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At 3:59

AFTER RECORDING RETURN TO:

Vol. M88 Page. 4529

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--Subordinated 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"); TRANS-  
AMERICA 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  
hereunder, 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

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right, title and interest of Grantor in and to any avenues, 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, attached cabinets, partitions, rugs, carpets and draperies, 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 that property and shall be covered by and subject to the lien 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, 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

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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 appropriate) 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 Grantor. The others ("Leasehold Parcels") are leased by 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 of the state of Washington (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; SUBORDINATE STATUS

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

(i) Payment of the sum of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) 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 3/31/98, issued pursuant to a Financing and

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Security Agreement dated 3/30/88 between Grantor and Beneficiary (the "Financing and Security Agreement") and described therein as the "Subordinated 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 these obligations of Grantor which relate to the Subordinated Loan (Oregon). It does not secure the repayment of the Senior Loan Note (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 Senior Loan (Oregon), the Senior Loan (Washington) or the Subordinated Loan (Washington).

(c) This Deed of Trust is subject and subordinate to a deed of trust on the Property (the "Senior Deed of Trust") which has been executed and recorded concurrently herewith to secure repayment of the Senior Loan Note (Oregon).

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 the Senior Deed of Trust and those additional items, 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 obtained pursuant to 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 second lien on the Property, subject only to the Senior Deed of Trust.

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 or 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 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, 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 Section 479.409 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 the Senior Deed of Trust or any obligation secured thereby, and such default shall continue beyond the expiration of any applicable cure period;

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



(g) 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

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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

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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 facia 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 obligations secured hereby;

(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 sheriff's sale pursuant to judicial foreclosure) 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.

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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

STATE OF WASHINGTON )  
COUNTY OF KING ) ss.

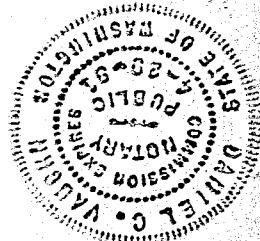
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THIS IS TO CERTIFY that on this 30<sup>th</sup> day of March, 1988,  
before me, the undersigned, a notary public in and for the state  
of Washington, duly commissioned and sworn, personally appeared  
Dean Bognar and  
Frank E. Slaughter, to me known 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. N.  
Notary public in and for the state of  
Washington, residing at Seattle

My appointment expires 4/29/91



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EXHIBIT A-1

FEE INTERESTS

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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  $69^{\circ}48'40''$  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 Northwestern boundary of the relocated West Side Pacific Highway (Oregon State Highway 99, West); thence North  $33^{\circ}15'17''$  East, along the Northwestern 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 Northwestern 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 Northwestern 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.

Store No.: 819

Address: 311 S.W. 17th Avenue

Hillsboro, Oregon 97123

County/State: Washington County, Oregon

1 4547

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°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

4548

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  $81^{\circ}37'$  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  $81^{\circ}37'$  East along said North line 203.8 feet to the point of beginning.



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.

4550

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.

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 K-69 at page 3099; thence South 29° 26' 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.