

47284

Vol. m92 Page 15008

When recorded return to:
The Travelers Life and Annuity Company
14001 North Dallas Parkway, Suite 800
Dallas, Texas 75240
Attn: Ms. Jan Damron

TLAC Loan No. (122) 700079
Edgemont Realty Partners, Ltd.
Store Number 1421

THE STATE OF OREGON

COUNTY OF CLATSOP

KNOW ALL MEN BY THESE PRESENTS:

MODIFICATION AND RATIFICATION AGREEMENT

This MODIFICATION AND RATIFICATION AGREEMENT (this "Agreement") is executed this 16 day of JANUARY, 1991, to be effective as of June 1, 1990 by and among EDMONT REALTY PARTNERS, LTD. ("Borrower"), a Texas limited partnership, and THE TRAVELERS LIFE AND ANNUITY COMPANY ("Travelers"), a Connecticut corporation, of 14001 North Dallas Parkway, Suite 800, Dallas, Texas 75240.

WHEREAS, pursuant to a loan agreement (the "Original Loan Agreement") dated October 24, 1985 by and between The Travelers Insurance Company ("TIC"), a Connecticut corporation, and Borrower, TIC made a loan to Borrower in the original principal sum of Thirty Million and No/100 Dollars (\$30,000,000.00), which loan (the "Loan") is evidenced by that certain First Mortgage Note (the "Note") dated October 24, 1985 in the original principal sum of Thirty Million and No/100 Dollars (\$30,000,000.00) executed by Borrower and payable to the order of TIC; and

WHEREAS, as of the date of the actual execution hereof, Borrower is comprised of Edgemont Equities, Inc., a Texas corporation as its sole general partner, and Armstrong Equities Associates, a Texas limited partnership as its sole limited partner; and

WHEREAS, the Note is secured in part by certain deeds of trusts and mortgages (the "Deeds of Trust") executed contemporaneously with the Note and Original Loan Agreement by Borrower for the benefit of TIC covering approximately one hundred thirty-two (132) properties in nineteen different states; and

WHEREAS, the Note is further secured, in part, by an Assignment of Leases and Rents executed to be effective October 24, 1985 and executed by Borrower for the benefit of TIC, as evidenced by approximately one hundred thirty-two Memoranda of Assignment of Leases and Rents executed contemporaneously with said Assignment of Leases and Rents, which Assignment of Leases and Rents was modified by that certain Modification of Assignment of Leases and Rents, executed to be effective as of October 24, 1985, by and between Borrower and Travelers (the Assignment of Leases and Rents and said Memoranda, as modified, are collectively referred to herein as the "Lease Assignments"); and

WHEREAS, said Lease Assignments cover, in part, five leaseback leases (collectively and as amended by the Lease Amendments described below, the "Leaseback Leases") which were executed as of April 25, 1985 by and between Borrower, as Landlord, and Circle K Convenience Stores, Inc., Circle K General, Inc., Monterre Properties, Inc., UTOTEM, INC., and UTOTEM Markets of Arizona, Inc., respectively (collectively, the "Circle K Affiliates" and individually a "Circle K Affiliate"); and

WHEREAS, certain of the Deeds of Trust and Lease Assignments cover certain real property (the "Real Property"), which real property is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference and which Real Property is also described in the Leaseback Leases as set forth on Exhibit "B" attached hereto and incorporated herein (both of which legal descriptions are intended to be and describe the same real property, notwithstanding any slight variations which may exist between the two descriptions); and

WHEREAS, the Real Property and all tangible and intangible personal property located thereon or associated therewith and which is covered by the Deeds of Trust and/or Lease Assignments is hereinafter referred to as the "Property"; and

WHEREAS, the Deeds of Trust and the Lease Assignments which cover the Property are more particularly described on Exhibit "C" attached hereto and incorporated herein by reference (which security documents and instruments as modified hereby or as modified by the Restated Lease Assignment, defined hereinbelow, are hereinafter collectively referred to as the "Property Documents"); and

WHEREAS, payment and performance of the Circle K Affiliates' obligations under the Leaseback Leases were guaranteed by the five Guaranty documents (the "Original Guaranties") executed by The Circle K Corporation for the benefit of Borrower, which Original Guaranties were amended by the five Restated and Amended Guaranty documents (the "Restated Guaranties") executed by The Circle K Corporation for the benefit of Borrower and dated to be effective June 1, 1990 (collectively, the Original Guaranties and the Restated Guaranties are referred to herein as the "Guaranties") (hereinafter the Circle K Affiliates and The Circle K Corporation are collectively referred to as "Circle K"); and

