

State of Oregon, County of Klamath
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Recording Requested By
 And When Recorded Return To:

Sharon Morrissey, Esq.
 Buchalter, Nemer, Fields & Younger
 333 Market Street, 25th Floor
 San Francisco, CA 94105
 (415) 227-3502

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MODIFICATION OF DEED OF TRUST
 (Klamath Falls, Oregon)

THE STATE OF OREGON

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF KLAMATH

THIS MODIFICATION OF DEED OF TRUST (this "**Agreement**") is made and entered into on February 27, 2004, by and among C&K Market, Inc., an Oregon corporation ("**Trustor**"), Catalyst Equity Fund, L.P., a Delaware limited partnership ("**Subordinate Lender**") and General Electric Capital Corporation, a New York corporation ("**GECC**"; and together with the Subordinate Lender, the "**Beneficiary**"), as agent for the Lenders, as such term is defined in that certain Second Amended and Restated Loan Agreement dated as of December 29, 2003, among Trustor, GECC and Subordinate Lender, as a Lender (as the same from time to time may be amended, modified, restated and in effect, the "**Loan Agreement**").

WITNESSETH:

A. Trustor previously executed that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "**Original Deed of Trust**") in favor of First American Title Guaranty Company, as Trustee, for the benefit of GECC.

B. The Original Deed of Trust was recorded in the Real Property Records of Klamath County, OR on September 30, 1997, as Volume M-97 on page 31950.

C. The Original Deed of Trust encumbers the tracts of real property described in Exhibit "A" attached hereto and made a part hereof for all purposes and all improvements thereon.

D. The Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "**Amendment to Deed of Trust;**" the Original Deed of Trust, as amended by the Amendment to Deed of Trust, is hereinafter collectively referred to as the "**Deed of Trust**") was recorded in the Real Property Records of Klamath County, OR on February 28, 2001, as Volume M01 on page 8194.

E. Trustor and Beneficiary have agreed to amend the Amendment to Deed of Trust on the terms set forth in this Agreement.

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

1. Opening Paragraph. The first paragraph of the Original Deed of Trust is hereby deleted in its entirety and replaced with the following:

"This Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (this "**Deed of Trust**") is dated as of September 30, 1997, from C&K MARKET, INC., an Oregon corporation (together with its successors and assigns, the "**Trustor**") whose address is 615 5th Street, Brookings, Oregon 97415, in favor of First American Title Insurance Company, as trustee (the "**Trustee**"), whose address is 729 Chetco Avenue, Brookings, Oregon 97415, for the benefit of GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation whose address is 6701 Center Drive West, Suite 520, Los Angeles, California 90045, Attn: C&K Account Manager ("**GECC**"), as agent for the Lenders, as such terms are defined in that certain Second Amended and Restated Loan Agreement dated as of December 29, 2003 (GECC, together with the Lenders, their successors and assigns, being hereinafter referred to collectively as the "**Beneficiary**"), among Trustor, Beneficiary and Lenders (as the same from time to time may be amended, modified, restated and in effect, the "**Loan Agreement**").

2. Definitions. Any reference to "Loan Agreement" in "For The Purpose of Securing:" paragraph "(2)" of the Original Deed of Trust shall be reference to that certain Second Amended and Restated Loan Agreement dated December 29, 2003, among GECC, Trustor and Subordinate Lender, as a Lender, together with any renewals, amendments, extensions and modifications thereof

3. Notes. The reference to "\$45,500,000.00" in "For the Purpose of Securing:" paragraph "(1)" of the Original Deed of Trust is hereby deleted and replaced with "\$46,000,000.00". Additionally, all references to the "Note" in the Original Deed of Trust and Amendment to Deed of Trust are hereby replaced with the "Note(s)".

4. Confirmation and Extension of Rights and Liens by Trustor. As a material inducement to Beneficiary to enter into this Agreement, Trustor hereby affirms, confirms, ratifies, renews and extends the debts, duties, obligations, liabilities, representations, warranties, rights, titles, security interests, liens, powers and privileges existing by virtue of the Original Deed of Trust, as amended hereby.

