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RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Raley's
500 West Capitol Avenue
West Sacramento, CA 95605-2696
Attn: General Counsel

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 10 Fee: 23.00
BK-0808 PG-0632 RPTT: 0.00



SPACE ABOVE THIS LINE FOR RECORDER'S USE

RESTRICTIVE COVENANT AND EASEMENT AGREEMENT

THIS RESTRICTIVE COVENANT AND EASEMENT AGREEMENT (this "Agreement") is made as of July 11, 2008, by and between **WESTERN BLVD., LLC**, an Oregon Limited Liability Company ("**Owner**") and **RALEY'S**, a California corporation ("**Raley's**").

RECITALS

A. Owner is the owner of certain real property located in the County of Douglas, State of Nevada, more particularly described in Exhibit A, attached hereto and incorporated herein by this reference and referred to herein as the "**Shopping Center**."

B. Pursuant to the terms of that certain Lease, dated May 10, 2007, by and between Owner and Raley's (the "**Lease**"), Raley's has leased from Owner and Owner has leased to Raley's a building located on the Shopping Center (the "**Premises**").

C. As an inducement to Raley's to enter into the Lease, Owner agreed enter into this Agreement.

NOW, THEREFORE, for good and valuable consideration, Raley's and Owner agree as follows:

1. **Use Restrictions.**

(a) Owner covenants that with respect to the Shopping Center, and any real property which hereafter Owner may develop in common with or add to the Shopping Center, and except as specifically otherwise provided in Section 3.2 of the Lease, Owner covenants that it will not (except as to the Premises) construct or lease a building thereon, or sell any portion of the Shopping Center, or permit the use of the Shopping Center for any one or more or all of the following uses (the "**Exclusive Merchandise Categories**"):

(i) For a supermarket or grocery store or for the sale (whether separately or part of another entity) of food products for off-premises consumption as are generally sold by supermarkets, excluding (1) prepared foods sold by no more than (i) one ice

cream parlor, (ii) one yogurt shop, (iii) one sandwich shop, and (iv) one diet center (provided there are only sales of dried or foil-sealed, prepared heat and serve or mix and serve food products), (2) food products sold by no more than one "take and bake" pizza store.

(ii) For the conduct of any store, business, trade or profession (whether separately or part of another entity) which sells prescription drugs and pharmaceuticals and which requires or has a license or permit to conduct a pharmacy from the Nevada Board of Pharmacy or other agency which may be empowered to license or permit the conduct of a pharmacy or which employs or is required to employ a registered pharmacist as such, or which is called, labeled, named or commonly known or referred to as a "drug store," "pharmacy," or "apothecary" or words of similar meaning.

(iii) For the conduct of any store, business or trade (whether separately or as a part of another entity) which sells alcoholic beverages (including beer and wine) at retail for off-premises consumption, provided the foregoing restriction shall not restrict the sale of alcoholic beverages at any restaurant, fast food operation or similar eatery (all of which are primarily operated for on-site consumption of such beverages).

(iv) For the conduct of any store, business or trade (whether separately or as a part of another entity), which conducts business as a scratch bakery or which sells bakery goods at retail for off-premises consumption. The foregoing restriction shall not prohibit (1) sit down restaurants, quick service restaurants, and fast food restaurants, (2) one ice cream parlor, (3) one yogurt shop, (4) one sandwich shop selling bread, pastries and cookies and similar items which are ancillary to their main product (sandwiches) (5) one delicatessen, (6) one bagel shop, (7) one specialty coffee store such as a "Starbucks" type operation coffee house selling muffins and similar items baked off site which are ancillary to their main product.

