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1999 OCT 28 PM 3:07

K-54076

## WARRANTY DEED — STATUTORY FORM

Vol M99 Page

43127

Corporate Grantor

NO APPLES I - KLAMATH FALLS, L.L.C., a Washington limited liability company  
 a ~~corporation~~ duly organized and existing under the laws of the State of Washington, Grantor,  
 conveys and warrants to FERRIS KLAMATH FALLS INVESTMENT PROPERTY, LLC, an Oregon  
 limited liability company

Grantee, the following described real property free of encumbrances except as  
 specifically set forth herein situated in Klamath County, Oregon, to-wit:

Legal description is set forth in Exhibit "A" attached hereto and by this reference made  
 a part hereof.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

The property is free from all encumbrances except

Subject to those items of record as disclosed in Exhibit "B" attached hereto and by this  
 reference made a part hereof.

The true consideration for this conveyance is \$1,300,000.00. (Here comply with the requirements of ORS 93.030)  
 AND AS PART OF AN I.R.C. 1031 TAX-DEFERRED EXCHANGE

Done by order of the grantor's <sup>Manager(s)</sup> ~~board of directors~~ with its corporate seal, if any, affixed on October 25, 1999.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS  
 INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS.  
 BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE  
 TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY  
 PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY  
 LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN  
 ORS 30.930.

No Apples I - Klamath Falls, L.L.C.

By James P. Roga, Manager

By Michael J. Schuler Sr., Manager

Name and Title

STATE OF OREGON, County of ) ss.

This instrument was acknowledged before me on , 19 ,

by See attached

as notary public

of

Notary Public for Oregon

My commission expires

No Apples I - Klamath Falls, L.L.C.  
 2810 Eastlake Avenue East  
 Seattle, WA 98102

Grantor's Name and Address

Ferris Klamath Falls Investment  
 Property, LLC  
 54 Clinton Avenue  
 Rye, New York 10580

Grantee's Name and Address

After recording return to (Name, Address, Zip):  
 Ferris Klamath Falls Investment  
 Property, LLC  
 54 Clinton Avenue  
 Rye, New York 10580

Until requested otherwise send all tax statements to (Name, Address, Zip):  
 Ferris Klamath Falls Investment  
 Property, LLC  
 54 Clinton Avenue  
 Rye, New York 10580

STATE OF OREGON, } ss.  
 County of

I certify that the within instrument  
 was received for record on the day  
 of , 19 , at  
 o'clock M., and recorded in  
 book/reel/volume No. on page  
 and/or as fee/file/instru-  
 ment/microfilm/reception No.  
 Record of Deeds of said County.

Witness my hand and seal of  
 County affixed.

NAME

TITLE

By , Deputy

SPACE RESERVED  
 FOR  
 RECORDER'S USE

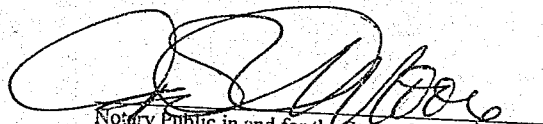
STATE OF WASHINGTON:

SS

COUNTY OF KING:

On this 25<sup>th</sup> day of October, 1999, I certify that I have satisfactory evidence that James B. Rose and Michael J. Schreck, Sr. are the persons who appeared before me, and said persons acknowledged that they signed this instrument on oath and stated that they were authorized to execute this instrument and acknowledge it as the managers of No Apples I - Klamath Falls, L.L.C., a Washington limited liability company to be the fee and voluntary act of such parties for the uses and purposes mentioned in the instrument.



  
Notary Public in and for the State of Washington  
Teri R. Moore  
Print or stamp name of Notary  
Residing at Bothell  
My commission expires: 10/12/03

**EXHIBIT "A"**

A parcel of land situated in the SE ¼ NE ¼ of Section 9, Township 39 South, Range 9 East of the Willamette Meridian, being Lots 16 and 17 of TRACT 1276, a Re-Subdivision of a portion of Lot 3, Block 1 of "Tract 1080-Washburn Park", according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the Westerly right of way of Washburn Way, said point being the Northeast corner of said Lot 16; thence South 00°02'00" East 202.00 feet; thence South 89°58'00" West 209.00 feet; thence North 00°02' 00" West 202.00 feet; thence North 89°58'00" East 209.00 feet to the point of beginning.

TOGETHER WITH the easements, restrictions and covenants contained in that certain declaration of cross easements and restrictive covenants recorded in Volume M97, page 7211, records of Klamath County, Oregon (the "records"), and that certain easements with covenants and restrictions affecting land recorded in Volume M91, page 12081, of the records as amended by that certain amendment no. 1 to easements with covenants and restrictions affecting land recorded in Volume M97, page 28746 of the records.

