

Record & Return to:

Safeway Inc.
Real Estate Law Division
5918 Stoneridge Mall Road
Pleasanton, CA 94588-3229
Attention: Jerome P. Harrison

Abbreviated Legal:
Assessor's Parcel #:

X-55110

**SHOPPING CENTER LEASE
(Short Form)**

This Shopping Center Lease (Short Form) is made as of February 16, 2000, by and between **JEFFERSON SQUARE OF KLAMATH LLC.**, a Oregon limited liability company, as Landlord, and **SAFEWAY INC.**, a Delaware corporation, as Tenant.

1. Landlord hereby leases to Tenant a portion of the following-described real property situated in the City of Klamath Falls, County of Klamath, State of Oregon:

(See **Exhibit A** attached hereto and made a part hereof.)

Together with the building or portion of building on the leased premises, and together with certain rights to use portions of the above-described property in addition to that portion comprising the leased premises.

TO HAVE AND TO HOLD the Leased Premises, with all appurtenances, for an original term ("Original Term") commencing on March 1, 2000 (the "Original Term Commencement Date") and terminating on February 28, 2025 (the "Original Term Expiration Date") as provided for in the lease executed by the parties hereto and referred to in Section 2 hereof, with options in Tenant to extend said term as provided in the lease.

2. The rentals to be paid by Tenant and all of the obligations and rights of Landlord and Tenant in respect to the above-described property are set forth in that certain Shopping Center Lease, dated February 16, 2000, executed by the parties hereto, covering the above-described property of which the leased premises are a part.

3. Landlord and Tenant set forth excerpts of provisions found in the Shopping Center Lease:

Section 4.1.2 "Landlord and Tenant agree that all Buildings (defined below) in the Shopping Center (i) shall be one story only (but may include mezzanines), (ii) shall not exceed (1) twenty (20) feet in height for any free-standing pad building, (2) thirty (30) feet in height for any in-line building designed for small tenant shops and (3) forty-five (45) feet in height for the Leased Premises and any building in excess of 35,000 square feet to be occupied by a single tenant, the locations of all of which buildings are shown on Exhibit A, and (iii) ... shall be constructed only within the Building Areas. ..."

Section 4.1.3 "Landlord may redevelop the remainder of the Shopping Center, provided that (a) the buildings are within the building envelopes shown on [the site plan], (b) the total building area of the buildings in each envelope does not exceed the maximum area indicated on the envelope, and (c) there will be at least 573 parking spaces in the Shopping Center. Landlord will not alter the Common Area without Tenant's consent."

Section 5.1.1 "... Tenant shall have the right to the space previously occupied by Rite-Aid on all monument signage and the pylon sign for the Shopping Center. If Landlord replaces the existing pylon sign, Landlord may place a shopping center identification at the top of the pylon and Tenant is entitled to the first and largest position below the shopping center identification. No more than three tenant signs are permitted on the pylon sign. No tenant sign may appear on the pylon unless the tenant occupies at least 20,000 square feet."

Section 6.1.2 "The Common Area is for the joint and exclusive use of all tenants in the Shopping Center, their customers, invitees, and employees. Landlord grants to Tenant and its customers, invitees, and employees the right to use of all of the Common Area on Landlord's Premises. Tenant grants to Landlord's other tenants and their customers, invitees, and employees the right to use of all of the Common Area on the Leased Premises. Except as otherwise provided in this Lease, the Common Area improvements may be used only for the purpose for which they were designed ("Primary Uses"). By way of example, but not limitation, parking areas may be used only for the parking of motor vehicles, drive aisles may be used only for access and traffic circulation, service areas may be used only for servicing and supplying tenants' businesses, sidewalks may be used only for pedestrian access and landscaped areas, and trash dumpster areas and basket collection areas may be used only for such purposes. All uses permitted within the Common Area must be used with reason and judgment so as not to interfere with the Primary Uses. Persons using the Common Area in accordance with this Lease must not be charged any fee for such use without the written consent of Landlord and Tenant unless such fee is ordered by an appropriate governmental authority. ..."

Section 6.2.1 "Tenant may use that portion of the Common Area consisting of the sidewalks and pedestrian walkways immediately adjacent to the front of Tenant's Building to display and sell merchandise, maintain vending machines, and store baskarts. Other tenants occupying 20,000 square feet or more in the Shopping Center may use that portion of the Common Area consisting of the sidewalks and pedestrian walkways immediately adjacent to the front of their buildings to display and sell merchandise, maintain vending machines, and store baskarts. Tenant shall not allow such uses unreasonably to interfere with pedestrian traffic. In addition, Tenant may utilize the area cross-hatched on Exhibit A and designated "Outside Merchandising Area" (if any) for the display and sale of seasonal merchandise. When Tenant is using the Outside Merchandising Area, Tenant shall keep the Outside Merchandising Area in a neat and orderly condition."

