

APN #'s 1318-15-821-000, 001, 002,  
003, 004, 005, 006, 007 & 008

2074592 W08

WHEN RECORDED, MAIL TO:

Trendwest Resorts, Inc.  
Registration Department  
9805 Willows Road  
Redmond, WA 98052  
Attention:

Space Above This Line For Recorder's Use

TRUST DEED  
(corporate acknowledgement)

THIS TRUST DEED is made this **16th** Day of **May**, 2003,

between **WorldMark, The Club, a California Non-profit Mutual Benefit Corporation**, as Trustor,

whose address is 11601 Willows Road, Building A, Redmond, WA 98052

**First American Title Insurance Company, a California corporation**, as Trustee,

whose address is 1160 N. Town Center Dr., Suite 100, Las Vegas, NV 89144

and **Trendwest Resorts, Inc., an Oregon Corporation**, as Beneficiary,

whose address is 9805 Willows Road, Redmond, WA 98052

Trustor hereby CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the following described property situated in **Douglas County, Nevada**:

See Exhibit "A" attached hereto and by this reference made a part hereof.

**THIS DEED OF TRUST IS GIVEN TO SECURE PERFORMANCE BY GRANTOR OF THE AGREEMENT DESCRIBED HEREIN.**

Together with all buildings, fixtures and improvements thereon and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto now or hereafter used or enjoyed with said property, or any part thereof;

FOR THE PURPOSE OF SECURING ~~payment of the indebtedness evidenced by a promissory note of even date herewith, in the principal sum of \$ \_\_\_\_\_, payable to the order of Beneficiary at the times, in the manner and with interest as therein set forth, and payment of any sums expended or advanced by Beneficiary to protect the security hereof and performance of each agreement of Trustor incorporated by references contained herein.~~

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Trustor agrees to pay all taxes and assessments on the above property, to pay all charges and assessments on water or water stock used on or with said property, not to commit waste, to maintain adequate fire insurance on improvements on said property, to pay all costs and expenses of collection (including Trustee's and attorney's fees) in event of default in payment of the indebtedness secured hereby and to pay reasonable Trustee's fees for any of the services performed by Trustee hereunder, including a reconveyance hereof.

The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

This Deed of Trust is given by Trustor/Grantor ("Trustor") to secure Trustor's obligations to Beneficiary under that certain WorldMark, The Club Vacation Program Agreement (Third Amended), dated June 3, 1994, by and between Trustor and Beneficiary, and as the same may be amended.

Said Agreement provides, among other things, that Beneficiary (a) has an exclusive right to sell Memberships in Trustor on behalf of Trustor and (b) shall receive the entire gross proceeds from Beneficiary's sales of Memberships in Trustor.

Nondisturbance. If Beneficiary or any other person (an "Acquiring Party") acquires the Property or any portion thereof or interest therein through foreclosure, deed in lieu of foreclosure or other means by, through or under this Deed of Trust ("Property Transfer Events"):

- (a) the Acquiring Party shall not disturb or impair the rights and interests, with respect to the Property so acquired, of Club Members who are not in default of their purchase obligations and their obligations to the Club pertaining to the Property or any portion thereof, as described in the Declaration and Governing Documents (including, without limitation, Club members who timely cure defaults which arise before or after a Property Transfer Event). (Without limiting the foregoing, the term "Club Members" shall mean and include those persons or entities who acquired Vacation Credits in any way, including for example and without limitation, parties who purchased Vacation Credits (1) directly from the Club or Beneficiary, (2) from a holder of a contract evidencing the obligation of a purchaser of Vacation Credits to pay the balance of the purchase price for those Vacation Credits (a "Purchase Contract") who acquired title to the Vacation Credits through foreclosure, conveyance in lieu of foreclosure, or other means pursuant to rights of the holder under the Purchase Contract ("Vacation Credits Transfer Event"), (3) in a Vacation Credits Transfer Event, or (4) from any other purchaser who acquired title in a Vacation credits Transfer Event; and
- (b) the Property so acquired shall not be considered "lost to use" for purposes of Section 3.4 (c) of the Declaration; and
- (c) the Acquiring Party shall honor all obligations of the Club as tenant under any valid and existing lease for the Property to the same extent as if the Club were still the tenant; and

- (d) condemnation and insurance proceeds shall be divided between the Acquiring Party and the Club as provided in the Declaration notwithstanding anything in the Deed of Trust to the contrary as though the Acquiring Party was the Beneficiary with respect to the property; and
- (e) the interest of the Acquiring Parting will be subject and subordinate to the Declaration and the Notice.