5. **Representations and Warranties by Trustor.** As an additional material inducement to Beneficiary to enter into this Agreement, Trustor hereby represents and warrants to Beneficiary that:

(a) The Deed of Trust is, except to the extent that it is modified by this Agreement, in full force and effect and there are no defaults or, to the best of Trustor's knowledge, potential defaults thereunder;

(b) Each of the representations, warranties, covenants, waivers and consents set forth in the Deed of Trust, as amended hereby, are hereby remade, reaffirmed and restated, and such representations, warranties, covenants, waivers and consents as remade herein, are made voluntarily and unconditionally after consultation with outside legal counsel and with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which Trustor or its affiliates may have against Beneficiary or any other person or against any collateral. The representations and warranties of Trustor set forth in the Deed of Trust, as amended hereby, are true and correct in all respects as of the date hereof. If, notwithstanding the intent of the parties that the terms of Deed of Trust, as amended hereby, shall control in any and all circumstances, any such waivers or consents are determined to be unenforceable under applicable law, such waivers and consents shall be effective to the maximum extent permitted by law; and

(c) The Deed of Trust and this Agreement constitute the legal, valid and binding obligations of Trustor, enforceable against Trustor in accordance with their terms, subject to applicable local laws and except as may be limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditor's rights generally.

6. **Continuing Validity.** Except as expressly provided herein, all of the terms, provisions, debts, duties, obligations, liabilities, representations and warranties, rights, titles, security interests, liens, powers and privileges existing by virtue of the Deed of Trust shall be and continue in full force and effect, and are hereby acknowledged by Trustor to be legal, valid, binding and enforceable in accordance with their terms.

7. **Further Assurances.** In addition to the documents, instruments and acts described in this Agreement that are to be executed and/or delivered and/or taken pursuant to this Agreement, Trustor agrees to execute and deliver from time to time upon request by Beneficiary such other documents and instruments, and take such other action, as Beneficiary may reasonably request or require to more fully and completely evidence and carry out the transactions contemplated by this Agreement.

8. **Multiple Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

9. Miscellaneous. Trustor hereby represents and warrants to Beneficiary that Trustor has obtained all of the necessary consents and approvals required to enter into and perform its obligations under this Agreement. Except to the extent modified herein, all of the terms and conditions of the Deed of Trust shall remain in full force and effect. Each individual executing this Agreement on behalf of Trustor represents and warrants that he or she is duly authorized to execute and deliver this Agreement on its behalf. Trustor shall, within ten (10) days after request, deliver to the Beneficiary satisfactory evidence of such authority.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Agreement as of the day and year first above written.

C&K MARKET, INC.,
an Oregon corporation, as Borrower

By: _____
Name:
Its:

CATALYST EQUITY FUND, L.P.,
a Delaware limited partnership

By: **CATALYST EQUITY FUND PARTNERS, L.L.C.,**
a Delaware limited liability company,
its general partner

By: George Slego
Name: GEORGE SLEGOS
Its: MANAGING MEMBER

GENERAL ELECTRIC CAPITAL CORPORATION,
a New York corporation, as Agent

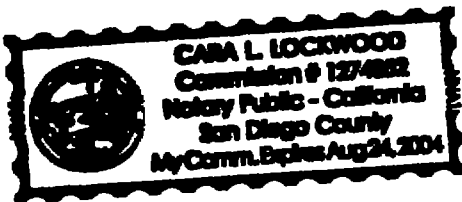
By: _____
Name:
Its:

ACKNOWLEDGMENTS

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO) ss.

On 3/11, 2004, before me, the undersigned, a notary public, personally appeared GEORGE N. SKELAS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name is(are) subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity, and that by his/~~her~~/their signature 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.



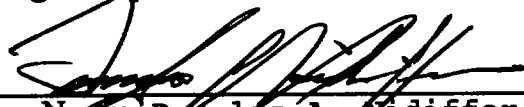
[SEAL]

Cara L. Lockwood
NOTARY PUBLIC

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IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Agreement as of the day and year first above written.


C&K MARKET, INC.,
an Oregon corporation, as Borrower

By: 
Name: Douglas A. Midiffer
Its: President

CATALYST EQUITY FUND, L.P.,
a Delaware limited partnership, as Subordinate
Lender and a Lender

By: _____
Name:
Its:

GENERAL ELECTRIC CAPITAL CORPORATION,
a New York corporation, as Agent

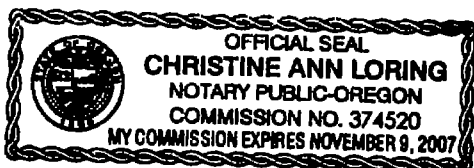
By: 
Name: Mark A. Roland
Its: Its Authorized Signature

ACKNOWLEDGMENTS

STATE OF Oregon)
)
 COUNTY OF Curry) ss.

On Feb. 26, 2004, before me, the undersigned, a notary public, personally appeared Douglas A. Nidiffer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature 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.



