

MT 82083

Recording requested by
and when recorded, mail to:

JPMorgan Chase Bank, N.A.
1111 Fannin, 12th floor
Mail Code TX2-F-136
Houston, Tx 77002
Attn: Janice Poindexter

2008-006343

Klamath County, Oregon



00045283200800063430100103


05/01/2008 11:47:59 AM

Fee: \$66.00

LESSOR AGREEMENT

This Lessor Agreement (this "Agreement") made by and among K FALLS ONE LLC, an Oregon limited liability company (the "Lessor"), whose address is c/o Captial Pacific, 4260 Galewood Street, Suite A, Lake Oswego, Oregon 97035 and PACPIZZA, LLC, a California limited liability company (the "Borrower"), whose address is 220 Porter Drive, Suite 100, San Ramon, California 94583, and YUM! CAPITAL FUNDING CORP., a Delaware corporation (the "Lender"), whose address is P.O. Box 1544, Houston, Texas 77251.

WITNESSETH:

 WHEREAS, the Lessor is the lessor and Borrower is the lessee under that certain lease dated ~~November 10, 2007~~ January 10, 2008 (as further amended, supplemented and restated, the "Lease"), pursuant to which the Lessor leased to the Borrower certain real property (the "Premises"), the Premises being more particularly described in the Lease and in Exhibit A attached hereto and incorporated by reference herein; and

WHEREAS, the Borrower has entered into financing arrangements with the Lender and, as a condition to the Lender's loan(s) to the Borrower, the Lender requires encumbrances on all of the Borrower's (a) interest in the Lease; (b) rights to use the Premises under the Lease, and (c) property (including, without limitation, trade fixtures, equipment and inventory) now or at any time hereafter located on or used in connection with the Premises (collectively, the "Collateral");

NOW, THEREFORE, in order to induce the Lender to make such loan(s) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor, Borrower and Lender agree as follows:

1. The Lessor represents that (a) the Lessor is the current record owner of the Premises and the current owner of the lessor's interest under the Lease; (b) the Lease is in full force and effect and has not been amended, supplemented or modified except as set forth above, and (c) to the best of the Lessor's knowledge, there is currently no default under the Lease.

HOUSTON: 0017172.00011: 1233898v1



106 AMT

2. The Lessor (a) consents to the execution and performance by the Borrower of (i) a mortgage, deed of trust or security deed and (ii) a security agreement (collectively, the "Security Documents") covering the Borrower's interest in the Lease and the other Collateral, and (b) agrees that the execution and performance of the Security Documents by the Borrower will not constitute a default under the Lease.

3. The Lessor hereby subordinates the Lessor's encumbrances, if any, in and to the Collateral to the encumbrances on the Collateral in favor of the Lender. The Lessor agrees that none of the personal property located at the Premises, notwithstanding the manner in which any of the Collateral may be affixed to the Premises, shall be deemed to be fixtures or constitute part of the Premises.

4. The Lessor agrees to use reasonable good-faith efforts to notify the Lender in writing upon the occurrence of any default by the Borrower under the Lease and grants the Lender the right to cure such default within the same number of days after such notice that the Borrower has to cure such default under the Lease, before the Lessor exercises the Lessor's remedies under the Lease. If the Lease provides no cure period or the default by its nature cannot be cured, the Lessor agrees not to terminate the Lease until 30 days after the Lender's receipt of such notice, so long as the Lessor continues to receive rent and other amounts due under the Lease.

5. If the Borrower defaults on the Borrower's obligations to the Lender and the Lender undertakes to enforce its encumbrances in the Collateral, the Lessor will permit the Lender and its agents to enter upon and remain on the Premises to remove or otherwise dispose of the Collateral, if (a) the Lessor receives the rental and other amounts due under the Lease for the period of time the Lender uses the Premises and (b) any damages to the Premises caused by removal of the Collateral are repaired at the Lender's sole cost and expense. Further, Lessor, Borrower and Lender acknowledge and agree that any sale of the trade fixtures, whether upon foreclosure or otherwise, is subject to the terms of the franchise agreement between Borrower, as franchisee, and Pizza Hut as franchisor.

6. If the Lease shall terminate as a result of a rejection of the Lease in a bankruptcy proceeding, the Lessor shall give lender prompt written notice thereof and upon request by the Lender, enter into a new lease of the Premises with the Lender, or its designee, which new lease shall be effective as of the date of termination of the Lease and shall be on substantially the same terms and conditions as the Lease.

7. The Lessor agrees that the Lender or the Borrower may assign or sublet the Premises to any individual or entity with the consent of the Lessor (if such consent is required under the Lease), which consent will not be unreasonably conditioned, withheld or delayed. Lessor acknowledges that Lender, its successors and assigns will not have right to use the Premises for the operation of a Pizza Hut and Wings restaurant without the express written consent of Pizza Hut.



8. Any notice required or desired to be given hereunder to any party shall be directed to the respective party at the address stated above, return receipt requested or by overnighted receipted delivery service.

9. The agreements contained herein may not be modified or terminated orally and shall be binding upon the Lessor and the Lessor's successors and assigns and shall inure to the benefit of the Lender and its successors and assigns.

10. The agreements contained herein shall continue in full force and effect until all of the Borrower's obligations and liabilities to the Lender are paid and satisfied in full and all financing arrangements between the Lender and the Borrower have been terminated.

11. THIS AGREEMENT SHALL NOT IMPAIR OR OTHERWISE AFFECT THE BORROWER'S OBLIGATIONS TO PAY RENT AND ANY OTHER SUMS PAYABLE BY THE BORROWER PURSUANT TO THE TERMS OF THE LEASE.

[Signature pages follow.]

