

**RECORDING COVER SHEET**

2000 MAR 7 PM 1:49

**FOR CONVEYANCES, PER ORS 205.234**Vol M00 Page 7295

THIS COVER SHEET HAS BEEN PREPARED BY THE PERSON  
PRESENTING THE ATTACHED INSTRUMENT FOR RECORDING.  
ANY ERRORS IN THIS COVER SHEET DO NOT AFFECT THE  
TRANSACTION(S) CONTAINED IN THE INSTRUMENT ITSELF.

This Space For County Recording Use Only  
as of 1-1-97

**AFTER RECORDING RETURN TO**

name and address of the person authorized to receive the  
instrument after recording, as required by ORS 205.180(4)  
and ORS 205.238.

THRIFTY PAYLESS, INC  
Box 3165  
HARRISBURG, PA 17105  
ATTN: CORPORATE SECRETARY

K-55110**1. NAME(S) OF THE TRANSACTION(S), described in the attached instrument and required by ORS 205.234(a).**

Note: Transaction as defined by ORS 205.010 "means any action required or permitted by law to be recorded including, but not limited to, any transfer, encumbrance or release affecting title to or an interest in real property."

ASSIGNMENT OF LEASES AND  
ASSUMPTION AGREEMENT.

**2. GRANTOR, as described in ORS 205.160.**

THRIFTY PAYLESS, INC

**3. GRANTEE, as described in ORS 205.160.**

SAFEWAY, INC.

**4. TRUE AND ACTUAL CONSIDERATION PAID for instruments conveying or contracting to convey fee title to any real estate and all memoranda of such instruments, reference ORS 93.030.****5. UNTIL A CHANGE IS REQUESTED, ALL TAX STATEMENTS SHALL BE SENT TO THE FOLLOWING ADDRESS for instruments conveying or contracting to convey fee title to any real estate, reference ORS 93.260.**

After recording, return to:

Thrifty Pay less, Inc.  
Box 3165  
Harrisburg, PA 17105  
Attn: Corporate Secretary

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R-55710

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is made this 31st day of January, 2000, by and between THRIFTY PAY LESS, INC., a California corporation ("Assignor") and SAFEWAY, INC., a Delaware corporation ("Assignee").

RECITALS:

A. WHEREAS, Assignor is currently the holder of the interest of tenant ("Lessee") pursuant to that certain Lease entered into between JEFFERSON SQUARE OF KLAMATH, LLC an Oregon limited liability company, as successor to Frederick D. Ehlers and Helen Ann Ehlers, as the original lessor (the "Lessor") and THRIFTY PAY LESS, INC., as successor by merger to Pay Less Drug Stores Northwest, Inc., as the original lessee, on the 28th day of June, 1979 (the "Lease"), leasing certain premises located at 2521 South 6th Street, Klamath Falls, Oregon 97603, which premises are more particularly described on Exhibit A attached hereto and by this reference incorporated herein ("Premises"); and

B. WHEREAS, Assignor desires to assign its interest in the Lease and Premises (collectively the "Leasehold Interest") to Assignee and Assignee desires to acquire Assignor's Leasehold Interest upon the terms and conditions set forth in this Assignment and in that certain Purchase and Sale Agreement entered into between the parties and dated January 31, 2000 (the "Agreement").

NOW, THEREFORE, in consideration of mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AST

1. Assignment. Effective as of March 7<sup>th</sup>, 2000 ("Effective Date"), Assignor hereby unconditionally assigns, transfers and sets over unto Assignee all of Assignor's right, title and interest in and to the Lease covering the Premises. Time is of the essence with respect to the Effective Date and other matters herein concerning which time is a factor.

2. Assumption. Assignee hereby accepts the foregoing assignment and transfer and assumes, as its own obligations, all duties and obligations of Assignor as lessee under the Lease and arising and occurring from and after the Effective Date and agrees to perform, in accordance with the terms and provisions of the Lease all of such duties and obligations.

3. Indemnity.

(a) Assignor shall indemnify, defend and hold Assignee harmless for all costs, expenses and damages, including all related and resulting expenses (including but not limited to reasonable attorneys' fees), resulting from: (i) any failure of Assignor to fulfill its obligations under the Lease arising or accruing prior to the Effective Date; and (ii) any and all third-party claims for injury, liabilities or other obligations with respect to any activities, actions or incidents which occurred or arose in Premises prior to the Effective Date, except to the extent caused by Assignee, its agents, employees or contractors.

