

AE 31591

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85768

AFTER RECORDING RETURN TO:

Foster Pepper & Shefelman  
1111 Third Avenue Building  
Suite 3400  
Seattle, Washington 98101

Attention: Daniel C. Vaughn

DEED OF TRUST, SECURITY AGREEMENT  
AND ASSIGNMENT OF LEASES AND RENTS  
(Oregon--Senior Loan)

THIS DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF  
LEASES AND RENTS ("Deed of Trust"), is made this 30th day of  
March, 1988 between PIETRO'S CORP., a  
Washington corporation, the address of which is 6620 196th  
Street S.W., Lynnwood, Washington 98036 ("Grantor");  
TRANSAMERICA TITLE INSURANCE COMPANY, a California corporation,  
the address of which is 555 S.W. Oak, Portland, Oregon 97204 and  
its successors in trust and assigns ("Trustee"), and WESTINGHOUSE  
CREDIT CORPORATION, a Delaware corporation, the address of which  
is One Oxford Centre, Pittsburgh, Pennsylvania 15219  
("Beneficiary").

1. GRANTING CLAUSE. Grantor, in consideration of the  
acceptance by Trustee of the trust hereunder, and of other good  
and valuable consideration, the receipt and sufficiency of which  
is hereby acknowledged, and in order to secure the payment of the  
indebtedness evidenced by the Note (as hereinafter defined) with  
interest thereon, and any other sums payable thereunder and here-  
under, and to secure the performance of the obligations contained  
herein, grants, bargains, sells, and conveys to Trustee and its  
successors in trust and assigns, forever, in trust, with power of  
sale, all of Grantor's estate, right, title, interest, claim and  
demand, whether now existing or hereafter acquired, in and to the  
property described as follows (all of the property described in  
all parts of this Section 1 and all additional property, if any,  
described in Section 2 is herein called the "Property"):

1.1 Land and Appurtenances. The land described on  
Exhibit A hereto, and all tenements, hereditaments, rights-of-  
way, easements, appendages and appurtenances thereto belonging or  
in any way appertaining, including without limitation all of the  
right, title and interest of Grantor in and to any avenues,

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OF TRUST 03/29/88 - 1

streets, ways, alleys, vaults, strips or gores of land adjoining that property, and all claims or demands of Grantor either in law or in equity in possession or expectancy of, in and to that property; and

1.2 Improvements, Etc. All buildings, structures and other improvements now or hereafter erected on the property described in 1.1 above, and all facilities, fixtures, machinery, apparatus, installations, equipment and other properties of whatsoever nature (including without limitation all heating, ventilating, air conditioning, plumbing and electrical equipment, all elevators and escalators, all sprinkler systems, all engines and motors, all lighting, laundry, cleaning, fire prevention and fire extinguishing equipment, all ducts and compressors, all refrigerators, stoves and other appliances, all building materials and supplies, and all construction forms and equipment), now or hereafter located in or used or procured for use in connection with that property, including, without limitation, the items described on Exhibit B hereto, it being the intention of the parties that all property of the character hereinabove described which is now owned or hereafter acquired by Grantor and which is affixed or attached to or used in connection with the property described in 1.1 above shall be, remain or become a portion of this Deed of Trust, together with all contracts, agreements, permits, plans, specifications, drawings, surveys, engineering reports and other work products relating to the construction of the existing or any future improvements on the Property, any and all rights of Grantor in, to or under any architect's contracts or construction contracts relating to the construction of the existing or any future improvements on the Property, and any performance and/or payment bonds issued in connection therewith; and

1.3 Enforcement and Collection. Any and all rights of Grantor without limitation to make claim for, collect, receive and receipt for any and all rents, income, revenues, issues, royalties, and profits, including mineral, oil and gas rights and profits, insurance proceeds, condemnation awards and other moneys, payable or receivable from or on account of any of the Property, including interest thereon, or to enforce all other provisions of any other agreement (including those described in Section 1.2 above) affecting or relating to any of the Property, to bring any suit in equity, action at law or other proceeding for the collection of such moneys or for the specific or other enforcement of any such agreement, award or judgment, in the name of Grantor or otherwise, and to do any and all things which Grantor is or may be or become entitled to do with respect thereto, provided, however, that no obligation of Grantor under the provisions of any such agreements, awards or judgments shall

be impaired or diminished by virtue hereof, nor shall any such obligation be imposed upon Trustee or Beneficiary; and

1.4 Leases. All of Grantor's rights as landlord (or sublessor, as applicable) in and to all existing and future leases and tenancies, whether written or oral and whether for a definite term or month to month, now or hereafter demising all or any portion of the property described in 1.1 and 1.2 above, including all renewals and extensions thereof and all rents and deposits received or receivable thereunder. In accepting this Deed of Trust neither Beneficiary nor Trustee assumes any liability for the performance of any such lease.

Certain of the properties described on attached Exhibit A ("Fee Parcels") are owned in fee by the Grantor. The others ("Leasehold Parcels") are leased by the Grantor pursuant to the leases ("Leases") described on Exhibit A. This Deed of Trust encumbers Grantor's interest as owner of the Fee Parcels, Grantor's interest as tenant under the Leases of the Leasehold Parcels, and any after-acquired title of Grantor to any of the Leasehold Parcels, whether pursuant to the exercise of purchase options contained in the Leases or otherwise.

2. SECURITY AGREEMENT. To the extent any of the property described in Section 1 is personal property, Grantor, as debtor, grants to Beneficiary, as secured party, a security interest therein together with a security interest in all other personal property of whatsoever nature which is located on or used or to be used in connection with any of the property described in Section 1, and any products or proceeds of any thereof, pursuant to the Uniform Commercial Code (the "UCC"), on the terms and conditions contained herein except that where any provision hereof is in conflict with the UCC, the UCC shall control. Beneficiary hereby assigns such security interest to Trustee, in trust, for the benefit of Beneficiary to be dealt with as a portion of the "Property" except as otherwise specified herein.

### 3. OBLIGATIONS SECURED.

(a) This Deed of Trust is given to secure the following:

(i) Payment of the sum of SIX MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$6,750,000) with interest thereon according to the terms of a promissory note dated 3/30/88, made by Grantor, payable to Beneficiary or order, the final payment of principal and interest of which, if not sooner paid, is to be due and payable on 3/31/94 issued pursuant to a Financing and Security Agreement dated 3/31/88 between Grantor and Beneficiary (the "Financing and Security Agreement") and described therein as the "Senior Loan Note (Oregon)." Such

note is hereinafter referred to as the "Note." Any extensions, renewals, modifications or replacements of the Note shall also be secured by this Deed of Trust.

(ii) Payment of any costs and expenses incurred or advances made by Beneficiary pursuant to this Deed of Trust or the Financing and Security Agreement to preserve and protect the Property, together with interest thereon from the date of the expenditure until repaid at the rate specified in the Note.

(b) The Financing and Security Agreement provides for the making of four separate and distinct loans, referred to therein as the "Senior Loan (Oregon)," "Subordinated Loan (Oregon)," "Senior Loan (Washington)," and "Subordinated Loan (Washington)." This Deed of Trust secures only those obligations of Grantor which relate to the Senior Loan (Oregon), the Senior Loan Note (Washington), or the Subordinated Loan Note (Washington) (as those terms are defined in the Financing and Security Agreement), nor does it secure any other warranty or covenant of Grantor in the Financing and Security Agreement or any other document which specifically relates only to the Subordinated Loan (Oregon), the Senior Loan (Washington), or the Subordinated Loan (Washington).

4. WARRANTIES AND COVENANTS OF GRANTOR. Grantor warrants, covenants, and agrees as follows:

4.1 Warranties.

(a) Grantor has full power and authority to grant the Property to Trustee and warrants the Property to be free and clear of all liens, charges, and other encumbrances except those, if any, noted on Exhibit C hereto.

(b) None of the Property is used principally or at all for agricultural, timber or grazing purposes.

(c) The Property is free from damage and no matter has come to Grantor's attention (including, but not limited to, knowledge of any construction defects or nonconforming work) that would materially impair the value of the Property as security.

(d) This Deed of Trust does not secure payment of the purchase price of the Property.



(e) This Deed of Trust is and will continue to be a Commercial Trust Deed as defined in ORS 86.770. The Financing and Security Agreement was obtained for business and commercial purposes and not for personal family or household purposes.

4.2 Preservation of Lien. Grantor will preserve and protect the priority of this Deed of Trust as a first lien on the Property.

4.3 Repair and Maintenance of Property. Grantor will keep the Property in good condition and repair, which duty shall include but is not limited to continual cleaning, painting, landscaping, repairing and refurbishing of the Property; will complete and not remove or demolish, alter, or make additions to any building or other improvement which is part of the Property without the express written consent of Beneficiary; will underpin and support when necessary any such building or other improvement and protect and preserve the same; will complete or restore promptly and in good and workmanlike manner any such building or other improvement which may be damaged or destroyed and pay when due all claims for labor performed and materials furnished therefor; will not commit, suffer or permit any act upon the Property in violation of law; and will do all other acts which from the character or use of the Property may be reasonably necessary for the continued operation of the Property in a safe and legal manner, the specific enumerations herein not excluding the general.

4.4 Insurance. Grantor shall provide and maintain hazard and liability insurance on the Property in accordance with the provisions of Section 7 of the Financing and Security Agreement. Any amounts collected on the hazard insurance policies shall be held, used, applied and disposed of in accordance with the provisions of the Financing and Security Agreement.

4.5 Right of Inspection. Grantor shall permit Beneficiary or its agents, at all reasonable times, to enter upon and inspect the Property.

4.6 Preservation of Licenses, Etc. Grantor shall observe and comply with all requirements necessary to the continued existence and validity of all rights, licenses, permits, privileges, franchises and concessions relating to any existing or presently contemplated use of the Property, including but not limited to any zoning variances, special exceptions and nonconforming use permits.

4.7 Further Assurances. Grantor will, at its expense, from time to time execute and deliver any and all such instruments of further assurance and other instruments and do any and

all such acts, or cause the same to be done, as Trustee or Beneficiary deems necessary or advisable to grant to Trustee the Property or to carry out more effectively the purposes of this Deed of Trust.