WHEREAS, as further security for the Note, the Guaranties were assigned to TIC by Borrower pursuant to that certain Assignment of Lease Guaranties executed by Borrower as of October 24, 1985 as amended by the Amended and Restated Assignment of Lease Guaranties executed by Borrower and dated to be effective June 1, 1990 (collectively, the "Guaranty Assignment"); and

WHEREAS, pursuant to that certain Assignment of Note, Lien and Assignment of Leases and Rents executed to be effective October 24, 1985, TIC transferred, assigned, granted and conveyed the Note, the Original Loan Agreement, the Deeds of Trust, the Lease Assignments, the Guaranty Assignment and all other documents or instruments evidencing or securing the Note to Travelers; and

WHEREAS, Circle K filed for protection under Chapter 11 of the United States Bankruptcy Code on May 15, 1990 in Cases No. 90-5052-PHX-GBN through 90-5075-PHX-GBN in United States Bankruptcy Court (the "Court") for the District of Arizona, Phoenix Division; and

WHEREAS, the Note and the Original Loan Agreement were amended and modified by a Modification Agreement (the "Modification Agreement") executed to be effective June 1, 1990 by and between Borrower and Travelers; and

WHEREAS, the Leaseback Leases were amended by the five Agreement and Amendment to Leaseback Lease documents (the "Lease Amendments") executed to be effective as of June 1, 1990 by and between Borrower and the applicable Circle K Affiliate, which Lease Amendments are subject to approval by the Court; and

WHEREAS, the Lease Assignments were amended and restated by the Amended and Restated Assignment of Leases and Rents (the "Restated Lease Assignment") executed to be effective June 1, 1990 by Borrower for the benefit of Travelers; and

WHEREAS, Borrower and Travelers now desire to modify certain terms of the Property Documents to affirm, and carry forward all liens on any Property securing payment of the Note and performance of the Property Documents and to set forth certain agreements between Borrower and Travelers as set forth herein.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and Travelers agree as follows:

1. Modification Agreement. The Modification Agreement includes, among other things, the following provisions:

(a) The amount evidenced by the Note and secured by the Deeds of Trust is being increased by an amount equal to the additional deferred and accrued interest contemplated by the Modification Agreement during the term of the modification, which amount is not expected to exceed \$763,325.24. Such increase is not a future or optional advance;

(b) certain properties may be closed and released from the Leaseback Leases and released as security for the Loan under certain conditions, as more particularly described in the Modification Agreement.

Certain minimum release prices have been established for the limited number of properties which may be released. All remaining properties will continue to secure the entire indebtedness owed by Borrower to Travelers:

- (c) the maturity of the Loan has been changed to May 31, 1999;
 - (d) the pay rate on the Note has been reduced and the difference between the reduced pay rate and the stated contract rate of interest will be accrued and deferred in a deferral account;
 - (e) interest will accrue on said deferral account;
 - (f) tax and insurance escrows may be required for certain properties under certain conditions as more particularly described in the Modification Agreement;
 - (g) the Borrower now has personal liability for certain items including rents received by Borrower after certain defaults and insurance and condemnation proceeds and security deposits if same are not used to pay certain costs and expenses; and
 - (h) certain other modifications are more particularly set forth in the Modification Agreement.
- This paragraph is intended to provide notice of the Modification Agreement only and is not intended in any way to limit, expand or affect the terms of the Modification Agreement.

2. Restated Lease Assignment. The Restated Lease Assignment provides an unconditional assignment of all Leases, Rents and Purchase Agreement Rights (as defined in said Restated Lease Assignment) to Travelers, subject to a limited license to Borrower to collect certain rents under certain conditions. Without limitation, Travelers has the right to collect said rents and to otherwise exercise its rights under the terms of said Restated Lease Assignment as more particularly provided therein. This paragraph is intended to provide notice of the Restated Lease Assignment only and is not intended in any way to limit, expand or affect the terms of the Restated Lease Assignment.

3. Property Documents. Travelers and Borrower agree that the Property Documents, and any other document which secures the Note and which covers any part of the Property described in the Property Documents, are each additionally modified and amended so that each additionally secures the payment and performance of the following obligations, indebtedness and liabilities (collectively, the "Secured Indebtedness");

(a) The Note, as modified by the Modification Agreement, which Note is payable and finally maturing on May 31, 1999, subject to the terms and conditions of the Note, with interest at the rates and payable as therein provided;

(b) All indebtedness incurred or arising pursuant to the provisions of the Original Loan Agreement as amended by the Modification Agreement; and

(c) All indebtedness incurred or arising pursuant to the provisions of any of the Property Documents or any other document given as security for the payment of the Note, including instruments given before, after or on the date hereof.