(b) Assignee shall indemnify, defend and hold Assignor harmless for all costs, expenses and damages, including all related and resulting expenses (including but not limited to reasonable attorneys' fees), resulting from: (i) any failure of Assignee to fulfill its obligations under the Lease arising or accruing on or after the Effective Date; and (ii) any and all third-party claims for injury, liabilities or other obligations with respect to any activities, actions or incidents which occur or arise in Premises on or after the Effective Date.

4. Miscellaneous Provisions.

(a) Governing Law. This Assignment shall be governed by the laws of the State of Oregon.

(b) Notice. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party or any person shall be in served or delivered in the manner provided in the Agreement.

(c) Successors. This Assignment shall be binding on and inure to the benefit of the parties and their successors and assigns.

(d) Counterparts. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

(e) Severability. If any term or provision of this Assignment or the application of it to any person or a circumstance in any event be invalid or unenforceable, the remainder of this Assignment or the application of such term or provision to persons or circumstances shall not be affected thereby, other than those as to which it is invalid or unenforceable.

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Assignment as of the date first set forth above.

**ASSIGNOR:**

THRIFTY PAY LESS, INC.,  
a California corporation

By: 

Robert B. Sari  
Authorized Representative

**ASSIGNEE:**

SAFEWAY, INC.,  
a Delaware corporation

By: 

Its: Assistant Vice President

By: 

Its: Assistant Secretary

[Signatures must be acknowledged.]

## ACKNOWLEDGMENT

STATE OF CALIFORNIA    )  
                                  )    ss.  
COUNTY OF ALAMEDA    )

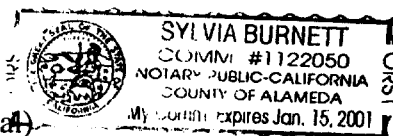
On February 23, 2000, before me, Sylvia Burnett, Notary Public, personally appeared Jerome P. Harrison and Denise M. Roman personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signatures on the instrument, the persons or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Signature

*Sylvia Burnett*

(Seal)



(See Attached)

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

7299

On \_\_\_\_\_, 2000, before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_,  
personally known to me or proved to me on the basis of satisfactory evidence to be  
the person(s) whose name(s) is/are subscribed to the within instrument and  
acknowledged to me that he/she/they executed the same in his/her/their authorized  
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or  
the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On February 1, 2000, before me, Iris Garrett, Notary Public, personally  
appeared Robert B. Sari., personally known to me to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the  
same in his authorized capacity, and that by his signature on the instrument the  
person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Iris Garrett



**EXHIBIT A**

**(To be attached hereto)**

## EXHIBIT "A"

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

## PARCEL 1:

A parcel of land lying in the Northwest quarter of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Starting at the Northwest corner of said Section 3; thence South 00°00'30" East along the Westerly boundary of said Section 3 and the centerline of Washburn Way 917.42 feet to the intersection with the present centerline of South Sixth Street, formerly know as The Dalles-California Highway, recorded bearing South 55°52'30" East, at Engineer's Station 9+17.42 on Washburn Way and Engineer's Station 16+14.87 on South Sixth Street; thence continuing South 00°00'30" East along said West line of Section 3 and the centerline of Washburn Way 48.32 feet to a point on the South boundary of South Sixth Street which is distant 40 feet at right angles from the centerline of South Sixth Street at Engineer's Station 16+41.99; thence South 55°52'30" East parallel to said centerline 463.02 feet to the true point of beginning of this description; thence from said true point of beginning continuing South 55°52'30" East 794.98 feet; thence at right angles South 34°07'30" West 204.00 feet; thence South 55°52'30" East parallel to South Sixth Street 145.00 feet; thence at right angles South 34°07'30" West 183.80 feet to the Northerly right of way line of Oregon, California and Eastern Railroad; thence North 66°57'30" West along said line 982.11 feet to a point on the Easterly right of way line of Washburn Way which is 40.00 feet Easterly of the centerline of said Washburn Way; thence North 00°00'30" West along said right of way line 503.30 feet; thence South 55°52'30" East 306.22 feet; thence North 34°07'30" East 160.00 feet to the true point of beginning.

## PARCEL 2:

Easement as disclosed in Reciprocal Easement and Maintenance Agreement, recorded December 8, 1995, in Volume M95 page 33582, Deed Records of Klamath County, Oregon.

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State of Oregon, County of Klamath  
Recorded 3/07/00, at 1:49 p. m.  
In Vol. M00 Page 7295  
**Linda Smith,**  
County Clerk Fee\$ 56<sup>00</sup>