4.8 Legal Actions. Grantor will appear in and defend any action or proceeding before any court or administrative body purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and will pay all costs and expenses, including cost of evidence of title and any attorneys' fees incurred by Beneficiary and Trustee, in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

4.9 Taxes, Assessments and Other Liens. Grantor will pay not later than when due all taxes, assessments, encumbrances, charges, and liens with interest, on the Property or any part thereof, which at any time appear to be or are alleged to be prior and superior hereto, including but not limited to any tax on or measured by rents of the Property, the Note, this Deed of Trust, or any obligation or part thereof secured hereby.

4.10 Trust Expenses. Grantor will pay all costs, fees and expenses of this trust including all such costs, fees and expenses incident to any default hereunder, including reasonable attorneys' fees.

4.11 Leases.

4.11.1 Grantor will strictly abide by all of the provisions of the Leases of the Leasehold Parcels. Grantor will not modify any of the Leases in any material respect or agree to a termination of any of the Leases, nor will Grantor exercise any purchase option or first refusal rights thereunder, without the prior written consent of Beneficiary, which consent may be withheld in Beneficiary's sole discretion.

4.11.2 Grantor shall not lease any of the Fee Parcels of sublease any of the Leasehold Parcels without the prior written consent of Beneficiary, which consent may be withheld in Beneficiary's sole discretion. With respect to any such lease or sublease, Grantor shall strictly abide by all covenants of the landlord contained therein, and Grantor is not authorized to collect in advance more than one month's rental plus a security deposit not to exceed two months' rental.

#### 4.12 Hazardous Materials.

Grantor shall be in default hereunder and Beneficiary, at its option (and without waiving the benefit of the indemnity provisions set forth below), shall have the right to declare the entire indebtedness secured by this Deed of Trust immediately due and payable if, with respect to the Property, there is any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and groundwater conditions, or if any person or entity has used, generated, manufactured, stored or disposed of on, under or about the Property or transported to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials ("Hazardous Materials").

Grantor agrees to indemnify and hold Beneficiary harmless from and against any and all claims, losses, damages or liabilities, including without limitation attorneys' fees, arising out of or in connection with any violation of any such law, ordinance or regulation or the presence of any Hazardous Materials on, under or about the Property, and to promptly reimburse Beneficiary for all expenditures incurred in remedying the violation or removing the Hazardous Materials.

Hazardous Materials shall include, but not be limited to, substances defined as "hazardous wastes", "hazardous substances", "hazardous materials", or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Superfund Amendments and Reauthorization Act of 1986; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq.; and in Oregon Revised Statutes Chapter 466, and in the regulations adopted and publications promulgated pursuant to such laws, and shall include, but not be limited to, any "controlled substance" or "precursor substance" as referred to in Oregon Revised Statutes Sections 475.405 to 475.495 and in the regulations adopted and publications promulgated pursuant to such laws.

The foregoing indemnity provisions shall inure to the benefit of any purchaser of the Property at a Sheriff's or Trustee's sale, and shall survive foreclosure, exercise of the Trustee's power of sale, conveyance of the Property by deed-in-lieu of foreclosure, or the reconveyance of this Deed of Trust. Grantor acknowledges that the foregoing indemnity provisions have been separately bargained for and constitute additional consideration from Grantor to Beneficiary for the making of the loan

secured hereby. Grantor's indemnity and reimbursement obligations under this Section 4.12 are secured by the lien of this Deed of Trust only to the extent a demand for payment was made by Beneficiary prior to foreclosure or exercise of the Trustee's power of sale. As to matters for which no demand is made prior to that time, the indemnity obligations are unsecured.

## 5. DEFAULT.

5.1 Definition. Any of the following shall constitute an "Event of Default" as that term is hereinafter used:

(a) Any representation or warranty herein shall prove to have been incorrect or misleading in any material respect;

(b) Grantor shall fail to pay when due any indebtedness secured hereby, and such failure continues beyond the expiration of any applicable cure period specified in the Financing and Security Agreement;

(c) Grantor shall default in the performance of any other obligation secured hereby, and such failure continues beyond the expiration of any applicable cure period specified in the Financing and Security Agreement;

(d) A tax, charge or lien shall be placed upon or measured by the Note, this Deed of Trust, or any obligation secured hereby which Grantor does not or may not legally pay in addition to the payment of all principal and interest as provided in the Note;

(e) Grantor shall default under any of the Leases and such default shall continue beyond the expiration of any applicable cure period; or

(f) Any other "Event of Default" as that term is used in the Financing and Security Agreement.

5.2 Beneficiary's and Trustee's Right to Perform. Upon the occurrence of any Event of Default, Beneficiary or Trustee, but without the obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligations hereunder, may: make any payments or do any acts required of Grantor hereunder in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the

rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien in accordance with the following paragraph; and in exercising any such powers, pay necessary expenses, employ counsel and pay a reasonable fee therefor. All sums so expended shall be secured hereby and bear interest at the rate specified in the Note from the date advanced or expended until repaid.

Beneficiary or Trustee in making any payment herein and hereby authorized, in the place and stead of the Grantor, in the case of a payment of taxes, assessments, water rates, sewer rentals and other governmental or municipal charges, fines, impositions or liens asserted against the Property, may make such payment in reliance on any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; in the case of any apparent or threatened adverse claim of title, lien, statement of lien, encumbrance, deed of trust, claim or charge Beneficiary or Trustee, as the case may be, shall be the sole judge of the legality or validity of same; and in the case of a payment for any other purpose herein and hereby authorized, but not enumerated in this paragraph, such payment may be made whenever, in the sole judgment and discretion of Trustee or Beneficiary, as the case may be, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this instrument, provided further, that in connection with any such advance, Beneficiary at its option may and is hereby authorized to obtain a continuation report of title prepared by a title insurance company, the cost and expenses of which shall be repayable by the Grantor without demand and shall be secured hereby.

5.3 Remedies on Default. Upon the occurrence of any Event of Default all sums secured hereby shall become immediately due and payable, without notice or demand, at the option of Beneficiary and Beneficiary may (in addition to any and all other remedies available under the Financing and Security Agreement or under applicable law):

(a) Have a receiver appointed as a matter of right, without regard to the sufficiency of the Property or any other security for the indebtedness secured hereby;

(b) Foreclose this Deed of Trust as a mortgage or direct the Trustee to foreclose this Deed of Trust by advertisement and sale as provided in Section 7.3 hereof; or

(c) Sue on the Note according to law.



5.4 No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare an Event of Default for failure to do so.

6. CONDEMNATION. Any award of damages, whether paid as a result of judgment or prior settlement, in connection with any condemnation or other taking of any portion of the Property, for public or private use, or for injury to any portion of the Property is hereby assigned and shall be paid to Beneficiary which may apply such moneys received by it in accordance with the provisions of Section 7 of the Financing and Security Agreement.

7. TRUSTEE.

7.1 General Powers and Duties of Trustee. At any time or from time to time, without liability therefor and without notice and without affecting the liability of any person for the payment of the indebtedness secured hereby, upon written request of Beneficiary, payment of its own fees and presentation of this Deed of Trust and the Note for endorsement (in case of full reconveyance, for cancellation or retention), Trustee may:

- (a) Consent to the making of any map or plat of the Property;
- (b) Join in granting any easement or creating any restriction thereon;
- (c) Join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; or
- (d) Reconvey, without warranty, all or any part of the Property.

7.2 Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust (and in the event of full payment, the Note) to Trustee and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

7.3 Powers and Duties on Default. If the Beneficiary elects to direct the Trustee to foreclose the Property by advertisement and sale, the Trustee shall sell the Property in accordance with Oregon Revised Statutes Section 86.705-86.795, or such

successor statute as may then be applicable, in accordance with the following:

- (a) Upon the election to foreclose the Property by advertisement and sale, the Trustee or Beneficiary shall execute and record such notice of default as may then be required by law.
- (b) The Trustee shall give such notice of sale as may be required by law, subject to the rights, if any, provided by law to Grantor or the holder of any subordinate lien or encumbrance to cure the default and cause the proceedings to sell the Property to be discontinued prior to five days before the last date set for sale. In addition to paying the sums or tendering the performance necessary to cure the default, the person effecting the cure shall pay to the Beneficiary the costs and expenses actually incurred in enforcing this Deed of Trust together with Trustee's and attorney's fees not in excess of the maximum amounts permitted by law.
- (c) The Trustee shall sell the Property at the time and place designated, provided that the Trustee may postpone the sale for one or more periods totaling not more than 180 days by public announcement at the time and date designated for the sale.
- (d) The Trustee may sell the Property in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash. Any person, including the Beneficiary, but excluding the Trustee, may bid at the Trustee's sale.
- (e) The purchaser shall pay, at the time of sale, the price bid and within ten days following the payment the Trustee shall execute and deliver a Trustee's Deed to the purchaser in such form as may be required by law, conveying such interest as the Grantor had or has the power to convey at the time of execution of this Deed of Trust, together with any interest the Grantor acquires after the execution of this Deed of Trust, but without any covenant or warranty whatsoever, expressed or implied. The recitals in the deed as to matters of fact shall be prima facie evidence of the truth of the matters set forth and shall be conclusive

proof of the truth of such facts in favor of a purchaser for value in good faith.

(f) The trustee shall apply the proceeds of this sale as follows:

(i) To the expenses of the sale, including the compensation of the Trustee and a reasonable charge by the attorney for the Trustee;

(ii) To payment of the Indebtedness and the Obligations;

(iii) To all persons having recorded liens subsequent to the interests of the Trustee as their interests may appear in the order of their priority; and

(iv) To the Grantor.

(g) Grantor agrees that such a sale (or a judicial foreclosure sale) of all the Property as real estate constitutes a commercially reasonable disposition thereof, but that with respect to all or any part of the Property which may be personal property Trustee shall have and exercise, at Beneficiary's sole election, all the rights and remedies of a secured party under the UCC. Whenever notice is permitted or required hereunder or under the UCC, ten (10) days shall be deemed reasonable.

7.4 Reassignment of Security Interest. At the request of Beneficiary, Trustee shall reassign to Beneficiary the security interest created hereby and after such reassignment Beneficiary shall have the right, upon the occurrence or continuance of any Event of Default, to realize upon the personal property subject to this Deed of Trust, independent of any action of Trustee, pursuant to the UCC.

