at any time following the occurrence of an Event of Default, without notice and without taking possession of the Project or any part thereof, to take in Lender's name, or in the name of Borrower or Guarantor, such action as Lender may, at any time or from time to time, reasonably determine to be necessary to cure any default under the CC&Rs and Bylaws or to protect or exercise the rights of Borrower or Lender thereunder, and may otherwise exercise any other rights or remedies Lender has under the Loan Documents. Lender shall incur no liability if any action taken by it or on its behalf pursuant to this Assignment shall prove to be in whole or in part inadequate or invalid; and Borrower hereby agrees to indemnify, defend, and hold Lender free and harmless from and against any loss, costs, liability or reasonable expense (including, without limitation, reasonable attorneys' and accountants' fees and expenses actually incurred, court costs and investigation expenses) in connection with its actions hereunder, except to the extent directly caused by Lender's gross negligence or willful misconduct.

7. Power of Attorney. Borrower hereby irrevocably constitutes and appoints Lender as its true and lawful agent and attorney-in-fact, with full power of substitution, to demand, receive and enforce

all rights of Borrower, as an owner with voting rights under the CC&Rs and Bylaws, to modify, supplement and terminate the CC&Rs and Bylaws, to give appropriate releases, receipts for or on behalf of Borrower in connection with the CC&Rs and Bylaws, to file, pursue, receive payment and acquittances for or otherwise compromise each and every claim Borrower has or may have against the other owners or declarant for payment or otherwise under the CC&Rs and Bylaws, all in the name, place and stead of Borrower or in Lender's name, with the same force and effect as Borrower could have if this Assignment had not been made. Borrower authorizes any third party to rely exclusively on the certificate of an officer of Lender or its successor for the establishment of an Event of Default and hereby waives and releases any claim Borrower may have against such third party for such reliance. Borrower hereby agrees to deliver to Lender, upon Lender's written demand, all instruments and documents as Lender may reasonably require in order to permit Lender's succession to the right, title and interest of Borrower in and to the CC&Rs and Bylaws as provided herein. It is hereby recognized that the power of attorney herein granted is coupled with an interest and is irrevocable. At Lender's option, Lender may record this Assignment in the recording location.

8. No Release or Termination. The taking of this Assignment by Lender shall not effect the release of any other collateral now or hereafter held by Lender as security for the obligations of Borrower under the Loan Documents, nor shall the taking of additional security for any such obligations hereafter effect a release or termination of this Assignment, or any terms or provisions hereof.

9. No Waiver. No failure or delay on the part of Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder are cumulative and may be exercised by Lender either independently of or concurrently with any other right, remedy or power contained herein or in any instrument executed in connection with the Loan Agreement.

10. Captions. The section titles or captions contained in this Assignment are for convenience only and shall not be deemed to define, limit or otherwise modify the scope or intent of this Assignment.

11. Variation in Pronouns. All the terms and words used in this Assignment, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Assignment or any paragraph or clause herein may require, the same as if such word had been fully and properly written in the correct number and gender.

12. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing, addressed as follows and shall be deemed to have been properly given if hand delivered, if sent by reputable overnight courier (effective the Business Day following delivery to such courier), if sent by telecopy with confirmation of receipt and a hard copy mailed in accordance with the provisions of this Section 12 (effective the business day following receipt of confirmation of receipt) or if mailed (effective when received or when receipt thereof is first refused by the intended recipient of the notice) by United States registered or certified mail, postage prepaid, return receipt requested:

To Borrower: TD Cascade Highlands, LLC
1399 Franklin Boulevard
Eugene, Oregon 97408
Attention: Thomas C. Connor, Jr.

To Lender: iStar Financial Inc.
1114 Avenue of the Americas
New York, New York 10036
Attention: Chief Operating Officer
Reference: Loan No. 950115017

With a copy to: iStar FM Loans LLC
2727 E. Imperial Highway
Brea, California 92821-6713
Attention: Commercial Real Estate Asset Management
Reference: Loan No. 950115017

with a copy to: iStar FM Loans LLC
2425 Olympic Boulevard
Third Floor, East
Santa Monica, California 90404
Attention: Alec G. Nedelman, Senior Vice President
of Business and Legal Affairs
Reference: Loan No. 950115017

with a copy to: iStar Asset Services Inc.
180 Glastonbury Boulevard, Suite 201
Glastonbury, Connecticut 06033
Attention: President
Reference: Loan No. 950115017

with a copy to: Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60601-3693
Attention: Marcia W. Sullivan, P.C.
Reference: Loan No. 950115017

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. Notices given in any other fashion shall be deemed effective only upon receipt.

13. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Assignment:

(a) An Event of Default shall have occurred under the Loan Agreement, the Note or any of the other Loan Documents beyond applicable notice and cure periods; or

(b) Borrower shall default in the performance of any other term, covenant or agreement contained in this Assignment for thirty (30) days after written notice of such default has been given to Borrower by Lender; provided, however, that if such default is of a nature that it cannot be cured within thirty (30) days and Borrower commences and diligently proceeds within such thirty (30) day period to cure such default, such cure period shall be extended for such period of time as required to cure such default but in no event more than one hundred eighty (180) additional days; or

(c) Borrower shall be in default beyond notice and cure periods, if any, under the CC&Rs and Bylaws.

14. Successors and Assigns. This Assignment shall be binding upon Borrower and its successors and assigns, but may not be assigned or transferred, in whole or in part, by Borrower and any purported assignment by Borrower of this Assignment shall be void and of no force or effect. This Assignment shall inure to the benefit of Lender and its respective successors and assigns, including, without limitation, any holder of the Note, any participant in the Loan, and any affiliate of Lender or any participant in the Loan who acquires all or part of the Project by any sale, assignment or foreclosure under the Security Instrument, by deed or other assignment in lieu of foreclosure, or otherwise. Lender may reassign its right, title and interest in and to the CC&Rs and Bylaws, in whole or in part, to any

Person succeeding to the interest of Borrower or Lender in the Loan, the Project, the CC&Rs and Bylaws, in Lender's sole discretion without any requirement for consent by Borrower or any other party, and any such reassignment shall be valid and binding upon Borrower and Arrowood as fully as if each had expressly approved the same. Lender agrees that it will notify Borrower of any reassignment made by Lender.

15. **Governing Law.** Borrower hereby acknowledges, consents and agrees this Assignment and the rights of all parties mentioned herein shall be governed by the Laws (as opposed to the conflict of Laws) of the Governing State.

16. **Consent to Jurisdiction.** Borrower and Lender each hereby consent to the jurisdiction of any state or federal court located within the Governing State in any suit, action or proceeding based hereon or arising out of, under or in connection with this Assignment or any of the other Loan Documents (and further agree not to assert or claim that such venue is inconvenient or otherwise inappropriate or unsuitable), and waive personal service of any and all process upon them and consent that all service of process be made by certified mail to the applicable address set forth herein.

17. **Waiver of Jury Trial.** BORROWER AND LENDER EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY CONTROVERSY OR CLAIM, WHETHER ARISING IN TORT OR CONTRACT OR BY STATUTE OR LAW, BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS SECURITY INSTRUMENT (INCLUDING, WITHOUT LIMITATION, THE VALIDITY, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF) OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY IN CONNECTION HERewith. EACH PARTY ACKNOWLEDGES AND AGREES THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR BORROWER'S AND LENDER'S ENTERING INTO THE LOAN DOCUMENTS AND THE PARTIES WOULD NOT HAVE ENTERED INTO THE LOAN DOCUMENTS WITHOUT THIS WAIVER. LENDER AND BORROWER ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION 17 IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL.

18. **Counterparts.** This Assignment and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Assignment it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, Borrower has caused this Assignment to be duly executed as of the day and year first set forth above.

"BORROWER"

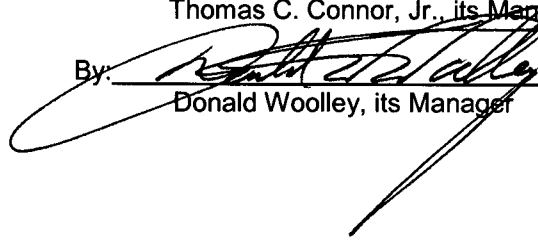
TD CASCADE HIGHLANDS, LLC
an Oregon limited liability company

By: _____



Thomas C. Connor, Jr., its Manager

By: _____



Donald Woolley, its Manager

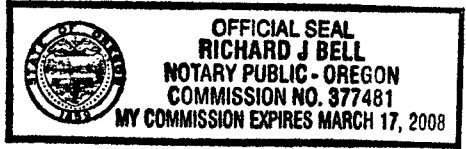
State of Oregon
County of Lane

On January 21, 2008 before me, (Richard J. Bell), personally appeared Thomas C. Conner Jr. who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Richard J. Bell (Seal)



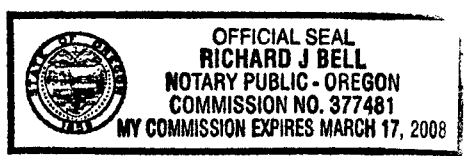
State of Oregon
County of Lane

On January 21, 2008 before me, (Richard J. Bell), personally appeared Donald W. Wobley who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Richard J. Bell (Seal)



LEGAL DESCRIPTION

Tetherow, Phase 3, recorded December 31, 2007, as Document No. 2007-66277, Deschutes County,
Oregon