(b) Owner agrees that no portion of the Shopping Center shall be used for any nuisance or obnoxious use, nor shall any portion of the Shopping Center be used for any use not found in high quality shopping centers, or any of the following: (a) adult bookstore or other establishment engaged in the business of selling, exhibiting or delivering pornographic or obscene materials; (b) live adult entertainment; (c) a so-called "head shop"; (d) a game room or arcade, including video game, virtual reality or laser tag room or facility; (e) an off-track betting parlor; (f) a pawn shop; (g) a junk yard or flea market; (h) a recycling facility other than by a food supermarket, or as required by law; (i) an auditorium, movie theater, dance hall, night club, disco, bowling alley, skating rink, billiard parlor or pool hall; (j) a bar, tavern, banquet facility or lounge, other than incidental to, as part of and under the same name as a restaurant permitted hereunder; (k) a school, educational or training facility; (l) an amusement park, carnival, or, except in connection with a fast food establishments, indoor children's recreational facility or other amusement center; (m) the sale, display or repair of motor vehicles, boats, trailers, motor homes; (n) for establishments in which the primary business is the sale of second hand property, unless such operation is a for profit, regional or national chain (for example, but not limited to "Play It Again Sports" and "Once Upon a Child"); (o) an establishment of any more than one (1) "take and bake" pizza store; (p) the establishment of a Dollar Tree Store, Big Lots or .99 Cent Clearance Center or other similar deep discount store; (q) establishment of an auction house or any other business whose primary activity is conducting auctions; or (r) industrial use. In addition, in no event shall Owner permit advertising media which can be heard or experienced

from the exterior of any building from which emanates, such as search lights, loud speakers, phonographs, radios or televisions.

2. Common Area. Owner hereby agrees that, except as otherwise provided in the Lease, the common area of the Shopping Center shall be for the sole and exclusive joint use of all owners and tenants in the Shopping Center, and their respective customers, employees and invitees. Owner hereby grants to Raley's, its customers, employees, and invitees, the right of such non-exclusive joint use of all of said common area. Except as specifically provided to the contrary elsewhere in the Lease, the common area improvements shall be used only for the purpose for which they were designed. By way of example, but not to the exclusion of anything not mentioned herein, parking areas shall be used for the parking of motor vehicles, drive aisles shall be used for access and traffic circulation, service areas shall be used for servicing and supplying tenants' businesses, sidewalks shall be used for pedestrian access and landscaped areas, trash dumpster areas and shopping cart collection areas shall be used only for such purposes. All of the uses permitted within the common area shall be used with reason and judgment so as not to interfere with the primary purpose of the common area which is to provide for parking and access for only the tenants in the Shopping Center, their customers and invitees and for servicing of said tenants' businesses. Persons using the common area in accordance with the Lease shall not be charged any fee for such use without the written consent of Raley's unless such fee shall be ordered by an appropriate governmental authority. Notwithstanding anything to the contrary set forth in this Section 2, in no event shall the common areas of the Shopping Center be used for the sale of merchandise or for outside sales; provided, however, Raley's shall have the right to conduct any of its operations upon the sidewalks and parking area outside the front or west side of the Premises, provided it does not materially interfere with pedestrian and vehicular traffic for the Shopping Center or violate city ordinances or regulations.

As used herein, the terms "common areas" or "common area" shall mean the area outside the exterior walls of any building in the Shopping Center; provided, however, in no event shall (i) loading ramps and docks, (ii) the sidewalks in front or on the west side of the Premises, (iii) outside dining and play areas (if any), or (iv) drive through lanes be deemed "common areas" or "common area" as such areas shall be reserved for the exclusive use of the respective tenant and/or owner.

3. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Owner and Raley's and their respective heirs, personal representatives, successors and assigns.

4. Covenants. Each term, covenant, condition and agreement contained herein shall run with the land.

5. Injunctive Relief. In the event of any violation or threatened violation of any provision of this Agreement, Owner (or any successor to Owner) and Raley's (so long as Raley's or its successor or assigns is the lessee under the Lease) shall have the right, in addition to any other remedies provided at law or in equity, to enjoin such violation or threatened violation. The various rights and remedies herein contained and reserved shall not be considered as exclusive to any other right or remedy, but shall be construed as cumulative, and shall be in addition to every other remedy now or hereafter existing at law, in equity, or by statute. No delay or omission of



the right to exercise any power or remedy shall impair any such right, power, or remedy, or be construed as a waiver of any default or acquiescence thereto.