7.5 Acceptance of Trust. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto except Beneficiary 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 brought by Trustee.

7.6 Reliance. Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Grantor under this Deed of Trust, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

7.7 Replacement of Trustee. Beneficiary may, from time to time, as provided by statute, appoint another trustee in place and stead of Trustee herein named, and thereupon Trustee herein named shall be discharged and the trustee so appointed shall be substituted as Trustee hereunder, with the same effect as if originally named Trustee herein.

8. APPLICATION OF RENTS. Grantor hereby gives to and confers upon Beneficiary the right, power and authority during the continuance of this Deed of Trust to collect the rents, issues and profits of the Property, reserving unto Grantor the right, prior to any default in payment of any indebtedness secured hereby or hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time and without notice, either in person, by agent, or by a receiver to be appointed by a court, without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, or in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

9. NOTICES.

9.1 Trustee. Any notice or demand upon Trustee may be given or made at:

Transamerica Title Insurance Company  
555 S.W. Oak  
Portland, Oregon 97204

9.2 Grantor and Beneficiary. Any notice to or demand upon Grantor (including any notice of default or notice of sale) or notice to or demand upon Beneficiary shall be in accordance with the procedures specified in Section 20 of the Financing and Security Agreement.

9.3 Waiver of Notice. The giving of notice may be waived in writing by the person or persons entitled to receive such notice, either before or after the time established for the giving of such notice.

10. MODIFICATIONS. Upon written request of any party then liable for any sum secured hereby, Beneficiary reserves the right to extend the term, or otherwise modify the terms, hereof or of the Note as Beneficiary and such person may from time to time deem appropriate and any such change shall not operate to release, in any manner, the liability of the original Grantor or Grantor's successors in interest.

11. SUCCESSORS AND ASSIGNS. All provisions herein contained shall be binding upon and inure to the benefit of the respective successors and assigns of the parties.

12. GOVERNING LAW; SEVERABILITY. Except as otherwise specified in the Financing and Security Agreement, this Deed of Trust shall be governed by the law of Oregon. In the event that any provision or clause of this Deed of Trust conflicts with applicable law, the conflict shall not affect other provisions of this Deed of Trust which can be given effect without the conflicting provision and to this end the provisions of this Deed of Trust are declared to be severable.

13. GRANTOR'S RIGHT TO POSSESSION. Grantor may be and remain in possession of the Property for so long as it is not in default hereunder or under the terms of the Note or the Deed of Trust and Grantor may, while it is entitled to possession of the Property, use the same.

14. PREPAYMENT PROVISIONS. Reference is made to the Note and Section 3 of the Financing and Security Agreement for provisions limiting prepayment of the Note and providing for certain premiums for prepayment, including involuntary prepayment by virtue of a default and subsequent acceleration of the indebtedness secured hereby, or violation of the restrictions against sale or transfer of the Property.

15. RESTRICTIONS ON SALE, TRANSFER OR ENCUMBRANCE; PARTIAL RECONVEYANCES. Reference is made to Sections 3, 6, 10 and other applicable Sections of the Financing and Security Agreement for provisions which restrict the sale, transfer or further encumbrance of the Property and which provide for the release of the lien of this Deed of Trust under certain circumstances in connection with a permitted transfer.



## 16. MISCELLANEOUS.

16.1 Whenever the context so requires the singular number includes the plural herein, and the impersonal includes the personal.

16.2 The headings to the various sections have been inserted for convenient reference only and shall not modify, define, limit or expand the express provisions of this Deed of Trust.

16.3 This Deed of Trust has been executed in a number of counterpart originals. A counterpart original of this Deed of Trust shall be recorded in each of the Oregon counties where a Fee Parcel or Leasehold Parcel is located.

DATED as of the day and year first above written.

GRANTOR:

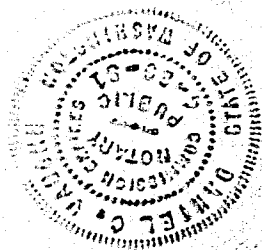
PIETRO'S CORP.

By

Its

By

Its



4468

STATE OF WASHINGTON )  
COUNTY OF KING ) ss.

THIS IS TO CERTIFY that on this 30<sup>th</sup> day of March, 1988, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn, personally appeared R. Dean Bogner and Frank E. Shooklin, to me known to be the Vice President and Assistant Secretary, respectively, of PIETRO'S CORP., the corporation that executed the within and 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 they were authorized to execute said instrument.

WITNESS my hand and official seal the day and year in this certificate first above written.

D J C. V. L.  
Notary public in and for the state of Washington, residing at Seattle

My appointment expires 4/29/91

5921B

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4469

EXHIBIT A-1

FEE INTERESTS

4470

Store No.: 818  
Address: 13405 S.W. Pacific Highway  
Tigard, OR 97224  
County/State: Washington County, Oregon

Legal Description

A tract of land in the Southwest one-quarter of Section 2, Township 2 South, Range 1 West of the Willamette Meridian in the City of Tigard, County of Washington and State of Oregon described as follows:

Beginning at the Northeasterly corner of that property deeded to Alexander J. Luty and Pauline E. Luty and described in Book 355, Page 74 of the Deed Records of Washington County, said point of beginning being North  $89^{\circ}48'40''$  East 283.23 feet from a two inch iron pipe marking the initial point of MELROSE, a plat of record, said point also being on the Northwesterly boundary of the relocated West Side Pacific Highway (Oregon State Highway 99, West); thence North  $33^{\circ}15'17''$  East, along the Northwesterly boundary of said Pacific Highway 85.00 feet to the true point of beginning; thence North  $56^{\circ}44'43''$  West, 140.00 feet; thence North  $33^{\circ}15'17''$  East, 181.15 feet; thence North  $56^{\circ}44'43''$  West, 28.00 feet; thence North  $33^{\circ}15'17''$  East, 68.00 feet; thence South  $56^{\circ}44'43''$  East, 168.00 feet to the Northwesterly right-of-way of said Pacific Highway; thence South  $33^{\circ}15'17''$  West, along said right-of-way 249.15 feet to the point of beginning.

TOGETHER WITH an easement for ingress and egress, said easement is described as follows:

A tract of land in the Southwest one-quarter of Section 2, Township 2 South, Range 1 West of the Willamette Meridian in the City of Tigard, County of Washington and State of Oregon.

Beginning at the Northeasterly corner of the above described tract; thence North  $56^{\circ}44'43''$  West, 168.00 feet; thence South  $33^{\circ}15'17''$  West, 68.00 feet; thence South  $56^{\circ}44'43''$  East, 12.00 feet; thence North  $33^{\circ}15'17''$  East, 48.00 feet; thence South  $56^{\circ}44'43''$  East, 156.00 feet to the Northwesterly right-of-way of said Pacific Highway; thence South  $33^{\circ}15'17''$  West, along said right-of-way 20.00 feet to the point of beginning.

4471

Store No.: 819  
Address: 311 S.W. 17th Avenue  
Hillsboro, Oregon 97123  
County/State: Washington County, Oregon

Legal Description

A portion of that tract of land in the Northwest one-quarter of Section 1, Township 1 South, Range 3 West of the Willamette Meridian, in the City of Hillsboro, County of Washington and State of Oregon, described in Deed in Trust to United States National Bank of Oregon from Eva Bailey Lynch, recorded in Book 422, Page 571, said portion being more particularly described as follows:

Beginning at the intersection of the Southerly line of the Tualatin Valley Highway and the Easterly line of that tract conveyed to H. N. Kummer by deed recorded in Book 176, Page 679, which point bears South 88.63 feet and West 1782.45 feet from the one-quarter corner on the North line of said Section 1; thence South  $00^{\circ}21'30''$  East along the East line of that tract conveyed to Harold N. Kummer, et ux, by deed recorded in Book 805, Page 448, a distance of 235 feet; thence Easterly, along a line parallel to the South line of the Tualatin Valley Highway, a distance of 127.80 feet, more or less, to a point on the West line of S.W. 17th Avenue, which bears South along said West line a distance of 235 feet from the South line of the Tualatin Valley Highway; thence North along the West line of S.W. 17th Avenue, a distance of 235 feet to the South line of the Tualatin Valley Highway; thence West along the South line of said highway, a distance of 127.80 feet, more or less, to the point of beginning.



Store No.: 863  
Address: 19495 S.W. Tualatin Valley Hwy.  
Aloha, Oregon 97006  
County/State: Washington County, Oregon

4472

Legal Description

That part of Lots 171 and 180, JOHNSON ESTATE ADDITON TO BEAVERTON-REEDVILLE ACREAGE, in the County of Washington and State of Oregon, as shown on the duly recorded map and plat thereof, described as follows, to-wit:

Commencing at the Southeast corner of said Lot 180; thence North along the East line of said lot to the North line of that certain parcel conveyed to the State of Oregon, by deed recorded May 16, 1955, in Book 369, Page 117, records of said county, and the point of beginning; thence continuing North along the East line of said lots 195 feet to the Southeasterly corner of tract conveyed to John Mason and Gladys E. Mason, husband and wife, by deed recorded in Book 271, Page 583, Deed Records of Washington County, Oregon; thence North 81°37' West, along the Southerly line of said Mason Tract, 203.8 feet to the Northeasterly corner of tract conveyed to Janet LaSalle by deed recorded in Book 241, Page 269, said deed records; thence South along the East line of said LaSalle Tract, 195 feet to the North line of said State of Oregon parcel; thence South 81°37' East along said North line 203.8 feet to the point of beginning.

4473

Store No.: 821  
Address: 3540 West 11th  
Eugene, Oregon 97402  
County/State: Lane County, Oregon

Legal Description

That certain real property situated in the County of Lane,  
State of Oregon, and more particularly described as follows:

Beginning at a stone marking the Southeast corner of the Mathew  
Wallis Donation Land Claim No. 40, Township 17 South, Range 4  
West of the Willamette Meridian; thence South  $0^{\circ} 15' 15''$  West  
780.58 feet along the west line of Section 35, Township 17 South,  
Range 4 West of the Willamette Meridian to a point; thence South  
 $89^{\circ} 12' 48''$  East 261.00 feet to a point on the centerline of the  
11th Avenue West as now established and monumented by the office  
of the City Engineer, Eugene, Oregon; thence South  $89^{\circ} 12' 48''$   
East 628.80 feet along the centerline of 11th Avenue West to a  
point; thence South  $0^{\circ} 15' 15''$  West 40.00 feet to a true point of  
beginning, thence South  $89^{\circ} 12' 48''$  East 121.00 feet along the  
southerly right of way of West 11th Avenue; thence South  $0^{\circ} 15'$   
 $15''$  West 254.00 feet; thence North  $89^{\circ} 12' 48''$  West 121.00 feet;  
thence North  $0^{\circ} 15' 15''$  East 254.00 feet to the point of  
Beginning, in Lane County, Oregon.