Christine Ann Loring
 NOTARY PUBLIC

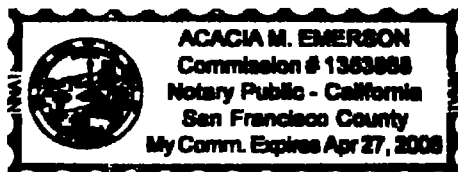
[SEAL]

ACKNOWLEDGMENTS

STATE OF California)
)
 COUNTY OF San Francisco) ss.

On March 9, 2004, before me, the undersigned, a notary public, personally appeared Mark A. Roland, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature 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.



Acacia M. Emerson
 NOTARY PUBLIC

[SEAL]

EXHIBIT "A"

DESCRIPTION OF MORTGAGED PROPERTY

That real property in the County of Klamath, State of Oregon, described as

[Property Description Attached Hereto]

EXHIBIT "A"

Klamath Falls, OR

PARCEL ONE:

A tract of land situated in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 39 S. R. 9 E.W.M., more particularly described as follows: Beginning at the West quarter corner of said Section 3; thence S. 00°22'50" E. (along the W. line of said Section 3) 714.30 feet; thence S. 89°52'40" E., parallel with and 250.00 feet from the southerly right of way line of Crosby Street, a distance of 50.00 feet to the E. right of way line of Washburn Way, said point being the true point of beginning of this description; thence continuing S. 89°52'40" E. 320.00 feet; thence S. 00°22'50" E. 50.00 feet; thence N. 89°52'40" E. 320.00 feet to the easterly right of way line of said Washburn Way; thence N. 00°22'50" W. 50.00 feet to the true point of beginning.

PARCEL TWO:

A tract of land being in the Westerly 320 feet of Lot 1, Block 5, Tract 1080 Washburn Park, a duly recorded plat, more particularly described as follows: Beginning at the Southwest corner of said Lot 1; thence North 00°04'50" East along the West line of said Lot 1, 115.01 feet; thence South 89°25'10" East 320.00 feet; thence South 00°04'50" West 115.01 feet to the South line of said Lot 1; thence North 89°25'10" West 320.00 feet to the point of beginning.

PARCEL THREE:

A tract of land situated in Lot 1, Block 5, Tract 1080-Washburn Park, a duly recorded subdivision, Klamath County, Oregon, more particularly described as follows: Beginning at a point on the East line of said lot 1, said point being S. 00°09'48" W. 245.00 feet from the Northeast corner of said Lot 1; thence N. 89°25'10" W. parallel to the North line of said Lot 1, 231.37 feet to the West line of said Lot 1; thence S. 00°04'50" W. on said West line and its extension, 165.00 feet to the South line of said Lot 1; thence S. 89°25'10" E. 231.13 feet to the Southeast corner of said Lot 1; thence N. 00°09'48" E. 165.00 feet to the point of beginning.

PARCEL FOUR:

Commencing at the one-quarter corner common to Sections 3 and 4, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence along the West boundary of said Section 3, South 0°22'50" East, 464.30 feet; thence South 89°52'40" East 50.00 feet to the intersection of the East boundary of Washburn Way with the South boundary of Crosby Avenue for the true point of beginning; thence along the South boundary of Crosby Avenue South 89°52'40" East, 320.00 feet; thence South 0°22'50" East, 250.00 feet; thence North 89°52'40" West 320.00 feet to the East boundary of Washburn Way; thence along said boundary North 0°22'50" West, 250.00 feet to the true point of beginning.

EXCEPTING THEREFROM a parcel of land lying in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, deeded to State of Oregon, by and through its Department of Transportation, Highway Division, recorded August 31, 1976, in Volume M-76 on page 11933, Deed Records of Klamath County, Oregon, the said parcel being described as follows: Beginning on the East line of Washburn Way at a point 10 feet South of the intersection of said East line with the South line of Crosby Avenue; thence North along said East line 10 feet to said south line; thence East along said south line 25 feet; thence southwesterly in a straight line to the point of beginning.

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PARCEL FIVE:

A tract of land situated in Lot 1, Block 5, Tract 1080, Washburn Park, a duly recorded subdivision, more particularly described as follow: Beginning at the NE corner of said Lot 1; thence N. $89^{\circ}25'10''$ W., along the North line of said Lot 1, 231.72 feet; thence S. $00^{\circ}04'50''$ W., along the West line of said Lot 1, 245.00 feet; thence S. $89^{\circ}25'10''$ E. 231.37 feet to the East line of said Lot 1; thence N. $00^{\circ}09'48''$ E. 245.00 feet to the point of beginning.