4. Document References Amended. Travelers and Borrower agree that all references to:

(a) any of the Property Documents, whether located in the particular Property Document, in another Property Document or elsewhere, are amended to refer to the applicable Property Document as hereby amended;

(b) the Note and the Original Loan Agreement in the Property Documents or in any other document which secures the Note and which covers or relates to any part of the Property, are hereby amended to refer to the Note and the Original Loan Agreement, respectively, as amended as described herein and in the Modification Agreement; and

(c) the Lease Assignments in the Property Documents or in any other document which secures the Note and covers or relates to any part of the Property, are hereby amended to refer to the Lease Assignments as amended by the Restated Lease Assignment.

5. Financing Statement. This Agreement constitutes a financing statement and a personalty filing in the personalty and Uniform Commercial Code records of the county and state where filed with respect to the Property and constitutes a realty filing and a fixture filing with respect to the Real Property. The addresses of the debtor and secured party are set forth below in paragraph 20.

6. Outstanding Principal Balance. The outstanding principal balance of the Loan as of June 1, 1990 (after receipt of all payments required prior to June 1, 1990 but excluding the June 1, 1990 payment) was \$30,000,000.00.

7. Intentionally Deleted.

8. Borrower's Acknowledgments. Borrower ratifies, affirms, reaffirms, acknowledges, confirms and agrees that this Agreement, the Note, the Original Loan Agreement, the Property Documents, and each and every other document and instrument which evidences or secures payment of the Secured Indebtedness represent the valid and enforceable obligations of Borrower as a party thereto, except as may be limited by the effect of bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principals now or hereafter in effect, that affect the enforcement of creditors' rights generally. Such obligations are and will be secured by the Property, and additionally secured by any other property expressly mortgaged or pledged by Borrower, now or in the future. Borrower agrees that except as specifically modified herein or in the Modification Agreement or the Restated Lease Assignment, all the terms and provisions of the Note, the Original Loan Agreement and the Property Documents and all other documents and instruments executed in connection with the Note are ratified and reaffirmed by Borrower. Borrower further acknowledges that there are no existing claims or defenses, personal or otherwise, or rights of setoff whatsoever with respect to any of the Secured Indebtedness. Borrower further acknowledges and represents that, except as previously disclosed in writing to Travelers, no event has occurred and to the knowledge of Borrower, except as previously disclosed in writing to Travelers, no condition exists which would constitute a default under the Note, the Original Loan Agreement, the Property Documents, this Agreement or any other documents securing the Secured Indebtedness, either with or without notice or lapse of time or both.

9. Ratification of Liens. Travelers and Borrower hereby agree that this Agreement shall not constitute a novation of the Note and Deeds of Trust and this Agreement modifies or where applicable evidences the modification of the Note, the Original Loan Agreement and the Property Documents, and in no way acts as a release or relinquishment of the liens, security interests and rights (collectively, the "Liens") securing payment of the Note and the other Secured Indebtedness or the priority of the Liens. The Liens are hereby renewed, ratified and confirmed by Borrower in all respects as valid and enforceable first liens on the Property. In addition, Travelers and Borrower agree that all of the rights, powers and equities of Travelers under the Property Documents continue in full force and effect, are fully incorporated herein and are ratified and confirmed by Borrower in all respects as valid and enforceable against the Property, except as may be limited by the effect of bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principals now or hereafter in effect, that affect the enforcement of creditors' rights generally.

10. Property Description. Borrower hereby ratifies, affirms, reaffirms, acknowledges, confirms and agrees that:

(a) the pledge of the Real Property and other real and personal properties and rights and interests in, affecting or appurtenant to the Real Property described in the Property Documents is subject to the encumbrances or interests which (i) were filed of record in the county in which the Property is located, on or before the date of the original filing of the Property Documents, and (ii) are valid, subsist and affect the Property; and

(b) the Real Property described on Exhibit "A" and Exhibit "B" is intended to be and is the same property, notwithstanding slight differences, if any, which may exist between the two descriptions.