4474

Store No.: 823  
Address: Vacant Tract

County/State: Deschutes County, Oregon

Legal Description

That certain real property situated in the County of Deschutes,  
State of Oregon, and more particularly described as follows:

A portion of Lot Eleven (11) NORWOOD, Deschutes County, Oregon, more particularly described as follows: Commencing at the Northeast corner of said Lot Eleven (11), thence South 81° 04' 59" West 250.00 feet, thence South 8° 40' 30" East 193.64 feet to the true point of beginning of this description, thence North 81° 19' 30" East 250.00 feet, thence South 8° 40' 30" East 166.17 feet, South 81° 19' 30" West, 150.00 feet, thence South 88° 24' 22" West, 45.12 feet (record South 88° 17' East 45.34); thence North 21° 39' 08" West, 64.37 feet (record 64.60) thence South 88° 17' West 40.87 feet, (recorded 40.79) thence North 8° 40' 30" West 92.91 feet to the true point of beginning.

4475

Store No.: 828  
Address: Vacant Tract

County/State: Klamath County, Oregon

Legal Description

A parcel of land lying in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at the point of intersection of South right of way line of South 6th Street with the Westerly right of way line of the U.S.R.S. Drain; thence Northwesterly along the South right of way line of South 6th Street 130 feet to point "x", being the NE $\frac{1}{4}$  corner of the Parcel conveyed to Gulf Oil Corporation by Deed recorded April 28, 1969 in Book M-69 at page 3099; thence South 29° 28' 30" East parallel with the Westerly right of way line of U.S.R.S. Drain to the Northeasterly right of way line of Oregon-California and Eastern Railroad right of way; thence South 66° 54' 30" East along Railroad right of way a distance of 186.89 feet more or less to the intersection with the Westerly line of U.S.R.S. Drain; thence North 28° 23' 30" West along said Drain 323.22 feet more or less to the point of beginning.

4476

Store No.: 867  
Address: 1704 Adams Avenue  
LaGrande, Oregon 97850  
County/State: Union County, Oregon

Legal Description

That certain real property situated in the County of Union,  
State of Oregon, and more particularly described as follows:

TRACT "A":

Lot 4 in block 7 of COGGAN'S ADDITION to La Grande, Union County,  
Oregon, according to the recorded plat of said addition. SUBJECT  
TO unplatted alley now in use over and across the southwesterly  
side thereof.

TRACT "B":

The Northwesterly 50.55 feet of lot 5 in Block 7 of COGGAN'S  
ADDITION to La Grande, Union County, Oregon, according to the  
recorded plat of said addition. SUBJECT TO alleyway in use  
across the northeasterly side of said premises.



... 4477

Store No.: 868  
Address: 2415 North 10th Street  
Baker, Oregon 97814  
County/State: Baker County, Oregon

Legal Description

Land in JOHN STEWART'S ADDITION, City and County of Baker, Oregon, according to the official plat thereof, as follows:

In Block 6: The East 78½ feet of Lot 1.  
The South 29 feet of the East 78½ feet of Lot 2.

4478

Store No.: 874  
Address: 1381 S.W. Highway #97  
Madras, Oregon 97741  
County/State: Jefferson County, Oregon

Legal Description

That certain real property situated in the County of Jefferson,  
State of Oregon, and more particularly described as follows:

Beginning at a point which is located on the Easterly right of way line of  
The Dalles-California Highway (new route), said point being South 57° 23' 20"  
West 781.80 feet and South 20° 02' 50" West 753.57 feet from the Northeast corner  
of the Northeast quarter of Section 14, Township 11 South, Range 13 East of the  
Willamette Meridian, Jefferson County, Oregon; thence South 20° 02' 50" West  
along the Easterly right of way line of said Highway a distance of 191.63 feet to  
the South line of the Northeast quarter of the Northeast quarter, said Section;  
thence South 89° 59' 40" East along said line, a distance of 186.50 feet; thence  
North 03° 33' 24" East 180.37 feet; thence North 89° 59' 40" West, a distance of  
132 feet to the point of beginning.

4479

Store No.: 890  
Address: 10524 S.E. Stark Street  
Portland, Oregon 97216  
County/State: Multnomah County, Oregon

Legal Description

THE NORTH 68.85 FEET OF THE FOLLOWING DESCRIBED TRACT OF LAND: A tract of land in the Northwest one-quarter of Section 3, Township 1 South, Range 2 East of the Willamette Meridian in the County of Multnomah and State of Oregon, further described as follows:

Beginning at the Northwest corner of that tract of land conveyed to Alex Georgeson and Eva Lou Georgeson, husband and wife, by deed dated July 3, 1970 and recorded in Book 742, Pages 349 and 350, deed records of Multnomah County, said point being the South line of Stark Street, South  $87^{\circ}53'32''$  East 1021 feet, more or less, (along the North line of Section 3) and South  $1^{\circ}56'28''$  West 40.00 feet from the Northwest corner of Section 3; thence North  $87^{\circ}53'32''$  West along the South line of Stark Street, 163.25 feet to the Northeast corner of that tract conveyed to Tohop of Oregon, Inc., by deed recorded June 2, 1970 in Book 735, Page 1805, Deed Records; thence South  $2^{\circ}06'28''$  West 168.85 feet along the East line of said Tohop Tract to the Southeast corner thereof, located in the North line of Washington Street; thence South  $87^{\circ}53'32''$  East 41.05 feet along said street line to a point of curve; thence continuing along said street line on the arc of a curve to the left having a central angle of  $10^{\circ}19'$  and a radius of 665.2 feet, a distance of 123.38 feet to the Southwest corner of the above mentioned Georgeson Tract; thence North  $1^{\circ}56'28''$  East along the West line of the Georgeson Tract, 177.80 feet to the Northwest corner thereof, and the point of beginning.

.. 4480

Store No.: 816  
Address: 345 N.W. Burnside  
Gresham, Oregon 97030  
County/State: Multnomah County, Oregon

Legal Description

A tract of land situated in Section 3, Township 1 South, Range 3 East of the Willamette Meridian in the County of Multnomah and State of Oregon, more particularly described as follows:

Commencing at the intersection of the Northerly right of way of S.E. Burnside and the Westerly right of way of S.E. 223rd Avenue, said point being 60 feet from the centerline of S.E. Burnside (County Road No. 2063) and 45 feet from the centerline of S.E. 223rd Avenue (County Road No. 3807); thence along the Northerly right of way line of S.E. Burnside Street along the arc of a 11460 foot radius curve to the right an arc distance of 42.88 feet of which the long chord bears North  $67^{\circ}10'52''$  West; thence North  $67^{\circ}04'24''$  West along said right of way line a distance of 597.12 feet to the point of beginning of the tract of land herein to be described; thence North  $22^{\circ}55'36''$  East 198.06 feet; thence parallel with the Northerly line of said S.E. Burnside North  $67^{\circ}04'24''$  West 143.41 feet to the Easterly line of N.W. Eastman Parkway (formerly known as N.W. Eastman Avenue/N.W. 221-223rd Avenue, and formerly referred to as proposed S.E. 221st Avenue, as said roadway existed on January 1, 1980); thence South  $27^{\circ}31'33''$  West along said Easterly line a distance of 198.72 feet to the Northerly line of said S.E. Burnside; thence along said Northerly line South  $67^{\circ}04'24''$  East 159.52 feet to the point of beginning.

EXCEPTING that portion described in the deed to the City of Gresham, recorded October 13, 1981 in Book 1555 at Page 957.

4481

EXHIBIT A-2

LEASEHOLD INTERESTS

Parcel #802

10300 S.E. Main Street  
Milwaukie, Oregon 97222

Clackamas County, Oregon

That certain tract or parcel of land that is the subject of a Lease Agreement dated September 17, 1968 from William R. Davis and Elsie F. Davis, husband and wife, and John W. Davis and June F. Davis, husband and wife, all as Lessor, and Norman A. Kolln and Marjorie M. Kolln, husband and wife as Lessee, which Lease Agreement was validly assigned to Pietro's Corp., Grantor herein, by an Assignment of Lease dated February 13, 1980, and which tract is specifically described as follows:

A tract of land with improvements thereon in the Wm. Meck D.L.C. in Section 26, Township 1 South, Range 1 East, Willamette Meridian in the City of Milwaukie, County of Clackamas, State of Oregon, more particularly described as follows:

Beginning at a point which bears North 89° 20' West 195.13 feet from a stone in the Northwest Corner of Streib's First Addition, in the S. W. 1/4 of Section 25, Township 1 South, Range 1 East, Willamette Meridian, Clackamas County, Oregon. Said point being the true point of beginning of the hereinafter described land, thence South 1° 31' East and parallel to the west line of Streib's First Addition 111.12 feet; thence North 89° 20' West 10.33 feet; thence South 0° 16' West 341.99 feet to the easterly right of way of Main Street; thence along the arc of a 1,870.08 foot radius curve to the right, the long chord of which bears North 2° 57' 55" West 161.80 feet a distance of 161.85 feet; thence South 99° 20' East 241.29 feet to the True Point of Beginning.

Subject to the right to maintain underground surface drainage lines and sewer and water service lines to adjoining property and to maintain the existing (Kellogg Bowl) sign now located on the demised property. It is also understood that no building can be built within twenty (20) feet of the easterly property line of the demised premises.

Subject to perpetual easement of ingress and egress together with the right to erect, maintain and repair poles, anchors and wires, as more particularly set forth in deed from John Willman and wife to Pacific Telephone and Telegraph Company, recorded May 3, 1934 in Book 222, Page 628, Deed Records.



