



08/10/2007 10:09:16 AM

Fee: \$51.00

**RECORDING COVER SHEET**  
**ALL TRANSACTIONS, ORS: 205.234**  
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.

AFTER RECORDING RETURN TO:

US Recordings, Inc.
2925 Country Drive
St. Paul, MN 55117

39734433

1.) NAME(S) OF THE TRANSACTION(S) required by ORS 205.234(a)  
**SHORT FORM LEASE**


2.) DIRECT PARTY / GRANTOR, required by ORS 205.125(l)(b) and ORS 205.160  
**KLAMATH-HILYARD, LLC**


3) INDIRECT PARTY / GRANTEE, required by ORS 205.125(l)(a) and ORS 205.160  
**AUTOZONE DEVELOPMENT CORPORATION**


4) TRUE and ACTUAL CONSIDERATION (if any), ORS 93.030

--

5) ALL TAX STATEMENTS SHALL BE SENT TO THE FOLLOWING ADDRESS:


6) FULL OR PARTIAL SATISFACTION ORDER or WARRANT FILED IN THE COUNTY  
CLERKS LIEN RECORDS, ORS 205.121(1)(e)

--

7) THE AMOUNT OF THE CIVIL PENALTY or THE AMOUNT, INCLUDING PENALTIES,  
INTEREST AND OTHER CHARGES FOR WHICH THE WARRANT, ORDER OR JUDGMENT  
WAS ISSUED. ORS 205.125(1)(c) and ORS 18.325

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8) Rerecorded to correct	
Previously recorded as	

## SHORT FORM LEASE

**THIS SHORT FORM LEASE**, made this 16 day of March, 2007 between **Klamath-Hilyard, LLC, an Oregon limited liability company ("Landlord")** and **AutoZone Development Corporation, a Nevada corporation ("Tenant")**.

### WITNESSETH:

**FOR AND IN CONSIDERATION** of One Dollar (\$1.00) and other valuable consideration paid and to be paid by Tenant to Landlord, Landlord does demise and lease unto Tenant and Tenant does lease and take from Landlord upon the terms and conditions and subject to the limitations more particularly set forth in a certain Building Lease (hereinafter the "Lease") between Landlord and Tenant, dated October 24, 2006, to which Lease reference is hereby made for all the terms and conditions thereof, which terms and conditions are made a part hereof as fully and particularly as if set out verbatim herein, the premises, hereinafter the Demised Premises, situated in the City of Klamath Falls, County of Klamath, State of Oregon, consisting of land described as the "Demised Premises" (which is part of the Entire Premises) in Exhibit "A", attached hereto and outlined on Exhibit "B" attached hereto and made a part hereof.

**TO HAVE AND TO HOLD** for a period of fifteen (15) years (the "Term"), which shall commence upon the date which is the earlier of the first day of the month following (a) the opening by Tenant of its complete store in the Demised Premises for business with the public or (b) the expiration of sixty (60) days after Acceptance and Delivery of the Demised Premises, and end on the last day of the month following fifteen (15) years after the Commencement Date, unless sooner terminated or extended as provided in said Lease.

**LANDLORD** in said Lease has granted to Tenant four (4) separate options to extend the term for four (4) separate consecutive additional periods of five (5) years each on the same terms and conditions as set forth in the Lease for the Term other than Rent.

**SAID LEASE** contains, among other things, the following provisions:

(a) In order to induce Tenant to enter into this Lease, Landlord agrees for itself, its successors and assigns, its officers, directors and shareholders (holding more than ten percent (10%) of its stock), its parent, affiliated and subsidiary corporations or other entity and any partner or other party affiliated with it, that during the Term of this Lease and any extensions hereof, none of the foregoing shall use, suffer, permit or consent to the use or occupancy of the Entire Premises (save and except for the Demised Premises) or any other land within a one (1) mile radius of the Demised Premises as an auto parts store or for the sale of automobile parts, supplies and/or accessories. This restriction shall not apply to any business whose principal business is a drug-store and/or pharmacy, grocery store, department store, variety store, hardware store, home improvement store or any other seller of a broad mix of general merchandise which sells auto (or similar) parts as an incidental part of its general merchandise business; provided that, no business sells automobile

carburetors, starters, brakes, alternators, fuel pumps, water pumps or other coolant pumps for off-premises installation.