11. Exercise of Remedies. In the event that part but not all of the Secured Indebtedness becomes due, whether pursuant to the Original Loan Agreement, the payment provisions of the Note or pursuant to the power in the Note to cause a part but not all of the Secured Indebtedness to become due upon the occurrence of a default thereunder or whether for any other reason, then to the extent permitted by applicable law, Borrower agrees that Travelers, at Travelers' election, may, without accelerating or bringing due the balance of the Secured Indebtedness, exercise any or all of its rights and remedies, including without limitation the remedy of foreclosure and the exercise of all rights under the Deeds of Trust and the Restated Lease Assignments in accordance with the terms thereof and in accordance with the terms of the Note, the Original Loan Agreement and the Property Documents. Any proceeds realized from the exercise of such remedy of foreclosure and other remedies with respect to the Property may be applied by Travelers to the Secured Indebtedness in the order chosen by Travelers. Borrower agrees that any such foreclosure or exercise of any such remedies against the Property shall not operate to reduce or discharge any other portion of the Secured Indebtedness or to limit or prevent any further or other exercise of any remedy of Travelers against any party or against any of the Property or other property serving as security for the Secured Indebtedness, and shall not exhaust any other rights, remedies or powers hereunder or under any of the Property Documents, the Original Loan Agreement or any other instruments or documents evidencing or securing the Secured Indebtedness. With respect to any foreclosure sale, including without limitation any Uniform Commercial Code sale, hereunder or under any other documents securing the indebtedness secured hereby, nothing contained herein shall be deemed to require any mortgagee or secured party or trustee to do, nor shall such mortgagee, secured party or trustee be required to do, any act or give any notice other than as required by applicable law in effect at the time of any such sale.

12. Texas Law. Travelers and Borrower agree that this Agreement, the Note, the Original Loan Agreement and the Property Documents and all other documents and instruments executed in connection with the Note shall be governed and construed according to the laws of the State of Texas from time to time in effect except as may be modified or preempted by the laws of the United States of America. Jurisdiction and venue of any litigation relating to this Agreement shall be vested in the state or federal courts located in Dallas County, Texas. Notwithstanding the foregoing, if the law of any state in which the Property is located governs the exercise of remedies as to the Property, the laws of said state shall apply to the extent, but only to the extent, that such laws are required for the enforcement of such remedies.

13. Subrogation. Travelers and Borrower agree that this Agreement and all of the Property Documents are in full force and effect so nothing herein contained shall be construed as modifying in any manner any of the Property Documents except as specifically modified hereby. To the extent the proceeds of the Note were utilized in whole or in part to renew or extend any indebtedness or to take up any existing lien against the Property or any portion thereof, Travelers is subrogated and shall continue to be subrogated to any and all liens, rights, remedies, powers, privileges, titles and security interests, however remote, owned or claimed by any owner or holder of any such liens or indebtedness, whether or not assigned to Travelers and whether or not released by the holder thereof upon payment, and said liens, rights, remedies, powers, privileges, titles and security interests are hereby renewed, extended and carried forward in full force and effect for the benefit of Travelers.

14. No Partnership. Nothing in this Agreement is intended, or shall in any way be construed, so as to create any form of partnership or agency relationship between Travelers and Borrower, the parties hereby expressly disclaiming any intention of any kind to create any such partnership or agency relationship between themselves. Accordingly, in no event shall Travelers be liable for any of the debts, obligations, or liabilities of Borrower and Travelers' only interest shall be Travelers' right to receive the interests and rights granted to Travelers and assigned under this Agreement, the Note, the Original Loan Agreement, the Property Documents and any other documents relating to the Secured Indebtedness or given as security for the Note, whether given before, after or the date hereof.

15. Successors. This Agreement shall be binding upon and inure to the benefit of each of Travelers and Borrower upon the execution hereof, and shall be binding upon and inure to the benefit of each of their respective legal representatives, trustees, administrators, receivers, successors and assigns.

16. Waiver. Borrower, except as otherwise specifically provided in the Modification Agreement, the Note, the Original Loan Agreement, this Agreement or the Property Documents, waives grace, demand, presentment and all

notices, including notices of default, notice of intent to accelerate, notice of acceleration, protest, and notice of protest, and agrees that waiver of any default will not constitute waiver of any prior or subsequent default.

17. Conflicts. In the event of any inconsistency between this Agreement and the terms of the Note, the Original Loan Agreement and the Property Documents or in any other instrument given as security for the payment of the Note, the terms of this Agreement shall control. In the event of any inconsistency between the terms of this Agreement and the terms of the Modification Agreement, the terms of the Modification Agreement shall control. Except as specifically modified hereby or by the Modification Agreement, all of the terms and provisions of the Property Documents shall remain in full force and effect.

