

Vol. M85 Page 20210

as Grantor, CARL M. DUTLI
PACIFIC CONCESSIONS, INC., a California corporation, as Trustee, and
as Beneficiary.

See attached Exhibit A.

85 DEC 12 PM 1 32

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of ~~XXXX~~ four promissory notes in the principal sums of: \$500,000 dated 7/1/85; \$500,000 dated 8/8/85; \$600,000 dated 10/3/85; \$200,000 dated 11/2/85

The above described real property is not currently used for agricultural, timber or grazing purposes.

(a) consent to the making of any map or plat of said property, the plan in granting any easement or creating any restriction thereon, the plan in any subordination or other agreement affecting this deed or the lien or other interest therein; (d) recovery, without penalty, all or any part of the property. The grantee in any reconveyance may be considered as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.00.

10. \$1000.00

10. Upon any default by person herunder, beneficiary may at any time without notice, either in person, or agent or by a receiver to be appointed by a court, and without regard to the frequency of any security for indebtedness hereby secured, enter upon and take possession of said premises and collect therefrom, in its own name sue or otherwise, collect the rents, less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed as an advance and sale. In the latter event the beneficiary and trustee shall execute and cause to be recorded his written notice of default and his election to sell the said described real property to satisfy the obligation secured hereby whereupon the trustee shall at the time and place of sale give notice thereof as then required by law and cause to be foreclosed this trust deed in the manner provided in ORS 86.735 to 86.78.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided by law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser the deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matter of title shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the power provided herein, trustee shall apply the proceeds of sale to payment of (1) the expense of sale, (2) attorney, (3) to the obligation secured by the trust deed, (4) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (5) the surplus, if any, to the grantor or to his successor in interest entitled to the surplus.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all the powers and duties conferred upon any trustee herein named or appointed with the powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment which shall be made by written instrument executed by beneficiary, in which, where the property is in the mortgage records of the county in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

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The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto

and that he will warrant and forever defend the same against all persons whomsoever.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:

(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein. In construing this deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, or is not to finance the purchase of a dwelling use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act is not required, disregard this notice.

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

REDWOOD THEATRES, INC.

By:

Richard Mann, President

STATE OF OREGON,

County of _____

} ss.

STATE OF CALIFORNIA

COUNTY OF San Francisco

STATE OF OREGON, County of _____

} ss.

On this 26th day of November, 1985, in the year _____ before me

Howard R. Bechler, a Notary Public, State of California, duly commissioned and sworn, personally appeared Richard Mann

personally known to me (or proved to me on the basis of satisfactory evidence) to be the President of the corporation that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the _____ County of _____ on the date set forth above in this certificate.

Notary Public, State of California

My commission expires April 13, 1988

This document is only a general form which may be proper for use in simple transactions and in no way act, or is intended to act, as a substitute for the advice of an attorney. The publisher does not make any warranty other than express or implied as to the legal validity of any provision or the suitability of these forms in any specific transaction.

Notary Form No. 3 — Acknowledgement to Notary Public — Corporation (C. G. Sess. 1180-1190.1)

said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same. Mail reconveyance and documents to

DATED: _____, 19____

Beneficiary

TRUST DEED

(FORM No. 881)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

REDWOOD THEATRES, INC.

Grantor

PACIFIC CONCESSIONS, INC.

Beneficiary

AFTER RECORDING RETURN TO

Mr. Dale Koessel
Pacific Concessions, Inc.
467 Broadway Boulevard
San Francisco, CA 94080

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,
County of _____

} ss.

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book/reel/volume No. _____ on page _____ or as fee/file/instrument/microfilm/reception No. _____. Record of Mortgages of said County. Witness my hand and seal of County affixed.