Section 6.3.1 "The sizes and arrangements of the Building Area and Common Area (including access, parking areas and traffic circulation and flow patterns) as shown on Exhibit A shall not be changed without Tenant's and Landlord's written consent. If said sizes or arrangements of the Building Area or Common Area are changed without Tenant's written consent, Tenant may [obtain, among other remedies] specific enforcement of the terms of this Section by injunctive relief."

Section 14.2.1 "To safeguard Landlord's and Tenant's interest in a clean, quiet environment, free of obnoxious odors, and to ensure adequate parking for customers, Landlord and Tenant covenant and agree that (i) each shall permit only the sale of retail goods and provision of retail services within the Shopping Center, except for industrial, manufacturing, warehouse or office uses that are incidental to the provision of retail goods and services; (ii) each shall not permit any use which creates a nuisance, materially increases noise, noxious emissions or dust, or endangers health and safety of persons at the Shopping Center; (iii) each shall not permit car washes, gas stations or dry cleaners with an on-premises plant; (iv) each shall not permit any second hand, thrift stores or mortuaries; (v) each shall not permit any use involving a Hazardous Substance, except as may be customary in neighborhood shopping centers, similar in size and tenant mix to the Shopping Center; (vi) each shall not permit the displaying, repairing, renting, leasing or sale of any motor vehicle, boat or trailer; (vii) each shall not permit any business with drive-up or drive-through lanes; (viii) each shall not permit the operation of any training or educational facility within three hundred feet (300') of any wall defining the limit of the Leased Premises, (ix) Landlord shall not permit the operation of any restaurant (including any take-out, fast-food, cafeteria or full service sit-down restaurant) within 250 feet measured from the main customer entrance, and (x) each shall not permit the use or operation of any portion of the Shopping Center for the purpose of any entertainment or recreational facility. As used herein "training or educational facility" includes, without limitation, a beauty school, barber college, place of instruction, or any other operation catering

primarily to students or trainees rather than to customers, but excludes employee training by Shopping Center tenants incidental to the conduct of their businesses within the Shopping Center. As used herein, "entertainment or recreational facility" includes, without limitation, a theater, carnival, bowling alley, skating rink, amusement center, electronic or mechanical games arcade (except as an incidental use to a retail business), child care facility, pool or billiard hall, betting parlor, bingo parlor, health or aerobic spa or studio, martial arts studio, gymnasium, massage parlor, pornographic shop, adult book store, nightclub, dance hall, tavern, cocktail lounge, any facility serving alcoholic beverages, excepting only from this prohibition a full service restaurant serving alcoholic beverages as an incidental part of its food service operation (which restaurant nevertheless shall be subject to the restriction contained in item (ix) of this Section) or other place of public or private amusement. ..."

Section 15.2.1 "... Landlord covenants that, except as provided hereinafter in this Section 15.2, (i) Tenant shall have the sole and exclusive right in the Shopping Center to sell food for off-premises consumption, alcoholic beverages for off-premises consumption, pet foods, and prescription pharmacy merchandise and (ii) no store other than Tenant's store shall sell, or be permitted by Landlord to sell, food for off-premises consumption, alcoholic beverages for off-premises consumption, pet foods, and/or prescription pharmacy merchandise. Notwithstanding the preceding sentence, the provisions of this Section 15.2 shall not be deemed to prohibit a restaurant (fast food or sit-down) from selling alcoholic beverages and/or food prepared on premises for off-premises consumption. In addition to the provisions of Section 15.3, Tenant shall have the right to enforce its rights under the provisions of this Section 15.2 against the owner, tenant, or occupant of any other store in the Shopping Center if the store violates Tenant's exclusive right under this Section 15.2 or the store violates the restriction set forth in this Section 15.2 against the sale of food for off-premises consumption, alcoholic beverages for off-premises consumption, pet food, or prescription pharmacy merchandise."