18. Severability. If any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

19. Headings. All headings are provided for reference only and shall not be considered in the interpretation of this Agreement.

20. Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing and shall be deemed to have been given (i) when presented personally by the party giving such notice to the party receiving such notice; or (ii) when hand delivered to the indicated address of the party receiving such notice by a delivery service acting for the party giving such notice; or (iii) when delivered to the indicated address of the party receiving such notice by overnight, nationally recognized, courier service; or (iv) three days following deposit in a regularly maintained receptacle for the United States Postal Service, postage prepaid, registered or certified mail, return receipt requested; or (v) when actually received at the indicated address of the party receiving such notice by telecopy or electronic facsimile; or (vi) when actually received by the person indicated for each entity receiving such notice regardless of how delivered. All such notices shall be delivered to the following addresses, or at such other address as Travelers or Borrower may from time to time designate by written notice to the other as herein required:

TRAVELERS/SECURED PARTY:

The Travelers Life and Annuity Company
14001 North Dallas Parkway, Suite 800
Dallas, Texas 75240

Attention: Mr. George A. Gerhart,
Regional Director

For Telecopy: 214/419-3771

and with copy to

The Travelers Life and Annuity Company
14001 North Dallas Parkway, Suite 800
Dallas, Texas 75240

Attention: Investment Administration

For Telecopy: 214/419-3771

BORROWER/DEBTOR:

Edgemont Realty Partners Ltd.
2777 Stemmons Freeway, Suite 1733
Dallas, Texas 75207

Attention: Mr. Keith Kennedy

For Telecopy: 214/689-2399 or
214/951-0160

and with copy to

Akin, Gump, Hauer & Feld
4100 First City Center
1700 Pacific Avenue
Dallas, Texas 75201

Attention: Carl B. Lee, P.C.

For Telecopy: 214/969-4343

21. Final Agreement. This Agreement, the Note, the Original Loan Agreement, the Property Documents and all other written loan documents which evidence or secure the Loan (collectively, the "Loan Documents") constitute the entire agreement between the parties hereto regarding the Loan.

15014

THE WRITTEN LOAN DOCUMENTS, AS DEFINED ABOVE, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first above written.

TRAVELERS:

THE TRAVELERS LIFE AND ANNUITY COMPANY, a
Connecticut corporation

By: George A. Gubart
Name (print): George A. Gubart
Title: Regional Director

BORROWER:

EDGEMONT REALTY PARTNERS, LTD.,
a Texas limited partnership

By: Edgemont Equities, Inc.,
a Texas corporation,
General Partner

By: Keith W. Kennedy
Name (print): Keith W. Kennedy
Title: VICE PRESIDENT

15015

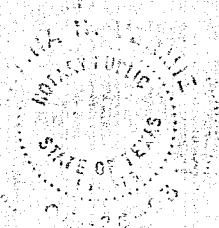
STATE OF TEXAS

COUNTY OF DALLAS

On this 16 day of JANUARY, 1992, before me appeared GEORGE A. GERHART to me personally known, who being duly sworn, did say that he, the said GEORGE A. GERHART is the REGIONAL DIRECTOR of The Travelers Life and Annuity Company, a Connecticut corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and GEORGE A. GERHART acknowledges said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

(SEAL)



Anthony N. Vasquez
Notary Public for DALLAS COUNTY, TEXAS

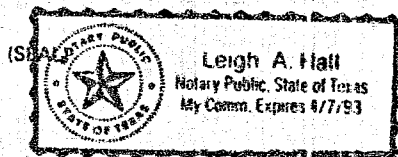
My Commission Expires: 4-26-93

STATE OF TEXAS

COUNTY OF DALLAS

On this 09 day of JANUARY, 1992, before me appeared Kerth W. Kerard to me personally known, who being duly sworn, did say that he, the said Kerth W. Kerard is the VIC President of Edgemont Equities, Inc., a Texas corporation, the within named partnership which is the general partner of Edgemont Realty Partners, Ltd., a Texas limited partnership the within named partnership, and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said partnership by said corporation by authority of said corporation's Board of Directors, and Kerth W. Kerard acknowledges said instrument to be the free act and deed of said corporation and said partnership.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Leigh A. Hall
Notary Public for DALLAS COUNTY, TEXAS