Subordination. Beneficiary hereby subordinates its rights in the Property under the Deed of Trust to the Amended and Restated Declaration of Vacation Owner Program (WORLDMARK, THE CLUB AT SOUTH SHORE) dated December 27, 2002, and recorded March 7, 2003, under recording number 0569290, official records of Douglas County, Nevada, and as the same may be amended from time to time (the "Declaration") with respect to the Property. Condemnation and insurance proceeds shall be divided between Beneficiary and Trustor as provided in the Declaration notwithstanding anything in the Deed of Trust to the contrary. This instrument shall not be interpreted to reduce or diminish any other or further nondisturbance rights, which Club Members may have.

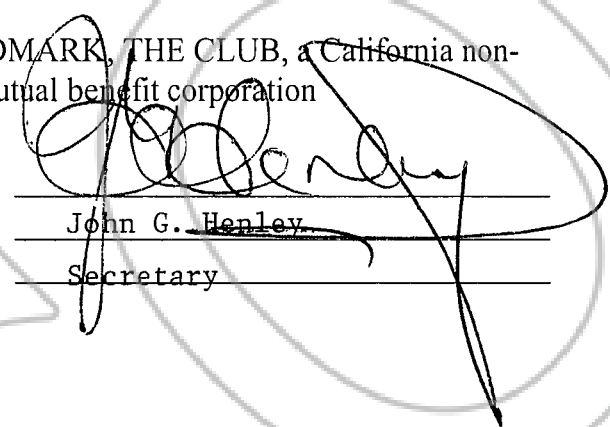
Beneficiary represents and warrants that Beneficiary is the sole beneficiary of the Deed of Trust and is the sole holder of the obligation(s) secured thereby, and Beneficiary has not assigned or otherwise transferred the same or Beneficiary's rights thereunder or any interest therein.

The officers who sign this trust deed hereby certify that this trust deed and the transfer represented thereby was duly authorized under a resolution duly adopted by the board of directors of the trustor at a lawful meeting duly held and attended by a quorum.

DATED THIS 16<sup>th</sup> day of May, 2003.

Trustor/Grantor:

WORLDMARK, THE CLUB, a California non-profit mutual benefit corporation

By   
Name: John G. Henley  
Title: Secretary

Beneficiary

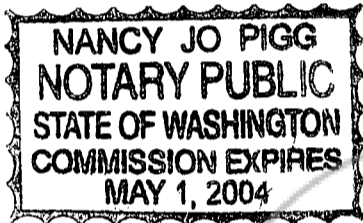
TRENDWEST RESORTS, INC., an Oregon corporation

By: [Signature]  
Name: Jeffrey P. Sites  
Title: President

STATE OF WASHINGTON )  
 )ss  
COUNTY OF KING )

On this 19<sup>th</sup> day of May, 2003, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOHN G. HENLEY to me known to be the SECRETARY of WorldMark, The Club, the 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.

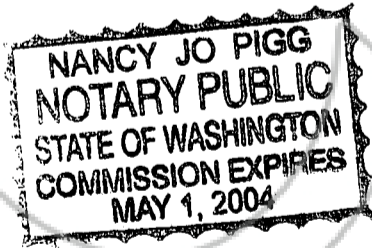


[Signature]  
Notary Public in and for the State of Wash.  
Residing at Tacoma  
My appointment expires: May 1, 2004

STATE OF WASHINGTON )  
 )ss  
COUNTY OF KING )

On this 19<sup>th</sup> day of May, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JEFFREY P. SITES to me known to be the PRESIDENT of Trendwest Resorts, Inc., the 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.



[Signature]  
Notary Public in and for the State of Wash.  
Residing at Tacoma  
My appointment expires: May 1, 2004

Exhibit "A"

Legal Description

Unit Nos. 11101, 11102, 11103, 11104, 11201, 11202, 11203, 11204 contained within South Shore, a Nevada condominium project as identified and established in the Condominium Plat of South Shore, a Commercial Subdivision recorded on December 5, 2002 in Book 1202, Page 2181 as Document No. 559872 in the office of the County Recorder of Douglas County, State of Nevada as further described in the Declaration of Condominium - South Shore, recorded on December 5, 2002 in Book 1202 at Page 2182 as Document No. 559873, together with an undivided interest in the Common Elements appurtenant to said units.

COPY

REQUESTED BY  
**FIRST AMERICAN TITLE CO.**  
IN OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA

2003 MAY 22 PM 12:25

WENDY CHRISTLEY  
RECORDER

18<sup>00</sup> PAID *KJ* DEPUTY

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