6. Amendments. Amendments, extensions and supplements of this Agreement shall be effective when executed by Raley's (so long as Raley's or its successor or assigns is the lessee under the Lease) and Owner (or any successor to Owner) and recorded in the Official Records of Douglas County, Nevada, and all such amendments, extensions and supplements shall be binding on any owner of the Shopping Center, its respective lenders, and the occupants of the Shopping Center, notwithstanding the fact that they may have acquired title or an interest in the Shopping Center prior to the recordation of any such amendments, extensions or supplements.

7. Prevailing Party. In the event either party initiates or defends any legal action or proceeding to enforce or interpret any of the terms of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover from the losing party in any such action or proceeding its reasonable costs and attorneys' fees, including its reasonable costs and attorneys' fees on appeal or in enforcing any judgment awarded to it.

8. Partial Invalidity. If any term or provision of this Agreement or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

9. Term. This Agreement shall terminate on the sixty-fifth (65th) anniversary date of the recording thereof in the Official Records of Douglas County, Nevada, or upon the termination of the Raley's Lease.

10. Counterparts. This Agreement may be executed in counterparts so that when the signatures of Owner and Raley's are attached hereto, this Agreement shall be one complete Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OWNER:

RALEY'S:

WESTERN BLVD, LLC, an Oregon Limited Liability Company

RALEY'S, a California corporation

By: M. Eugene Dickerhoof
M. Eugene Dickerhoof
Its: Managing Member

By: Jennifer H. Crabt
Jennifer H. Crabt
Its: Corporate Secretary

Address:
Post Office Box 1583
Corvallis, OR 97339

Address:
500 West Capitol Avenue
West Sacramento, CA 95605-2696
Attn: General Counsel



SUBORDINATION OF DEED OF TRUST

Umpqua Bank ("Bank") is the Beneficiary under that certain Deed of Trust and Assignment of Rents ("Deed of Trust") recorded March 2, 2006, in Book 306, Page 753, as Instrument No. 669040 in the official records of Douglas County, Nevada. Pursuant to said Deed of Trust, First American Title Insurance Company ("First American") is Trustee under said Deed of Trust. Bank hereby substitutes itself as said Trustee under the Deed of Trust in place of First American. As Trustee and Beneficiary under said Deed of Trust, Bank hereby agrees for the benefit of Western Blvd., LLC, an Oregon limited liability company, and Raley's, a California corporation, parties to the above Restrictive Covenant and Easement Agreement ("RCEA") dated _____, 2008, that for adequate consideration, including Raley's lease of the premises as described in the RCEA, that Bank declares, agrees, and acknowledges that said Deed of Trust, and any modifications, renewals, or extensions thereof, shall be subordinate to the RCEA and that the RCEA shall unconditionally be and at all times remain prior and superior to said Deed of Trust.

Dated July 10, 2008

UMPOUA BANK

By 

Name JEFF SINGER

Title VICE PRESIDENT



State of Oregon)
) ss.
County of Benton)

On July 11, 2008 before me, Theresa A. Keefer,
personally appeared **M. Eugene Dickerhoof** 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 Theresa A. Keefer (Seal)



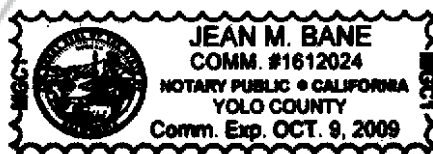
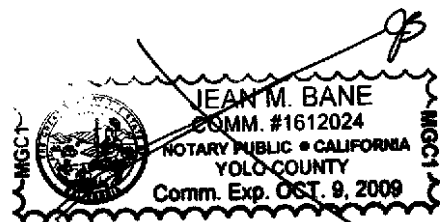
State of California)
) ss.
County of Yolo)

On July 25, 2008 before me, Jean M. Bane, Notary Public,
personally appeared Jennifer H. Crabb 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 Jean M. Bane (Seal)



State of Oregon)
County of Lane) ss.