Parcel #873

4483

1933 Newmark  
North Bend, Oregon 97459

Coos County, Oregon

That certain real property with improvements thereon located in the City of North Bend, Coos County, Oregon, that is the subject of a Lease Agreement dated December 14, 1976 between Robert S. Horning and Ruth J. Horning, husband and wife, as Landlord and Grizzly Bear, Inc., as Tenant, which Lease Agreement was subsequently assigned to Pietro's Corp. by an Assignment of Lease, which real property consists of approximately 23,100 square feet and is specifically described as follows:

A parcel situated in the Northwest quarter of Section 22, Township 25 South, Range 13 West of the Willamette Meridian, in Coos County, Oregon, described as: Beginning at the intersection of the South line of Newmark Street and the East line of Broadway Street, and running thence Easterly along the South line of Newmark Street a distance of 200 feet to the true point of beginning of this description: thence continuing East along the South line of Newmark Street a distance of 140 feet to the Northwest corner of that parcel deeded to Thomas M. Foster, et ux, by deed recorded June 26, 1972 as No. 72-6-73210; thence South, along Foster's West line and its extension, a distance of 165 feet; thence West, parallel with the South line of Newmark Street a distance of 140 feet to a point South of beginning; thence North a distance of 165 feet to the true point of beginning.

Parcel #876

4484

960 W. Third Street  
Prineville, Oregon 97754

Crook County, Oregon

Those certain premises located in Prineville, Crook County, Oregon, that are the subject of a Lease dated as of May 19, 1983 by and between Gordon A. O'Connor and Charlene I. O'Connor, husband and wife, as Landlord, and Pietro's Corp., as Tenant, described as follows:

That portion of Lot 2 which is a common driveway and parking area, and Lots 3 and 4 of Pace's First Edition in Prineville, which Lots are identified in a plat recorded in the Crook County, Oregon Courthouse in Plat Book No. 5, Page 23.

Having erected thereon a restaurant building having an address of 960 W. Third Street, Prineville, Oregon 97754.

Parcel #875

4485

413 West Glacier  
Redmond, Oregon 97756

Deschutes County, Oregon

Those certain premises that are the subject of a Lease Agreement dated April 25, 1983 between Richard Huff as Landlord and Pietro's Corp. as Tenant, which premises are situate in the Northeast quarter of Section 16, Township 15 South, Range 13 East, W.M., further described as follows:

That certain building located at 413 W. Glacier known as Lots 3 and 4 of Block 57, being Tax Lot 2600, located in the Town of Redmond, Deschutes County, Oregon.

Parcel #877

4486

1115 N. E. 3rd Street  
Bend, Oregon 97701

Deschutes County, Oregon

That certain improved real property that is the subject of a Lease Agreement dated April 25, 1983 between Ray E. Kenney and Irene Kenney, husband and wife, as Landlord and Pietro's Corp. as Tenant, having an address of 1115 N.E. 3rd Street, Bend, Oregon, 97701, and described as:

Lot ten (10) in block (15) of Center addition to Bend, Deschutes County, Oregon.

Parcel #860

4487

107 Second Street  
Hood River, Oregon 97031

Hood River County, Oregon

That certain tract or parcel of land situate in the City of Hood River, County of Hood River, State of Oregon, with improvements thereon that is the subject of a Lease dated June 1, 1983 by and between PD Investment Company, a partnership consisting of Philip W. Jensen and W. David Jensen as Lessor and Bearly Normal Enterprises, Inc., as Lessee, which Lease was assigned to Pietro's Corp. as Lessee by an Assignment of Lease dated October 17, 1983, and which is specifically described as follows:

Lots 1, 2, 3 and 4, Block 2, Town of Hood River, in the City of Hood River, County of Hood River and State of Oregon, as shown on the duly recorded plat thereof on file and of record in the office of the County Clerk of said County; EXCEPTING THEREFROM the South 9 inches of said Lot 4 and the South 9 inches of that part of said Lot 3 extending Easterly from the Southwest corner of said Lot 3, approximately 1 foot to the East end of that certain party wall constructed pursuant to that certain party wall agreement executed between Thomas L. Eliot and wife, and C.A. Bell and his wife, dated June 13, 1908, recorded in Volume 1 at page 187 of the Records of Deeds of said County.

Parcel #805

4488

535 Stevens Street  
Medford, Oregon 97501

Jackson County, Oregon

That certain parcel of land that is subject to a Lease dated May, 1971 by and between Crater Lake Aerie #2093 (FOE), a non-profit corporation, as "Lessor", and Norman A. Kolln and Marjorie M. Kolln, husband and wife, as "Lessee", which Lease was validly assigned to Pietro's Corp., Grantor herein, by an Assignment of Lease dated February 13, 1980, and which parcel of land is specifically described as follows:

That tract or parcel of land situated in the Southwest one quarter (1/4) of Section 19, Township 17 South, Range 1 West of the Willamette Meridian, Jackson County, Oregon and being more fully described as follows:

Commencing at the Northeast corner of Donation Land Claim No. 42 said Township and Range; thence along aforementioned Claim Line South 89° 57' 30" West (record South 89° 54' West) 1,420.20 feet; thence North 0° 05' 20" West 60.18 feet (record 60.00 feet) to intersect the North right of way line of Stevens Street; thence along aforementioned North right of way Line, South 89° 58' 00" West (record South 89° 57' 30" West) 557.34 feet to a 5/8 inch iron pin and being the true point of beginning; thence North 0° 05' 20" West 211.57 feet (record 211.85 feet); thence North 89° 50' 30" East (record North 89° 34' East) 165.35 feet; thence South 0° 05' 20" East 211.585 feet (record 211.85 feet) to the North right of way line of Stevens Street; thence along aforementioned North right of way line South 89° 59' 20" West (record S. 89° 57' 30" West) 165.35 feet to the true point of beginning.

SUBJECT TO:

1. Lessor may not construct any improvements on the Northerly 51.85 feet of the above-described property, save and except paving material.
2. All parking areas shall be open to access from the East and West and will be available to be used by customers only of other tenants of Lessor; provided that such privilege is made available to Lessees by such other tenants.



Parcel #857

1011 Valley River Way  
Eugene, Oregon 97401

Lane County, Oregon

That certain tract or parcel of land that is the subject of a Lease Agreement dated September 30, 1980 by and between Killian Properties, as Lessor and Dewey H. and Joyce K. Leavitt dba Golden Spike Pizzaria, as Lessee, which Lease Agreement was validly assigned to Pietro's Corp., Grantor, by an Assignment of Lease dated August 18, 1983, which tract or parcel is specifically described as follows:

Beginning at the West Southwest corner of the Jacob Gillespie Donation Land Claim No. 70, Township 17 South, Range 3 West of the Willamette Meridian; thence South 89 degrees 51'07" East 518.10 feet along the South line of said Donation Land Claim No. 70 and the original centerline of County Road No. 515 to a point; thence North 0 degrees 08'53" East 20.00 feet to an iron pin marking the true point of beginning; thence North 0 degrees 08'53" East 541.00 feet to a point marked by an iron pin; thence North 89 degrees 54'53" East 344.05 feet to an iron pin marking the Westerly right of way line of Delta Highway; thence South 13 degrees 59'05" East 547.97 feet along said right of way line to a point marked by an iron pin; thence along the arc of a 41.00 foot radius curve left (the chord of which bears North 87 degrees 50'40" West 78.77 feet) a distance of 105.71 feet to a point marked by an iron pin; thence along the arc of a 20.00 foot radius curve right (the chord of which bears South 54 degrees 13'19" West 23.47 feet) a distance of 25.08 feet to a point marked by an iron pin; thence North 89 degrees 51'07" West 380.12 feet to the point of beginning, all in Lane County, Oregon.

Parcel #869

1241 S.W. 4th Avenue  
Ontario, Oregon 97914

Malheur County, Oregon

Those two certain tracts or parcels of land with improvements thereon that are the subject of a Lease Agreement dated April 25, 1983 between Paul T. Moore as Lessor and Pietro's Corp. as Lessee, and which are specifically described as follows:

Tract A - The West 15 feet of Lot 15, Lot 16, Lot 17, Lot 18, and the South one-half of the vacated alley lying North of and adjacent to the above described lots, all in Block 7, in Villa Park Addition, the City of Ontario, Malheur County, Oregon, being that certain building known as 1241 S.W. 4th Avenue.

Tract B - The South 40 feet of Lots 54 through 59, and the West 7.5 feet of the South 40 feet of Lot 60 and the North Half of the vacated alley lying South of and adjacent to the above described lots, Block 7 in Villa Park Addition, the City of Ontario, Malheur County, Oregon, as recorded in Plat Book 2, page 16, Malheur County Records.

Parcel #803

1637 Hawthorne N.E.  
Salem, Oregon 97301

Marion County, Oregon

That certain tract or parcel of land that is the subject of an Indenture of Lease dated July 13, 1964 by and between State Finance Company, as Lessor and Norman A. Kolln and Marjorie N. Kolln, as Lessee, which Indenture of Lease was validly assigned to Pietro's Corp., Grantor, by an Agreement dated June 25, 1973, which tract or parcel is specifically described as follows:

Commencing at the northeast corner of Lot 2, plat of Garden City Addition to Salem, a registered plat in the records of Marion County, Oregon, said point being also the intersection of the centerlines of Market Street and Hawthorne Street; thence from said point along the centerline of Hawthorne Street South 849.38 feet; thence leaving said centerline West 35.00 feet to a point on the west right-of-way of Hawthorne Street being the true point of beginning, said point also being on the south line of said Lot 2 and witnessed by a 5/8" iron rod in a 1 1/2" pipe which bears South 89°05'08" West 0.06 feet; thence leaving said west right-of-way along the south line of Lots 1 and 2 of said plat; South 89°05'08" West 426.15 feet to a 1 1/2" pipe at the southwest corner of the Tartar tract and the southwest corner of the east 4 acres of said Lot 1 as recorded in Reel 392, Page 310, Deed Records, Marion County, Oregon; thence North 00°12'14" West 815.49 feet along the west line of said Tartar tract and the west line of the east 4 acres of Lot 1 to a point on the south right-of-way of Market Street witnessed by a 5/8" iron rod which bears North 00°12'14" West 0.43 feet; thence along the south right-of-way of Market Street North 09°59'29" East 318.64 feet to a point on the west line of that parcel recorded in Reel 224, Page 079, Deed Records, Marion County, Oregon being witnessed by a 1/2" iron rod with plastic cap marked PLS 1653 which bears South 00°07'40" East 0.35 feet; thence along the West line of said parcel South 00°07'40" East 129.71 feet to a 1/2" iron rod with plastic cap marked PLS 1653; thence along the south line of said parcel North 89°51'04" East 110.07 feet to a 5/8" iron rod with plastic cap marked PLS 1554 on the west right-of-way of Hawthorne Street; thence along said right-of-way South 679.31 feet to the true point of beginning of the tract herein described. Containing 7.64 acres more or less.