## EXHIBIT "B"

Restrictions shown on the recorded plat and contained in the dedication of Tract 1276, as follows: "...said plat subject to: Building set-back lines are presented in present applicable ordinances: All existing easements and/or as shown on the annexed plat: Additional restrictions as provided for in any recorded protective covenants, and a 25 foot wide building set back provisions, as delineated on the recorded plat of Tract 1276, a resubdivision of a portion of Lot 3, Block 1 of "Tract 1080 - Washburn Park" filed January 31, 1997 in the office of the County Clerk of Klamath County, Oregon, and as shown on the survey prepared by Adkins Consulting Engineers, Inc., dated November 19, 1998.

Easements created by instruments, including the terms and provisions thereof;

Recorded : March 18, 1980 in Volume M80 on pages 5069 and 5070, Deed records of Klamath County, Oregon  
 Favor of : C P National Corporation  
 For : Utilities

Said easements were assigned to WP Natural Gas by document recorded in Volume M91, page 20783, Deed records of Klamath County, Oregon and as shown on the survey prepared by Adkins Consulting Engineers, Inc., dated November 19, 1998.

Easements with Covenants and Restrictions thereof;

Given by : Wal-Mart Stores, Inc.,  
 To : Washburn Enterprises, Inc.,  
 Recorded June 25, 1991 in Volume M91 on page 12081, Deed records of Klamath County, Oregon  
 As modified or amended by instrument  
 Recorded : September 2, 1997 in Volume M97, page 28746, Deed records of Klamath County, Oregon

Reservations and Restrictions, including the terms and provisions thereof, but deleting restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin, imposed by Warranty Deed  
 Executed by : Oz Investment, L.L.C., an Oregon Limited Liability Company  
 To : No Apples I - Klamath, L.L.C., a Washington limited liability company  
 Recorded : March 10, 1997 in Volume M97, page 6969, Deed records of Klamath County, Oregon

An easement created by Declaration of Cross Easements and Restrictive Covenants, including the terms and provisions thereof;

Recorded : March 12, 1997 in Volume M97, page 7211, Deed records of Klamath County, Oregon  
 Between : Oz Investment, L.L.C. and No Apples I  
 For : 10' wide storm sewer easement along the westerly 10 feet of lots 16 and 17  
 Pylon sign and public utility easement on lots 16 and 17  
 and cross easements on other property

and as shown on the survey prepared by Adkins Consulting Engineers, Inc., dated November 19, 1998.

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

Recorded : October 3, 1997 in Volume M97, page 32646, Deed records of Klamath County, Oregon  
 Favor of : PacifiCorp, an Oregon corporation  
 For : 10' wide easements for underground distribution line  
 and as shown on the survey prepared by Adkins Consulting Engineers, Inc., dated November 19, 1998.

Deed of Trust and Security Agreement, including the terms and provisions thereof, given to secure an indebtedness of \$952,000.00

Dated : December 11, 1998  
 Recorded : December 11, 1998 in Volume M98 page 45316, Mortgage records of Klamath County, Oregon  
 Grantor : No Apples I - Klamath Falls, L.L.C.  
 Trustee : First American Title Insurance Company of Oregon  
 Beneficiary : KeyBank National Association

An assignment of all leases, rents, royalties, issues and profits accruing from said land, as additional security for the payment of indebtedness secured by the above referenced Trust Deed

Recorded : December 11, 1998 in Volume M98 page 45367, Mortgage records of Klamath County, Oregon  
 Executed by : No Apples I - Klamath Falls, L.L.C., a limited liability company organized under the laws of Washington  
 To : KeyBank National Association

Lease, including the terms and provisions thereof, in which a memorandum was

Dated : March 7, 1997  
 Recorded : March 24, 1997 in Volume M97 page 12527, Deed records of Klamath County, Oregon  
 Lessor : No Apples I - Klamath Falls, L.L.C.  
 Lessee : United Merchandising Corp.

As affected by Non-disturbance, Attornment and Subordination Agreement, between Big 5 Corp., a Delaware Corporation and United Merchandising Corp., recorded December 11, 1998 in Volume M98 page 45385, Mortgage records of Klamath County, Oregon

Financing Statement, indicating a Security Agreement,

Recorded : December 11, 1998 in Volume M98 page 45379, Mortgage records of Klamath County, Oregon  
 Debtor : No Apples I - Klamath Falls, L.L.C.  
 Secured Party : KeyBank National Association

State of Oregon, County of Klamath  
 Recorded 10/28/99, at 3:07 p. m.  
 In Vol. M99 Page 43127  
 Linda Smith,  
 County Clerk Fee \$ 45<sup>00</sup>