Executed and delivered as of February 20, 2008.

LESSOR:

K FALLS ONE LLC,
an Oregon limited liability company

Western Development Partners, LLC,
a California limited liability company, its
general partner

By: [Signature]
Name: Greg Geertsen
Title: manager

[LESSOR ACKNOWLEDGMENT]

STATE OF _____ §
COUNTY OF _____ §

See attached

On _____, 2008, before me, the undersigned, a notary public in and for said State, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that his/her signature on the instrument, the person of the entity upon behalf of which the person acted, executed it.

Witness my hand and Official Seal.

Notary Public in and for the State of _____

Notary's Name (typed or legibly printed)

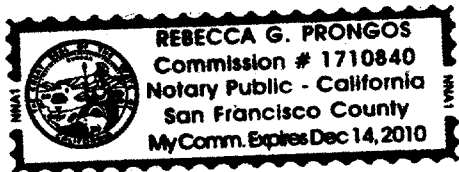
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Francisco

On 2/20/08 before me, Rebecca G. Prongos
Date Here Insert Name and Title of the Officer

personally appeared Guy Geertsen
Name(s) of Signer(s)



who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rebecca G. Prongos
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 Document

Title or Type of Document: Lessor Agreement

Document Date: 2/20/08 Number of Pages: 8

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

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

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

BORROWER:

PLEASE SEE
ATTACHED NOTARY

PACPIZZA, LLC

a California limited liability company,

By: Brian Thompson
Name: Brian Thompson
Title: President
LESSOR Agreement

[BORROWER ACKNOWLEDGMENT]

STATE OF _____ §
COUNTY OF _____ §

On _____, 2008, before me, the undersigned, a notary public in and for said State, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that his/her signature on the instrument, the person of the entity upon behalf of which the person acted, executed it.

Witness my hand and Official Seal.

PLEASE SEE
ATTACHED NOTARY

Notary Public in and for the State of _____

Notary's Name (typed or legibly printed)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Contra Costa

On Feb 25th 2008 before me,

MUKESH PUNAM PATEL, Notary Public

personally appeared

BRIAN THOMPSON

Here Insert Name and Title of the Officer

Name(s) of Signer(s)

who 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.

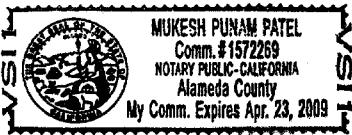
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Mukesh P. Patel

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 Document

Title or Type of Document:

Lessor Agreement

Document Date:

Feb 25th 2008

Number of Pages:

FIVE

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

Brian Thompson

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

Signer Is Representing:

Self

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer's Name:

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

Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

LENDER:

YUM! CAPITAL FUNDING CORP.

By: JPMORGAN CHASE BANK, N.A.,
a national banking association,
as Master Servicer

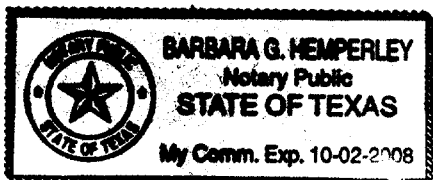
By: [Signature]
Name: Kevin O'Connor
Title: Vice President

[LENDER ACKNOWLEDGMENT]

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On March 5, 2008, before me, the undersigned, a notary public in and for said State, personally appeared Kevin O'Connor personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that his/her signature on the instrument, the person of the entity upon behalf of which the person acted, executed it.

Witness my hand and Official Seal.



[Signature]
Notary Public in and for the State of T E X A S

Barbara G. Hemperley
Notary's Name (typed or legibly printed)

Exhibit A – Property Description

This document was prepared by:
Jeffrey M. Smith
Locke Lord Bissell & Liddell LLP
3400 JPMorgan Chase Tower
600 Travis
Houston, Texas 77002

EXHIBIT A

PROPERTY DESCRIPTION

OVERALL BOUNDARY DESCRIPTION

A TRACT OF LAND BEING ALL THAT PORTION OF TRACTS 32, 33A AND 36 OF ENTERPRISE TRACTS, SITUATED IN THE NORTHWEST ONE-QUARTER OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD WITH A 1 1/2" ALUMINUM CAP PER KLAMATH COUNTY SURVEY NO. 1441 AND LOCATED AT THE INTERSECTION OF THE NORTHEASTERLY RIGHT-OF-WAY LINE OF PERSHING WAY AND THE WESTERLY RIGHT-OF-WAY LINE OF AUSTIN STREET; THENCE NORTH 55°53'18" WEST ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE 880.81 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF AVALON STREET; THENCE NORTH 30°35'30" EAST ALONG SAID EASTERLY LINE 1001.49 FEET; THENCE NORTH 89°51'08" EAST 110.58 FEET; THENCE NORTH 00°10'38" WEST 150.05 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF SHASTA WAY; THENCE NORTH 89°49'57" EAST ALONG SAID SOUTH LINE 376.79 FEET TO SAID WESTERLY RIGHT-OF-WAY LINE; THENCE SOUTH 00°19'16" WEST ALONG SAID WESTERLY LINE 1,122.19 FEET TO AN ANGLE POINT IN SAID RIGHT-OF-WAY LINE; THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE SOUTH 34°06'49" WEST 465.41 FEET TO SAID NORTHEASTERLY RIGHT-OF-WAY LINE AND THE POINT OF BEGINNING.

SAID TRACT CONTAINS 952,197 SQUARE FEET OR 21.86 ACRES, MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS PER C.S. NO. 4202, KLAMATH COUNTY SURVEY RECORDS.

P:\CLC Associates\03-0562\Survey\Documents\Map Body\21366.DOC

EXHIBIT B

NONE