(b) Prohibited uses of the Entire Premises or any other adjacent land owned or leased by Landlord include the following: manufacturing or industrial uses; flea markets or similar business; adult entertainment, commercial indoor amusements; schools of any type; churches; car rentals or sales parking vehicles offered for lease or sale; restaurants; nightclubs; cocktail lounges; family planning clinics; taverns; entertainment facilities; undertaking establishments; bingo games, casinos or off-track betting agencies; government post offices or postal facilities; gymnasiums, spas, dance studios or health clubs; theaters, either motion picture or live; bowling alley; skating rink of any type; or call centers. Furthermore, Landlord shall not, without the prior written consent of Tenant permit the construction or location anywhere on the Entire Premises or any adjacent property owned or leased by Landlord, if any, of any structure or improvement which would adversely affect the quantity of access to parking for, or visual use or physical access to, the Demised Premises or signs therefore, except for such structures and improvement existing on the date of this Lease or shown on the plot plan attached hereto as **Exhibit "B"**. Landlord grants to Tenant easements of access across the parking areas and driveways of the Landlord's adjacent property, to provide continuous, uninterrupted access to, from and among the driveways of the Demised Premises and all streets adjacent to Landlord's adjacent property and for parking purposes as long as this Lease is in effect. These easements shall be non-exclusive access easements, and the easement area shall be maintained in good order and repair by Landlord, at no costs to Tenant. The easements, restrictions and agreements granted herein shall run with the land and shall be binding and inure to the benefit of Landlord and Tenant and their respective successors, assigns and lessees for so long as the Lease shall remain in effect.

(c) Tenant shall have the right of first refusal to purchase the Entire Premises as set forth below. If at any time during this Lease, Landlord shall receive a bona fide offer from a third party for the purchase of the Entire Premises, which offer Landlord shall desire to accept, Landlord shall promptly deliver to Tenant a copy of the offer, and Tenant may, within fifteen (15) days thereafter, elect to purchase the Entire Premises on the same terms and conditions as set forth in the offer. Tenant's right of first refusal shall remain applicable to all offers to purchase the Entire Premises. If Landlord shall sell the Entire Premises after a failure of Tenant to exercise its rights of first refusal, such sale shall be subject to the Lease, and the right of first refusal shall continue and shall be applicable to subsequent sales of the Entire Premises. If any acceptable third party offer to Landlord shall include other Entire Premises, Tenant's right of first refusal shall at Tenant's option, be either (a) applicable to the entire premises covered by such offer; or (b) applicable to the Entire Premises only, at a purchase price which shall be that part of the price offered by the third party which the value of the property shall bear to the value of all property included in the third party offer so long as said division of the property sale does not preclude the third party offeror from purchasing the remaining property. If the Entire Premises shall be conveyed to Tenant under this right of first refusal, any prepaid Rent shall be apportioned and applied on amount of the purchase price. If any acceptable third party offer shall be for part of the Entire Premises, Tenant may choose any of the following options: (i) Tenant's right of first refusal shall be applicable thereto; (ii) Tenant may purchase the entire Demised Premises at a purchase price computed by applying to the entire Entire Premises the rate applicable to the part

of the Entire Premises included in the third party offer; or (iii) Tenant may abstain from exercising its right of first refusal, in which event Landlord's conveyance of part of the Entire Premises shall have no effect on either this Lease or Tenant's right of first refusal, and shall be subject to the Lease.

**LANDLORD** has agreed with Tenant that any mortgage placed on the Demised Premises or to be placed on the Demised Premises shall provide for non-disturbance of Tenant in the event of foreclosure, provided Tenant shall not default in the performance of its obligations under said Lease. Tenant has agreed that it will attorn to the Mortgagee in possession or the purchaser at or in lieu of foreclosure provided its possession shall not be disturbed.

**IN TESTIMONY WHEREOF**, the above named Landlord and the above named Tenant have caused this Short Form Lease to be executed on the day and year set forth above.

**LANDLORD:**

Klamath-Hilyard, LLC,  
an Oregon limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

MANAGING MEMBER

**TENANT:**

AutoZone Development Corporation,  
a Nevada corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

Vice President

By: \_\_\_\_\_

Its: \_\_\_\_\_

APPROVED, VERIFIED AND  
PASSED FOR SIGNING

WV PAT

STATE OF OREGON

COUNTY OF Benton

This instrument was acknowledged before me on March 20, 2007 (date) by  
Darren E Dickerhook

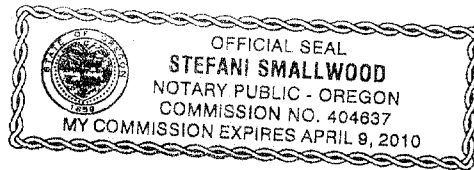
sy

Notary Public

Print Name: Stefani Smallwood

My Commission Expires:

April 9, 2010



STATE OF TENNESSEE

COUNTY OF SHELBY

This instrument was acknowledged before me on March 15, 2007, by Wm. David Gilmore and Michael L. Shadrach as Vice President and Vice President of AutoZone Development Corporation, a Nevada corporation.