NAME

TITLE

By _____

Deputy

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

PARCEL 1 (Shasta Drive-In)

A tract of land situated in the S½SE½NW¼ of Section 11, Twp. 39 S.R. 9 E.W.M., described as follows:

Beginning at the Southwest corner of said S½SE½NW¼; thence North along the Westline of said S½SE½NW¼ a distance of 301.4 feet to the South line of parcel described in deed from Klamath Theatres, Inc. to Klamath County, recorded in Volume 323 page 680, Deed Records of Klamath County, Oregon, said point being on the South line of Winter Avenue; thence N. 88°58' E. along said South line, a distance of 197.1 feet; thence N. 0°38' W. a distance of 361.2 feet to the North line of said S½SE½NW¼; thence East along the North line of said S½SE½NW¼ to the Northwest corner of Parcel conveyed to Samuel R. Warren, et ux, by deed recorded in Volume M69 page 7589, Records of Klamath County, Oregon; thence S. 0°06'30" W. a distance of 660.5 feet, more or less, to the Southwest corner of parcel described as Parcel 1, in Deed from Klamath Theatres, Inc. to James E. Gellatly, recorded in Volume M70 page 5573, Records of Klamath County, Oregon, said point being on the South line of said S½SE½NW¼; thence S. 89°43' W., along said South line, a distance of 1013.23 feet, more or less, to the point of beginning, containing 13.7 acres, more or less.

REDWOOD THEATRES, INC.

20213

INVENTORY
DRIVE-IN THEATRE

THEATRE SHASTA DRIVE-IN
ADDRESS WINTER AVENUE
TOWN KLAMATH FALLS
STATE OREGON

TAKEN BY MR. Bueh DATE 2/13/80

I hereby certify that the contents of this inventory
was taken in my presence and hold myself personally
responsible for its safekeeping.

SIGNED Lorna Row
Theatre Manager

EXHIBIT B

20214

THEATRE

PHYSICAL INVENTORY

ConditionMAIN BUILDINGType of structure REINFORCED BRICK

Dimensions _____

Lower Floor _____ sq. ft.

Upper Floor _____ sq. ft.

SCREEN TOWERStructure 1. WOODEN
2. NON REFLECT METAL Dimensions _____

Other details _____

1. POLE - 4 ALUMINUM1. WATER FAUCETEXTERIOR - 2 - 5 FT X 1 FT SIGNS - DR. HARRIS
"INTERMISSION" - SNACK BARFENCESFRONT - CORRUGATED METAL - WOOD FRAMEBACK - CYCLONE W/ WOOD SIGNSDIVIDER - WOOD POST + TOPDR. HARRIS - 4 SIGNS SLIDE -SPEAKER POSTS

# 1 -	121	91 - MISC - SIDE - OUTSIDE
# 2 -	70	
# 3 -	98	

Number of Posts

Number of Junction Boxes NONENumber of Speakers NONE

BOX OFFICE

20215

Article	Make	Serial No.	Condition
2 Ticket Venders			
Coin Changers			
Safes	WEARING - HALL / MARVIN	226780	GOOD
Model, No., etc.	22		
Fans			
Heaters			
Chairs			
Other Equipment			

MANAGER'S OFFICE

1 - DICTAPHONE			
1 - 6 DRAWER METAL DESK -	WOODING / YELLOW		GOOD
1 - 4 DRAWER FILE CABINET	WATSON		GOOD
1 - SPACE HEATER	AVIN		FAIR
1 - WOODING / METAL CHAIR			FAIR
1 - STOOL - CRNG VINYL / METAL			FAIR
1 - DESKTOP FAN			POOR
1 - TAP DISPENSER			FAIR
1 - PENCIL SHARPENER	ARSON		GOOD
1 - CHIP BOARD - U-TOP			GOOD
			GOOD

SNACK BAR

20216

Kitchen

Article	Make	Serial No.	Condition
1 SLIDE TOP FREEZER	SCHAEFER		Good
1- 3 HOLE FREEZER	RANCO	47F5760D	FAIR
1- 2 HOLE FREEZER	SCHAEFER		FAIR
1 TWO DOOR FREEZER	FRIGIDAIRE		FAIR
1- BUTTER SERVER	SERVAR MOD. INC	B99615	POOR
1 COFFEE WARMER	A.H. MCKIE	8318	POOR
1 CHILI WARMER (TIVIN)	DALL A HEAT		POOR
1- HOT CHOCOLATE MACHINE			POOR
2- CREAM SERVERS			POOR
1- BUTTER SERVER			FAIR
1 HOT WATER HEATER	PRESIDENT	179204891	Good
3- SALT SHAKERS			Good
1 3 SECTION RELISH			
1 STAINLESS COFFEE HENDER			
4- METAL TRAYS			
2 ICE SCOPES			
5- 2 GT STAINLESS ROUND COUPOUSERS			
1- SCOTTSMAN ICEMAKER	SP2WSE-1	124987	
1- 3 COMPARTMENT STAINLESS SINK	#116	53105427	
1- SEARS. COLDSTAY FREEZER	GREEN PLASTIC		
1- 25 GALLON TRASH CAN	" "		
10 " " "	" "		
5 GALLON GALLONIZED TRASH CAN			