Parcel #810

Marion County, Oregon

3981 Commercial Street S.E.  
Salem, Oregon 97302

That certain tract or parcel of land that is the subject of a Lease Agreement dated August 23, 1976 by and between First Federal Savings and Loan Association of Salem, as landlord, and Herfy's Corporation dba Pietro's Gold Coast Pizza Parlor, to which lease Mr. and Mrs. Donald Wyant has succeeded as landlord and which was assigned to Pietro's Corp., as tenant by an Assignment dated March 13, 1980, which tract is specifically described as follows:

The northeast corner of the premises known as 3981 Commercial Street S.E. is approximately west 5 feet and south 144 feet of the northeast corner of the building known as Southgate Shopping Center, which corner is approximately 346 feet west and 393 feet north of the northwest corner of Commercial Street and Browning Avenue, Salem, Oregon. The property on which the Southgate Shopping Center is located is more particularly described as follows:

Beginning at a point which is 554.02 feet South 78°00' west and 175.16 feet north 18°08' west from the southeast corner of Lot 78, Ewald Fruit Farms in Township 8 South, Range 3 West of the Willamette Meridian in Marion County, Oregon; thence north 78°00' east, parallel with the northerly line of said Lot, 252.70 feet; thence south 18°08' east, parallel with the westerly line of Pacific Highway, 125.16 feet; thence north 78°00' east, parallel with the northerly line of said Lot, 250.11 feet to a point on the westerly line of the said Pacific Highway, 268.15 feet to the northeast corner of a tract of land conveyed to Robert E. Corey by deed recorded in Volume 522, Page 22, Deed Records for Marion County, Oregon; thence south 73°25' west, along the northerly line of said Corey tract and the westerly extension of said line, 168.43 feet; thence south 16°30' east, parallel with the westerly line of said Corey tract, 115.43 feet to a point which is 10.00 feet north 16°30' west from the northerly line of Browning Avenue; thence westerly, parallel with said Browning Avenue to a point which is 478.60 feet south 18°08' east from the place of beginning; thence north 18°08' west, 478.60 feet to the place of beginning.

Parcel #806

Multnomah County, Oregon

12222 S.E. Stark St.  
Portland, Oregon

That certain tract of land that is the subject of a Land Lease dated December 16, 1974 by and between The Oregon Bank as Lessor and Pietro's Incorporated as Lessee, which tract is specifically described as follows:

A tract of land in the NW 1/4, NW 1/4, Section 2, T1S, R2E, W.M. Multnomah County, Oregon, said tract being more particularly described as follows:

Commencing at the point of intersection of the south line of S. E. Stark Street with the east line of S. E. 122nd Avenue, said point bears S 0° 35' 10" E. 40.00 feet and N. 89° 30' E. 45.00 feet from the northwest corner of Section 2, running thence N. 89° 30' E. 141.00 feet along the south line of Stark Street, to the true point of beginning of the tract herein described; thence continuing N 89° 30' E 139.00 feet; thence S. 0° 35' 10" E. 290.00 feet parallel with the east line of 122nd; thence S. 89° 30' W. 106.00 feet parallel with the south line of Stark Street; thence N. 0° 35' 10" W. 146.70 feet; thence N. 45° 35' 10" W. 45.74 feet; thence N. 0° 35' 10" 111.00 feet to the true point of beginning. Containing 0.802 acres. For reference see County Survey Nos. 16,782 and 17,119.

Parcel #852

Multnomah County, Oregon

Lloyd Center  
325 N.E. Weidler Street  
Portland, Oregon 97232

That certain tract or parcel of land consisting of approximately nineteen thousand (19,000) square feet, on which a free standing restaurant building has been constructed, which tract is the subject of a lease dated April 26, 1977 between Lloyd Corp., Ltd., landlord, and Engine House Corp., tenant, to which lease Lloyd General Properties Partnership II, Ltd., an Oregon limited partnership, has succeeded as landlord, and which was assigned to Pietro's Corp. as tenant by an Assignment of Lease dated July 20, 1981, which tract is located in the City of Portland, County of Multnomah, State of Oregon, described as follows:

Lots 3, 4, 5, and 6, Block 221, Holladay's Addition to East Portland, except the east ten feet along Northeast Ninth Avenue taken for street purposes.



Parcel #862

Wasco County, Oregon

4495

3320 West 6th  
The Dalles, Oregon 97058

That certain tract or parcel of land that is the subject of a Lease Agreement dated March 20, 1984 from Thomas E. Foley and Marjory C. Foley, as Lessor, and Pietro's Corp., as Lessor, and which is specifically described as follows:

A portion of Lot 11, Snipes Acres, City of The Dalles, Wasco County, Oregon, in Section 29, Township 2 North, Range 13 East, Willamette Meridian, more particularly described as follows:

Commencing at the most southwesterly corner of said Lot 11; thence North 22°55' West along the westerly line of said Lot 11 a distance of 233.79 feet to the true point of beginning of this description; thence continuing North 22°55' West along the westerly line of said lot 185.00 feet to the most southwesterly corner of that property described in Instrument No. 78-0764, Microfilm Records of Wasco County, Oregon; thence North 69°28'30" East along the southerly line of said tract 251.00 feet to the easterly line of that 25 foot strip conveyed to the State of Oregon by Thomas E. Foley and Marjory Foley described in Instrument No. 67-1601, Microfilm Records of Wasco County, Oregon; thence South 18°43'30" East along the westerly line of said State of Oregon tract 183.61 feet; thence South 63°38'10" West 90.41 feet; thence South 72°32'00 West 147.77 feet to the true point of beginning of this description.

Contains 1.06 acres, more or less

SUBJECT TO: Non-exclusive easement for ingress and egress to the adjacent property lying to the South of the above described tract, more particularly described as follows:

Beginning at the most southeasterly corner of the said above described tract; thence South 63°38'10" West 48.30 feet; thence North 32°28'10" East 63.41 feet to the easterly line of the said above described

Legal Description - Continued

parcel; thence South 18°43'30" East 32.08 feet to the true point of beginning of this description.

Commencing at the most southwesterly corner of said Lot 11, Snipes Acres; thence North 22°55' West along the westerly line of said lot 11 a distance of 233.79 feet to the true point of beginning of this easement; thence along the southerly line of the said above described tract North 72°32'00" East 147.77 feet; thence continuing along said southerly line North 63°38'10" East 90.41 feet to the most southeasterly corner thereof; thence South 32°28'10" West 48.33 feet; thence South 63°38'10" West 51.00 feet; thence South 72°32'00" West 91.17 feet; thence North 84°20'00" West 63.66 feet to the true point of beginning of this easement.

SUBJECT TO: All other easements and rights-of-way of record.

Bearings based on Oregon State Coordinate System, North Zone Grid.

Parcel #870

Washington County, Oregon

9375 S.W. Beaverton-Hillsdale Rd.  
Beaverton, Oregon 97005

That certain tract or parcel of land that is the subject of a Lease Agreement dated March 13, 1978 by and between Gerald V. Miller, as Lessor and Grizzly Bear, Inc., as Lessee, which Lease Agreement was validly assigned to Pietro's Corp., Grantor, by an Agreement dated November 16, 1982, which tract or parcel is specifically described as follows:

A tract of land situated in Section 14, Township 1 South, Range 1 West, Willamette Meridian, in the City of Beaverton, County of Washington and State of Oregon, more particularly described as follows, to wit:

Beginning at a point on the North line of S.W. Beaverton-Hillsdale Highway, which is 17.5 feet East of the Southeast corner of that tract described as Parcel I in deed to Frank Fink Co., recorded August 28, 1963, in Book 494, Page 272, Deed Records; thence North 0° 2' West, parallel with and 17.5 feet distant from, when measured at right angles to the East line and East line extended of said Frank Fink Co., tract, 325 feet, more or less, to a point on the South line of Lot 6, MAPLE DELL; thence North 89° 45' East along said South line, 100 feet, more or less, to the Initial Point of the Plat of MAPLE DELL, also being a point on the West line of Lot 31, CLUB MEADOW; thence South 4° 39' West 30 feet, more or less, to the Southwest corner of that tract of land described in Deed to Lloyd M. Bergseng, et ux, recorded September 9, 1948, in Book 288, Page 690, Deed Records; thence South 85° East to a point on the South line of said Bergseng Tract that is 122.5 feet distant from, when measured at right angles to the West line of the herein described tract; thence South 0° 2' East, parallel with and 122.5 feet distant from the West line of the herein described tract, 290 feet, more or less, to a point on the North line of S.W. Beaverton-Hillsdale Highway; thence West along said North line, 122.5 feet, more or less, to the Point of Beginning.

SUBJECT TO:

1. The rights of the public in and to that portion of the above property lying within the limits of roads and highways.
2. An easement created by instrument, including the terms and provisions thereof for roadway purposes over a 35 foot strip of land, the center line of which is the West line of the above-described tract, in favor of adjoining property owners, recorded December 10, 1970 in Book 800, Page 841, Deed Records.