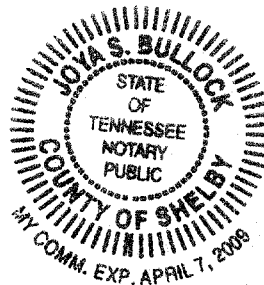
Joya S. Bullock

NOTARY PUBLIC

Print Name: Joya S. Bullock

My Commission Expires:

04-07-2009

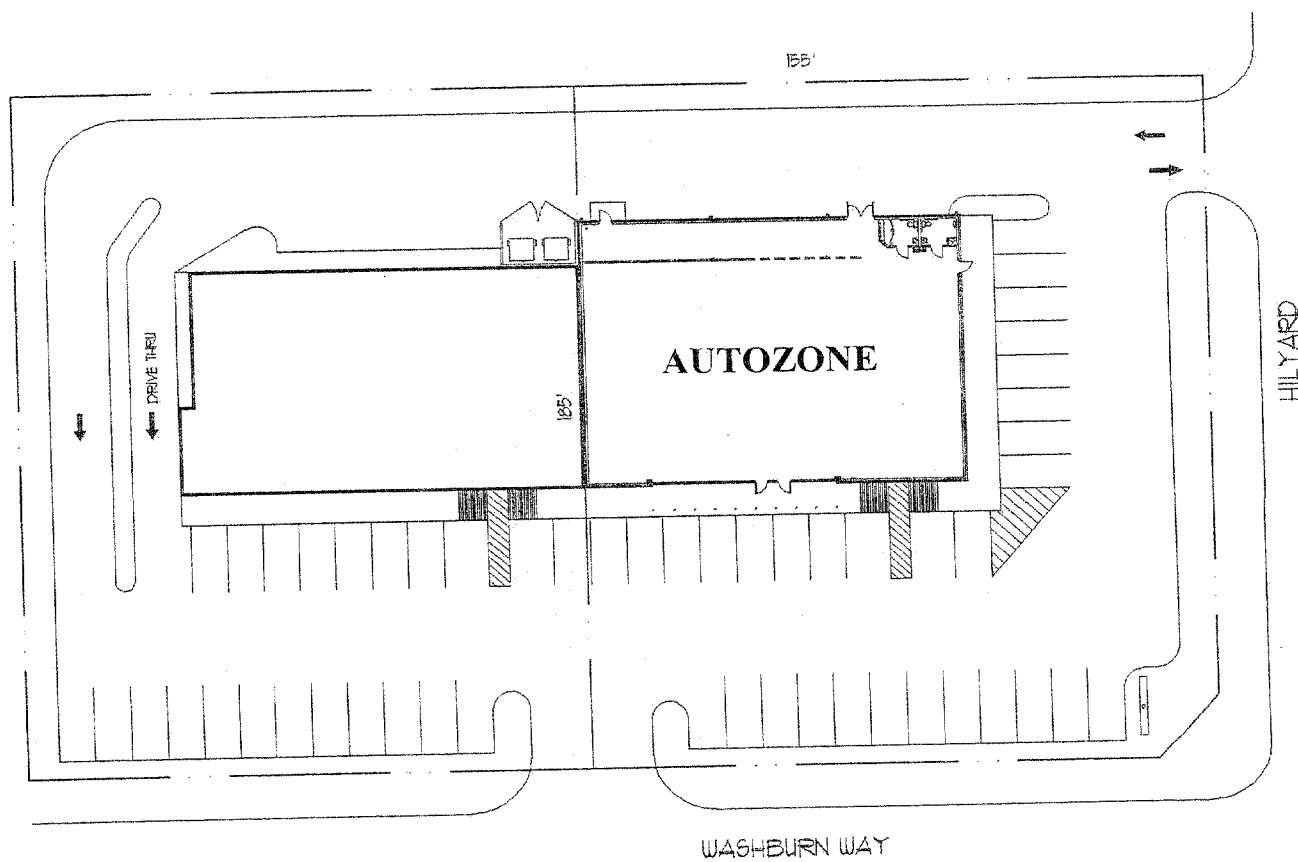


## EXHIBIT "A"

### Demised Premises:

Parcel 2 and Parcel 3 of Land Partition 22-00 in the SW  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  of Section 3, Township 39 South, Range 9 East, Willamette Meridian, as on file with the Clerk of Klamath County, Oregon.

**EXHIBIT "B"**



**U39734433-01A207**

SHORT TERM LEASE

REF# 3753SF

US Recordings