SNACK BAR
(continued)

2021-7

Article	Make	Serial No.	Condition
1- REFRIGERATOR	GLENDO # 40	C46552	Good
1- BUN WARMER - 3 DRAWER	TOASTMASTER		
1- FOOD STEAMER FRESH-O-MATIC	WEAR-EVER		
1- STAINLESS HOOD + COUNTER			
2- FRENCH FRYER - 2 BASKET	WELLS	R5316	
2- PIZZA OVENS	BAKER'S PRIDE		
1- COFFEE BREWER 1- BUN 3 POT	COPY		
1 HOT DOG WARMER	FRIGIDA EASY	MAD 1 D8W2	SN F1472
1 POPCORN MACHINE	CREATORS "OLYMPIA"		
1- BUN WARMER - 2 DRAWER	TOASTMASTER		
1 FRY			
1- 30' 4 LIGHT NEON FIXTURE			
2- POPCORN WARMER	STAR LITTLE VENDOR	47393 47406	
2- FOOD WARMER (WET)	STAR LITTLE VENDOR	49057 49058	
2- FOOD WARMER - (DRY)	STAR LITTLE VENDOR	48850 48894	
1- COFFEE WARMER	J.H. MOORE	SN 8300	
2- ICE CREAM DISPLAY FREEZER	BALLY	T1030-49362 T1030-49368	
2- { SALT CONTAINERS 3 HEAD BEVERAGE DISPENSER	POLAR KING	892 386	
2- 3 SHELF LUNCH CANDY RACKS			
2 ELECTRIC CASH REGISTER	K21-1-4-1A(0) 21-3-1-5-2(0)	5324768 4834273	
2- CARRY TRAY HOLDERS -			
2- 10 x 18 FREE STANDING DIRECTOR SIGNS			Good

KITCHEN
Snack bar

20218

[illegible]

STOREROOMS

20219

Article	Make	Serial No.	Condition
1 - DUST BROOM			GOOD
1 - MOP BUCKET - CRANOE PLASTIC IN WRINGER			FAIR
1 - 1 GALLON GALLONIZED BUCKET			POOR
1 - DUST BROOM			"
1 - PLUNGER			FAIR
1 - STAND UP DUSTPAN			GOOD
3 - FANS - FLOOR	K. MART		GOOD
1 - 6" ALUM LADDER			}
1 PR HEDGE CUTTERS			
1 LAWN MOWER	SEARS		
1 " "	MURRAY		POOR
1 - TRANSPORTER RHUMAT			?
2 - HEATERS - WALL -		(STARVUE)	POOR
1 - DUST MOP			FAIR
REST ROOMS			
3 - TISSUE DISPENSER			FAIR
8 - TISSUE DISPENSER			}
1 MIRROR			
2 - TRASH RECYCL			
2 - WALL MIRROR	THORNDOR		
1 NEON LIGHT			
9 COMMODE			
5 URINAL -			
1 MIRROR 3x5			

PROJECTION ROOM

20220

Quantity		Make	Serial No.	Condition
3	Projector Mechanisms	2-XL SIMPLEX 7 35	XL 204 XL 294	
3	Dousers	2-XL SIMPLEX 1 35	15443	
2	Projector Bases	2- SIMPLEX	926 922 41	
3	Upper & Lower Magazines	CHRISTIE AW3	HEAVY DUTY 3603 3602 3601	362403 362402 362401
-	Generator			
2	Rectifiers	CHRISTIE	2404	2404
	Rheostats	WITH	RED 40	2098 XM 6913
1	Console Change-Over Switches	14-40	2099	XM 6972
	Arc Lamps		2100	CONSOLE
1	Rewind Cabinet	7500		
	Hand Rewinds			
1	Film Cabinet (5) Sections			
16	Reels	2000'		
8	Reels	6000'		
	Film Splicer			
1	Antistatic Oil Pump			
	Spare Reflectors			
	Spare Intermittents			
	Work Bench			
	Lens - Regular (Flat Picture)			
	Lens - (Scope)			
2	Lens - (Spare)	1- 8.7.63 1- 8.7.40		
3	Anamorphics			NON CRASHED
3	Automation Control	NATI-8 XETRON		
3	RADIO TRANSMITTER UNITS	1 ALSCO 2 CINEMARADIO	2 SECTION - 3 SECTION	