Parcel #871

1411 N. Highway 99 West  
McMinnville, Oregon 97128

Yamhill County, Oregon

Those certain premises which are the subject of a Real Property Lease dated March 15, 1976 between W. R. Grace Land corp. as Lessor and R. L. Spillman as Lessee, to which Edwin C. Anderson, Jr., Olive P. McWain and Kathleen Gann, all as Trustees, have succeeded to the interest of Lessor, and which Real Property Lease was assigned to Pietro's Corp. as Lessee by an Assignment of Lease dated November 19, 1982, which premises consist of a free-standing restaurant building located on Building Pad "G", having an address of 1411 N. Highway 99 West, McMinnville, Oregon 97128, located on a parcel of land described as follows:

BEING a portion of a tract of land in Section 16, Township 4 South, Range 4 West of the Willamette Meridian in Yamhill County, State of Oregon, more particularly described as follows:

BEGINNING at the intersection of the East line of Parcel No. 1 described in a deed to the City of McMinnville, recorded April 13, 1973 in Film Volume 93, Page 2385, Deed and Mortgage Records with the North line of Pacific Highway No. 99 West, 100 feet wide, running thence North  $00^{\circ} 04' 20''$  West along the East line of said City Tract 544.02 feet to a point which is 515.00 feet measured at right angles from the northerly line of Pacific Highway No. 99 West, 100 feet wide; running thence North  $71^{\circ} 07' 50''$  East parallel to said Highway No. 99 West 474.13 feet to a point on a line which is 250.00 feet South measured at right angles from the South line of Parcel No. 2 in said City of McMinnville deed; running thence South  $89^{\circ} 26' 00''$  East parallel to and 250.00 feet South of the South line of said Parcel No. 2 - 339.95 feet to a line which is perpendicular to Highway No. 99 West and distant 970.00 feet measured from the point of beginning along the northerly lines of said Highway No. 99 West, 100 feet wide; running thence South  $18^{\circ} 52' 10''$  East perpendicular to said highway 401.89 feet to the northerly line of said Highway No. 99 West; running thence South  $71^{\circ} 07' 50''$  West along the northerly line of said Highway No. 99 West 970.00 feet to the point of Beginning.

Containing 436,284 square feet or 10.016 acres.

## EXHIBIT B

Equipment - All now owned or hereafter acquired goods located on the Property which are used or bought for use by Borrower in the business of Borrower, including but not limited to equipment, tools, machinery, furniture and fixtures, vehicles (exclusive of leased vehicles) and trade fixtures. "Equipment" shall include, but not be limited to, all freezers, compressors, coolers, slicers, grinders, preparation tables, dough rollers, stainless steel carts, ice machines, cheese slicers, bus carts, french fryers, grills, ovens, chicken fryers, microwave ovens, hot chocolate machines, cash registers, soup warmers, soup pots, dishwashers, electric boosters, office desks, safes, filing cabinets, salad bars, tables, chairs, fire extinguishers, sprinkler systems, adding machines, typewriters, chandeliers, music systems, washing machines, refrigerators, bathroom fixtures, vacuum cleaners, glasses, mugs, dryers, dishwasher hoods, computers, racks, shelving, love seats, makeup counters, printers, holding ovens, burglar alarms, tape players, telephones, draperies, skin racks, booster heaters, carpeting, flooring, tile, water heaters, conveyor ovens, fireplace screens, glass washers, heating and cooling systems, drink towers, beer dispensers, smallwares, silverware, mirrors, Roman shades, hanging plants, televisions, church pews, documentors, restroom partitions, coke towers, amusement rides, video equipment, ice bins, coffee makers, beer cooling systems, fans, water conditioning systems, video recorders, electrical systems, plumbing systems, heat pumps, sound systems, signs, indoor and outdoor lighting systems, electronic games, pizza pans, sundae bars, grease traps, septic systems, slush machines, hot water tanks, clothes washers, clothes dryers, readerboards, cheese graters, amplifiers, lister printers, toys, clocks, cookers, divider walls, pizza carts, door hardware, buffet warmers, gas meters, light fixtures, fireplaces, desert counters, Falcon kitchen printers, planters, pictures, wall locks, hangings, hose carts, brass fittings, office equipment, beer towers, cookers, deep dish equipment, energy savers, makeup air systems, rolling racks, time recorders, bun toasters, storm systems, wash stands, conveyors, fences, exhaust systems, dumpsters, window shades, cash drawers, exhaust hoods, duct work, salad coolers, calculators, trays, fire sprinkler systems,

mini blinds, booths, tool boxes, pasta shelves, display cabinets, vehicle detection systems, memory boards, benches, stack rings, divider walls, inventory scales, ice cream machines, dough sheeters, radios (CB, mobile, etc.), cheesemelters, slides, coat racks, sinks, piping, carpeting, hot water tanks, ice flakers, buffers, silk plants, firepoles, fire hydrants, fire trucks, hose reels, flooring, flylights, decorative fire equipment, pans, trays, dishes, time clocks, lockers, heat pumps, can dispensers, soda towers, carbinators, speakers, ladders, balloon blowers, cabinetry, wine towers, awnings, data couplers, pylons, neon signs, railings, butcher blocks, dispensers, hand dryers, cameras, dough kneaders, kettles, projectors, postage machines, drafting tables, dictaphones, transcribers, postal scales, check protectors, shredders, check perforators, video receivers, gutters, credenzas, adding machines, sofas, check signers, photocopiers, carpet cleaners, spice scales, video monitors, paint sprayers, scales, batteries, ramps, jacks, popcorn machines, and all parts, instruments, accessories, alterations, modifications, replacements, additions, tools, supplies, operating manuals and improvements intended to be used on or in connection with the foregoing. Without limiting the foregoing, Equipment shall include all "equipment" as defined in the UCC.

Inventory - Any and all present and future goods, merchandise and other personal property of Borrower located on the Property, which is or may at any time be held for sale or lease, furnished or to be furnished under any contract of service, held as raw materials, work in process, finished goods, supplies or materials used or consumed in Borrower's business, and the products of any such goods, merchandise and other personal property. Without limiting the foregoing, Inventory shall include all "inventory" as defined in the UCC.

4824C



4501

EXHIBIT C-1

FEE INTERESTS

4502

Store No.: 818  
Address: 13405 S.W. Pacific Highway  
Tigard, Oregon 97224  
County/State: Washington County, Oregon

Permitted Encumbrances

1. An easement created by instrument, including the terms and provisions thereof.

Dated : August 31, 1978  
Recorded : November 15, 1978  
In Favor Of : Adjacent property  
For : Ingress and egress  
Over : A 12 foot strip along the Northerly and Northwesterly boundaries.

Recorder's Fee No. 78050440

2. Joint Access Easement and Maintenance Agreement, including the terms and conditions contained in instrument,

Dated : July 29, 1987  
Recorded : January 22, 1988  
Between : Public Storage Institutional Fund  
And : Pietro's Corporation

Recorder's Fee No. 88-03147

4503

Store No.: 819  
Address: 311 S.W. 17th Avenue  
Hillsboro, Oregon 97123  
County/State: Washington County, Oregon

Permitted Encumbrances

Right, title and interest of the property owners adjacent to the South in and to ingress, egress and cross parking as disclosed by a drive through located on the South line of the property described herein as found by an inspection of the property on February 17, 1986.

\* \* \* \* \*

Store No.: 863  
Address: 19495 S.W. Tualatin Valley Hwy.  
Aloha, Oregon 97006  
County/State: Washington County, Oregon

Permitted Encumbrances

1. Regulations, including the power to acquire rights of ways and easements, and to levy assessments of the Unified Sewerage Agency. (No liens as of March 16, 1988.)
2. Regulations, including the power to acquire rights of ways and easements, of the Wolf Creek Highway Water District.
3. Limited access in deed to State of Oregon, by and through its Department of Transportation, Highway Department which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property.  
Recorded : May 16, 1955

The above access rights were changed by instrument,  
Recorded : January 20, 1986  
Book: 369 Page: 117  
Recorder's Fee No. 86003001

Permitted Encumbrances - Continued

4504

4. Covenants, easements and restrictions, but omitting restrictions if any, based on race, color, religion or national origin, imposed by instrument, including the terms thereof,  
Recorded : July 6, 1983  
Recorder's Fee No. 83023920

5. Ingress and egress easement agreement, including the terms and provisions thereof,  
Dated : July 19, 1983  
Recorded : October 31, 1983  
Recorder's Fee No. 83040191

6. Trust Deed, including the terms and provisions thereof,  
Amount : \$250,000.00  
Dated : August 16, 1984  
Recorded : August 20, 1984  
Trustor : Pietro's Corp., a Washington corporation  
Trustee : Ticor Title Insurance Company of California  
Beneficiary : J. Paul Doughty and Lilli I. Doughty, husband and wife  
Recorder's Fee No. 84032930

7. An easement created by instrument, including the terms and provisions thereof,  
Dated : December 18, 1984  
Recorded : March 12, 1985  
In Favor Of : Portland General Electric Company, an Oregon corporation  
For : Electric power lines  
Over : The Westerly 10 feet of the subject property  
Recorder's Fee No. 85008438

4505

Store No.: 821  
Address: 3540 West 11th  
Eugene, Oregon 97402  
County/State: Lane County, Oregon

Permitted Encumbrances

1. Covenants, Conditions and Restrictions, as contained in Deed recorded March 9, 1979, Reel 978, Reception No. 79 13956, as follows: "Grantees, for the use and benefit of grantees, its agents, employees, customers, licensees, subtenants, agents and assigns, shall have the non-exclusive right in common with grantor, and other present and future owners, tenants, their agents, employees, customers, licensees, and subtenants of surrounding paved areas, to use the present common paved parking areas for ingress and egress and automobile parking. Grantees covenant that they, nor their assigns, heirs, or agents, shall construct any barriers or do any other thing to restrict the free flow of traffic across the common areas of their property and adjoining property."
2. Permit and Easement to the City of Eugene, acting by and through the Eugene Water and Electric Board, recorded July 30, 1987, Reel 1469, Reception No. 87 32835, Lane County Oregon Records.

4506

Store No.: 823

Address: Vacant Tract

County/State: Deschutes County, Oregon

Permitted Encumbrances

1. The premises under search fall within the boundaries of Deschutes Reclamation and Irrigation District and are subject to rules, regulations, assessments and liens thereon.
2. Existing telephone, telegraph, power lines, roads, railroads, highways, ditches, canals and pipelines.