Section 17.1.1 "Landlord agrees that (i) Tenant, its subtenants or assignees shall not be obligated to operate any particular type of business in the Leased Premises and shall have the right to discontinue whatever type of business (grocery or otherwise) which may exist from time to time in the Leased Premises, and (ii) Tenant makes no express or implied covenant (a) to continuously operate a grocery store or any other business in the Leased Premises, (b) to operate during any particular hours, or (c) to conduct its business in any particular manner. Tenant has the sole right in its unrestricted discretion to decide whether or not to operate in the Leased Premises and in what manner to conduct operations, if any."

4. This instrument is a memorandum of the Shopping Center Lease and is subject to all of the terms and conditions of the Shopping Center Lease. In the event of any inconsistency between

the terms of this instrument and the Shopping Center Lease, the terms of the Shopping Center Lease shall prevail as between the parties hereto.

IN WITNESS WHEREOF Landlord and Tenant have executed this Shopping Center Lease.

TENANT:**SAFEWAY INC.**

(a Delaware corporation)

by [Signature]
Its Assistant Vice President

by [Signature]
Its Assistant Secretary

Date: February 17, 2000

LANDLORD:**JEFFERSON SQUARE OF KLAMATH LLC.,**(a Oregon limited liability company)

Walter Seput
By: Blaine C. Janin
Blaine C. Janin
as attorney in fact for Walter Seput,
Its Managing Member

Date: February 23, 2000

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF ALAMEDA) ss.

On February 25, 2000, before me, Sylvia Burnett, Notary Public, personally appeared Jerome P. Harrison and Steven J. Gouig 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

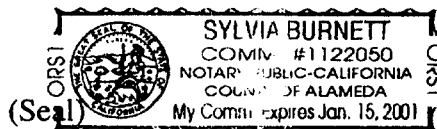


EXHIBIT "A"

DESCRIPTION OF PROPERTY

PARCEL ONE

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

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 $00^{\circ}00'30''$ East along the Westerly boundary of Section 3 and the centerline of Washburn Way, 917.42 feet to the intersection with the present centerline of Sixth Street, formerly known as The Dalles-California Highway, recorded bearing South $55^{\circ}52'30''$ East, at Engineers Station 9+17.42 feet on Washburn Way and Engineers Station 16+14.87 feet on South boundary of Sixth Street, which is distant 40 feet at right angles Southwesterly from centerline of Sixth Street at Engineers Station 16+41.99 feet; thence South $55^{\circ}52'30''$ East parallel to said centerline 463.02 feet to the true point of beginning of this description; thence from said true beginning point continuing South $55^{\circ}52'30''$ East parallel to said centerline 795.36 feet; thence at right angles South $34^{\circ}07'30''$ West, 204 feet; thence South $55^{\circ}52'30''$ East parallel to Sixth Street 145.00 feet; thence at right angles South $34^{\circ}07'30''$ West, 183.80 feet, more or less, to Northerly right of way line of the Oregon, California and Eastern Railroad; thence North $66^{\circ}57'30''$ West along said line 982.45 feet, more or less, to a point on the Easterly right of way line of Washburn Way which is 40.00 feet Easterly of said centerline; thence North $00^{\circ}00'30''$ West along said right of way line 503.39 feet; thence South $55^{\circ}52'30''$ East, 306.22 feet; thence North $34^{\circ}07'30''$ East, 160.00 feet to the true point of beginning.

PARCEL TWO

Easement as disclosed in Reciprocal Easement and Maintenance Agreement, recorded December 8, 1995, in M-95 on page 33582, records of Klamath County, Oregon.

Exhibit A

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

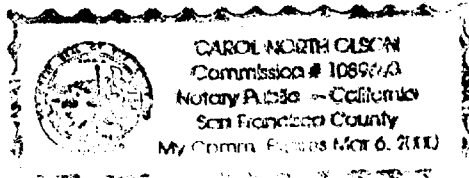
County of

San Francisco

} ss.

On February 23, 2000 before me, Carol North Olson,
Title Name and Title of Officer (e.g., "Jane Doe, Notary Public")personally appeared Blaine C. Janin,
Name(s) of Signer(s)

- ☒ personally known to me
☐ 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.

Carol North Olson
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached DocumentTitle or Type of Document: Shopping Center Lease (short form)

Document Date: February 23, 2000 Number of Pages: 6 (7 w/ acknowledgment)

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by SignerSigner's Name: Blaine C. Janin

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☒ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: Walter Scept

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

State of Oregon, County of Klamath

Recorded 3/07/00, at 1:49 p. m.In Vol. M00 Page 7302

Linda Smith,

County Clerk Fee \$ 56⁰⁰