PROJECTION ROOM
(continued)

20221

SOUND SYSTEM

Quantity		Make	Serial No.	Condition
	Sound Heads <i>SIMPLEX</i>	2 - XL 1 - 35	11264 X-224	11264 - 11259 11232
	Amplifiers (Number of banks)			
2	Tape Player	<i>PIONEER</i>		
	Record Player			<i>GOOD</i>
	Monitor			
1	LENS CABINET Microphone			
1	FILM CABINET <i>GOOD</i>	<i>6 ROLL</i>	<i>3 SECTION</i>	<i>GOOD</i>
2	PARTS CABINETS	1 - 2 DOOR BLACK METAL 1 - SINGLE DOOR GRAY METAL		<i>GOOD</i>

MISCELLANEOUS ITEMS AND PARTS

1	MARCO TRASH RECEPT.			<i>POOR</i>
1	1ST AID KIT			<i>FAIR</i>
1	CARBON ARC WATER PUMP.			<i>?</i>
1	PARTS CABINET - PLASTIC.			<i>GOOD</i>
2	HANGING VORN WORK LAMPS			<i>FAIR</i>
8	CEILING FLOODS - BRUSHED CHROME			<i>GOOD</i>
1	MUSIC & TALK PAIRING SYSTEM - <i>3 STATION</i>			<i>FAIR</i>
1	6 DANIEL NEEDLE GRAY RAY			<i>POOR</i>
3	THEATRE RADIOS.			<i>GOOD</i>
2	REPAIR TAPE			
1	METAL STEEL			<i>POOR</i>
1	PAIR			<i>FAIR</i>
1	PENCIL SHARPENER			<i>FAIR</i>
			<i>5x2 26 10</i>	<i>FAIR</i>

MISCELLANEOUS

20222

(10)

Article	Make	Serial No.	Condition
1- WINCHER-			FAIR
MERS OFFICE →	FROM PG 2		
1- ADDING MACHINE	VICTOR		POOR
3- CLIP BOARDS			GOOD
1- JUMPER CABLES			FAIR
1- FLASHLIGHT			GOOD
BOOTH →	FROM PAGE 9		
2- WALL HEATERS - 1- MARTIN 1- BILHEAT			GOOD
2- HOME MADE WOODEN FILM CABINETS			FAIR
1- SAFETY SUIT (FOR XENONS)			GOOD
1 PAPER TOWEL DISP.	PAUL KOSY		FAIR
1- OIL CAN			"
1- CHEMICAL FIRE EXTINGUISHER			GOOD
1- WORK LIGHT - SELF RETRACTING			GOOD
2272 2 2 2 2 2 2 2 2 2 2			
FRONT - 12- LAMPARIS - 2 MISSING LIGHTS -			
1 - 2 x 6 "ENTRANCE" SIGN			
1 - 4 x 8' 6 LINE MARQUE BOARD "S. ASTA"			

20223

EXHIBIT C

This Trust Deed shall also secure the following obligations:

1. Payment of any money that may be advanced by the Beneficiary to Trustor, or its successors, with interest thereon, evidenced by additional notes (indicating they are so secured) or by endorsement on the original note, executed by Trustor or its successor;
2. Performance of each agreement of Trustor incorporated by reference or contained herein; and
3. Performance by Trustor of the Concession Loan Agreement and the Concession Lease Agreement, both dated July 1, 1985 and any addenda thereto.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
 of _____ December _____ A.D., 19 85 at 1:32 o'clock P M., and duly recorded in Vol. M85 day
 of _____ Mortgages _____ on Page 20210

FEE \$57.00

Evelyn Biehn,
 By _____ County Clerk
[Signature]