Store No.: 828  
Address: Vacant Tract

County/State: Klamath County, Oregon

Permitted Encumbrances

1. Rights of the public in and to any portion of the herein described premises lying within the boundaries of roads or highways.
2. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals, of Klamath Irrigation District.
3. Regulations, including levies, liens, assessments, rights of way and easements of the South Suburban Sanitary District, and as per Ordinance No. 29, recorded May 24, 1983 in Book M-83 at page 6062 and as per Ordinance NO. 30, recorded May 30, 1986 in Book M-86 at page 9346 and as per Ordinance No. 31, recorded January 6, 1988 in Book M-88 at page 207.
4. Slope Easement, including the terms and provisions thereof:  
 Dated : April 12, 1946  
 Recorded : May 6, 1946  
 Book : 186  
 Page : 362  
 In favor of : State of Oregon Highway Commission
5. Easement, including the terms and provisions thereof:  
 Dated : March 3, 1969  
 Recorded : April 28, 1969  
 Book : M-69  
 Page : 3099  
 Granted to : Gulf Oil Corporation, a Pennsylvania Corporation

Also including a mutual agreement for an easement for ingress and egress over the following described tract: Beginning at the above point "x"; thence South 29° 06' East parallel with the Westerly right of way line of U.S.R.S. Drain a distance of 55 feet; thence North to a point on the South line of South 6th Street, said point being Easterly 23½ feet from the true point of beginning; thence West 23½ feet to the true point of beginning.



4508

Store No.: 868  
Address: 2415 North 10th Street  
Baker, Oregon 97814  
County/State: Baker County, Oregon

Permitted Encumbrances

1. PROPOSED LIEN for Auburn Avenue/Pocahontas Road Hwy #66  
Street Assessment \$286.00. Work on this improvement has  
not started yet.

4509

Store No.: 874  
Address: 1381 S.W. Highway #97  
Madras, Oregon 97741  
County/State: Jefferson County, Oregon

Permitted Encumbrances

1. The property lies within the boundaries of Deschutes Valley Water District and is subject to any charges or assessments levied by said District, and pipeline easements in connection therewith.
2. Regulations of North Unit Irrigation District, within which the above property lies, including levies, assessments, water and irrigation rights and easements for ditches and canals.
3. The rights of the public in and to that portion of the above property lying within the limits of County Roads or Highways.
4. Existing power poles and lines.

4510

Store No.: 890  
Address: 10524 S.E. Stark Street  
Portland, Oregon 97216  
County/State: Multnomah County, Oregon

Permitted Encumbrances

1. Regulations, including levies, liens, assessments, rights of way and easements of the Mid-County Sewer Project. (No assessments or liens as of February 25, 1988).

2. An easement created by instrument, including the terms and provisions thereof, : July 6, 1971 Book: 799 Page: 1617  
Dated : July 13, 1971  
Recorded : Lands to the Southwest (as described therein)  
In Favor Of : Sign purposes  
For : The North 35 feet of the West 6 feet of the tract  
Over : herein

3. Covenants, easements and restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, imposed by instrument, including the terms thereof, Book: 799 Page: 1617  
Recorded : July 13, 1971  
As follows : "...Grantee, for itself, its successors and assigns, covenants that the property granted hereunder shall not be used for the conduct of the business of a pharmacy for a period of twenty years from the date hereof; and further agrees that said covenant and restriction on the use of the land is intended to run with the land and shall be binding on Grantee and all parties and persons claiming under it for the aforesaid period of twenty years, at which time said covenant and restriction shall automatically cease..."

(Said instrument was not dated, but was acknowledged on July 6, 1971 and recorded on July 13, 1971.)

Permitted Encumbrances - Continued

4511

4. An easement created by instrument, including the terms and provisions thereof,  
Dated : February 14, 1980  
Recorded : April 21, 1980 Book: 1435 Page: 418  
In Favor Of : Lands to the South  
For : Ingress and egress for vehicular traffic and pedestrian traffic  
Over : The South 15 feet of the tract herein, or the parking areas, driveways, access areas, entrances, exits and sidewalks "...of said area..."

5. Any effect, if any, of the Declaration of Easements and Restrictions, including the terms and provisions thereof, dated December 10, 1970 and recorded December 14, 1970 in Book 764, Page 116 through 121, (executed by Payless Properties Corporation).

The easement instrument recorded April 21, 1980 in Book 1435 at Page 418 (set out above) states (in part) "...This declaration shall be supplementary to and in addition to the Declaration of Easements and Restrictions...recorded December 14, 1970 in Book 764, Page 120..."; however, we find of record a Cancellation of Easements and Restrictions, recorded July 13, 1971, in Book 799, Page 1623, executed by Payless Properties Corporation and Herfy's Corporation, which states (in part) "... These (sic) Easements, Restrictions, Conditions, Covenants and Declarations, set forth in ..."Declaration of Easements and Restrictions"...recorded December 14, 1970 in Book 764, Page 116... are hereby cancelled in their entirety to the same intent and effect as if said document had never been executed and recorded..."

6. Right, title and interest of the owner and, or lessee of a sign reading Binyon Optical located in the Northeast corner of the property described herein as disclosed by an inspection on February 18, 1988.

Binyon Optical is located on property adjacent to the South.

Store No.: 816  
Address: 10524 S.E. Stark Street  
Portland, Oregon 97216  
County/State: Multnomah County, Oregon

4512

Permitted Encumbrances

1. An easement created by instrument, including the terms and provisions thereof,

Dated : February 26, 1973  
Recorded : April 3, 1973  
In Favor Of : Multnomah County  
For : Slope purposes  
Over : 15 feet on the Easterly side of S.E. 221st Street,  
now known as N.W. Eastman Parkway

Book: 918 Page: 852

2. Covenants, easements and restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, imposed by instrument, including the terms thereof,

Recorded : August 9, 1976  
As follows : "By acceptance of this conveyance, grantee covenants that for a period of 20 years from the date of this deed, neither grantee its successors nor assigns shall use the herein conveyed property for a restaurant or coffee shop specializing in the sale of chicken and/or steak for on or off premises consumption.

Book: 1120 Page: 186

It is the intention of the parties that the burden of this covenant shall run with the property conveyed by this deed and that the benefit of this covenant shall run with the Collins Property.

Alternatively, in the event the benefit of this covenant is determined by any court not to run with the Collins Property, it is the intention of the parties that the covenant and the rights to enforce the covenant shall be freely assignable by grantor to any person or entity holding fee simple or leasehold interest in the Collins Property.

In the event grantor or its successors are required to institute suit or action to enforce the covenants, they shall be entitled to recover from the grantee, its successors or assigns such sum as the court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action in addition to all other sums provided by law. Failure of grantor and its successors at any time to require performance of this covenant shall not constitute a waiver of their rights hereunder or prevent grantor or its successors from thereafter enforcing this covenant against any succeeding breach."

Permitted Encumbrances - Continued

3. An easement created by instrument, including the terms and provisions thereof,  
Dated : March 28, 1978  
Recorded : April 6, 1978 Book: 1253 Page: 1905  
In Favor Of : Property adjoining on the North  
For : Ingress, egress and parking  
Over : The West one-third and the North 20 feet of the property
4. An easement created by instrument, including the terms and provisions thereof,  
Dated : June 22, 1979  
Recorded : August 17, 1979 Book: 1375 Page: 1810  
In Favor Of : Portland General Electric Company  
For : Utility purposes  
Over : The Southeasterly portion of the tract herein
5. An easement created by instrument, including the terms and provisions thereof,  
Dated : October 5, 1981  
Recorded : October 13, 1981 Book: 1555 Page: 957  
In Favor Of : City of Gresham  
For : Public road sign purposes  
Over : A 10 foot by 10 foot area along the Easterly line of N.W. Eastman Parkway
6. City lien, in favor of the City of Gresham,  
Recorded : November 22, 1982 Book: 1629 Page: 1247  
Amount : \$14,675.58, plus interest at 10.87%  
Next payment of \$489.19, plus interest due April 1, 1988.  
For : The 221st/223rd (Fariss to 1st) street project
7. Right, title and interest of the property owners adjacent to the East in and to ingress, egress and cross parking as disclosed by a drive through and driveway located on and along the East line of the property described herein as found by an inspection of the property on February 18, 1988.
- A Sizzler's Restaurant is located on the property adjacent to the East.

EXHIBIT C-2

LEASEHOLD INTERESTS



4515

Store No.: 802  
Address: 10300 S.E. Main Street  
Milwaukie, Oregon 97222  
County/State: Clackamas County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

4516

Store No.: 873  
Address: 1933 Newmark  
North Bend, Oregon 97459  
County/State: Coos County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

Store No.: 876  
Address: 960 W. Third Street  
Prineville, Oregon 97754  
County/State: Crook County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

4518

Store No.: 875  
Address: 413 West Glacier  
Redmond, Oregon 97756  
County/State: Deschutes County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

4519

Store No.: 877  
Address: 1115 N.E. 3rd Street  
Bend, Oregon 97701  
County/State: Deschutes County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

4520

Store No.: 860  
Address: 107 Second Street  
Hood River, Oregon 97031  
County/State: Hood River County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

Store No.: 805  
Address: 535 Stevens Street  
Medford, Oregon 97501  
County/State: Jackson County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.



4522

Store No.: 857  
Address: 1011 Valley River Way  
Eugene, Oregon 97401  
County/State: Lane County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

4523

Store No.: 869  
Address: 1241 S.W. 4th Avenue  
Ontario, Oregon 97914  
County/State: Malheur County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

Store No.: 803  
Address: 1637 Hawthorne N.E.  
Salem, Oregon 97301  
County/State: Marion County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

4525

Store No.: 806  
Address: 12222 S.E. Stark Street  
Portland, Oregon  
County/State: Multnomah County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

Store No.: 862  
Address: 3320 West 6th  
The Dalles, Oregon 97058  
County/State: Wasco County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

4527

Store No.: 870  
Address: 9375 S.W. Beaverton-Hillsdale Rd.  
Beaverton, Oregon 97005  
County/State: Washington County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation is made as to encumbrances attaching through persons or entities other than through Grantor.

4528

Store No.: 871  
Address: 1444 N. Highway 99 West  
McMinnville, Oregon 97128  
County/State: Yamhill County, Oregon

Permitted Encumbrances

None attaching through Grantor. No warranty or representation  
is made as to encumbrances attaching through persons or  
entities other than through Grantor.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow, Inc. the 31st day  
of March A.D. 19 88 at 9:53 o'clock A M., and duly recorded in Vol. M88,  
of Mortgages on Page 4453.

FEE \$380.00

Evelyn Biehn, County Clerk  
By P. Am Smith