My Commission Expires: 4/7/93

15016

LIST OF EXHIBITS

Exhibit "A" - Property Description

Exhibit "B" - Property Description from Leaseback Lease

Exhibit "C" - Property Documents

15017

EXHIBIT "A"

DESCRIPTION OF PROPERTY

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

The N $\frac{1}{2}$ of the N $\frac{1}{2}$ of Tract No. 1, Glenger's Home Tracts, in the County of Klamath, State of Oregon, Together with any portion of the S $\frac{1}{2}$ of the N $\frac{1}{2}$ of said Tract No. 1 which lies Northerly from a straight line extending from the East line of said tract to the West line thereof and which line is located exactly four inches Northerly from the East and West ends of the Northerly line of the cement foundation of the aluminum shop building situated on the S $\frac{1}{2}$ of the N $\frac{1}{2}$ of Tract No. 1, of said Glenger's Home Tracts,

BUT LESS any portion of said N $\frac{1}{2}$ of N $\frac{1}{2}$ of said Tract No. 1, which lies South of the above described straight line lying four inches Northerly of the Northerly line of said cement foundation;

SAVING AND EXCEPTING THEREFROM that portion described in deed recorded June 16, 1964, Volume 353 at page 519, Deed Records of Klamath County, for State Highway.

EXHIBIT "B"

15018

The N $\frac{1}{4}$ of the N $\frac{1}{4}$ of Tracts No. 1, Glengens Home Tracts, in the County of Klamath, State of Oregon, together with any portion of the S $\frac{1}{4}$ of the N $\frac{1}{4}$ of said Tract No. 1 which lies Northerly from a straight line extending from the East line of said tract to the West line thereof and which line is located exactly four inches Northerly from the East and West ends of the Northerly line of the cement foundation of the aluminum shop building situated on the S $\frac{1}{4}$ of the N $\frac{1}{4}$ of Tract No. 1, of said Glengens Home Tracts, but less any portion of said N $\frac{1}{4}$ of N $\frac{1}{4}$ of said Tract No. 1, which lies South of the above described straight line lying four inches Northerly of the Northerly line of said cement foundation, SAVING AND EXCEPTING THEREFROM that portion described in Deed recorded June 16, 1964, Volume 383 at page 519, Deed Records of Klamath County for State Highway.

EXHIBIT "C"

15019

Trust Deed (the "Trust Deed") dated October 24, 1985 executed by Edgemont Realty Partners, Ltd. ("Edgemont"), a Texas limited partnership to The Travelers Insurance Company, a Connecticut corporation, recorded in Volume M85, Page 17573, Mortgage Records, Klamath County, Oregon, securing payment of the First Mortgage Note (the "Note") of even date therewith in the original principal sum of \$30,000,000.00 executed by Edgemont, bearing interest and payable to the order of The Travelers Insurance Company. Said Note is additionally secured by an Assignment of Leases and Rents (the "Assignment") dated October 24, 1985 executed by Edgemont to The Travelers Insurance Company as evidenced by the Memorandum of Assignment of Leases and Rents executed by Edgemont and recorded in Volume M85, Page 17578, Deed Records of Klamath County, Oregon. Said Trust Deed, Note and Assignment were assigned by The Travelers Insurance Company, as Assignor, to The Travelers Life and Annuity Company, a Connecticut corporation, as Assignee, as evidenced by the Assignment of Note, Lien and Assignment of Leases and Rents effective October 24, 1985 and recorded in Volume M86, Page 5196, Mortgage Records of Klamath County, Oregon.

TIC Loan No. (122) 700079

ORS 41.580 DISCLOSURE

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LENDER TO BE ENFORCEABLE.

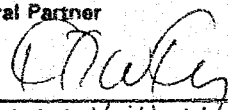
DATED as of the 9 day of January, 1992

I hereby acknowledge receipt of a copy of the ORS 41.580 Disclosure.

BORROWER:

EDGEMONT REALTY PARTNERS, LTD.,
a Texas limited partnership

By: Edgemont Equities, Inc.,
a Texas corporation,
General Partner

By: 
Name (print): Keith W. Kennedy
Title: VICE PRESIDENT

STATE OF OREGON,
County of Klamath ss.

Filed for record at request of:

Klamath County Title Co.
on this 9th day of July, A.D., 19 92
at 2:11 o'clock P. M. and duly recorded
in Vol. M92 of Mortgages Page 15008
Evelyn Biehn County Clerk

By: Debra M. Henderson

Deputy

Fee, \$65.00