On July 10, 2008 before me, Beverly A Burk,
personally appeared Jeff Singer 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 Beverly A Burk (Seal)

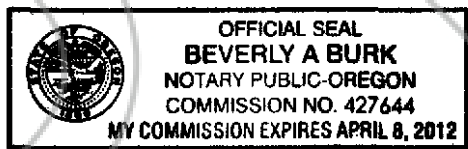


EXHIBIT A

**WESTERN BOULEVARD LLC
LEGAL DESCRIPTION**

June 9, 2008

A parcel of land located in the Northeast quarter of Section 4, Township 12 North, Range 20 East, M.D.B & M., Douglas County, Nevada, more particularly described as follows:

COMMENCING at the Northeast corner of said Section 4;

thence South 44°21'55" West, 42.12 feet to point on the Southerly right-of-way line of Toler Lane;

thence South 89°46'07" West, along said Southerly right-of-way line, 2,583.50 feet to the intersection of the Easterly line of a 33 foot Irrigation Ditch Easement as shown on the Final Map of Carson Valley Estates Unit No. 1 recorded as Document No. 28834 of the Douglas County Recorder's Office;

thence South 0°13'53" East, along said Easterly line, 314.47 feet to the TRUE POINT OF BEGINNING, which is the Southwest corner of said Carson Valley Estates Subdivision, Unit 1, also being a point on the Northerly line of subject property;

thence along the Southerly line of said Carson Valley Estates Subdivision, Unit 1 the following three courses:

1. North 87°30'19" East, 303.24 feet;
2. South 87°54'13" East, 246.20 feet;
3. North 86°22'32" East, 244.30 feet to a point on the Northwesterly right-of-way line of Lampe Lane as described in Document No. 177070 of the Douglas County Recorder's Office;

thence South 38°54'53" West, along said Northwesterly right-of-way line of Lampe Lane, 690.99 feet to a point on the Northeasterly right-of-way line of, U.S. Highway 395;

thence North 51°04'00" West, along said Northeasterly right-of-way line 502.56 feet to a point on the Westerly line of the aforesaid 33 foot Irrigation Ditch Easement;

thence North 00°13'53" West, along said Westerly line of existing Irrigation Ditch Easement 202.07 feet;

thence North 89°46'07" East, 33.00 feet to the TRUE POINT OF BEGINNING.



EXCEPTING THEREFROM a parcel of land located in the Northeast quarter of Section 4, Township 12 North, Range 20 East, M.D.B & M., Douglas County, Nevada, more particularly described as follows:

COMMENCING at the Southeast corner of Lot 39, as shown on the Final Map of Carson Valley Estates Unit No. 1 recorded as Document No. 28834 of the Douglas County Recorder's Office;

thence South $86^{\circ}22'32''$ West, 9.14 feet to point on the Northwesterly right-of-way line of Lampe Lane as described in Document No. 177070 of the Douglas County Recorder's Office;

thence South $38^{\circ}54'53''$ West, along said Northwesterly right-of-way line of Lampe Lane, 690.99 feet to a point on the Northeasterly right-of-way line of U.S. Highway 395 being the TRUE POINT OF BEGINNING;

thence North $51^{\circ}04'00''$ West, along said Northeasterly right-of-way line of said U.S. Highway 395, 135.00 feet;

thence North $38^{\circ}54'53''$ East, 100.00 feet;

thence South $51^{\circ}04'00''$ East, 135.00 feet to a point on said Northwesterly right-of-way line of Lampe Lane;

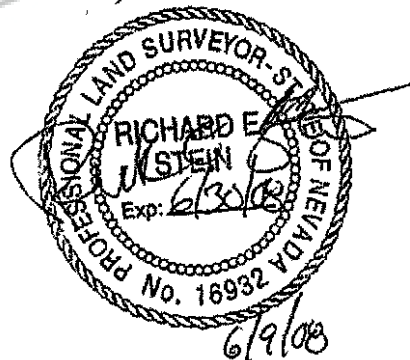
thence South $38^{\circ}54'53''$ West, along said Northwesterly right-of-way line of Lampe Lane, 100.00 feet to the TRUE POINT OF BEGINNING.

Containing 5.57 acres, more or less.

Basis of Bearing:

The Northerly right-of-way line of U.S. Highway 395 as described in Document 669037 of the Douglas County Recorder's Office (N $51^{\circ}04'00''$ W)

PREPARED BY:
Rick Stein, P.L.S. # 16932
EXD Engineering & Land Surveying, Inc.
1641 Mono Ave.
Minden, NV 89423
(775) 783-4772



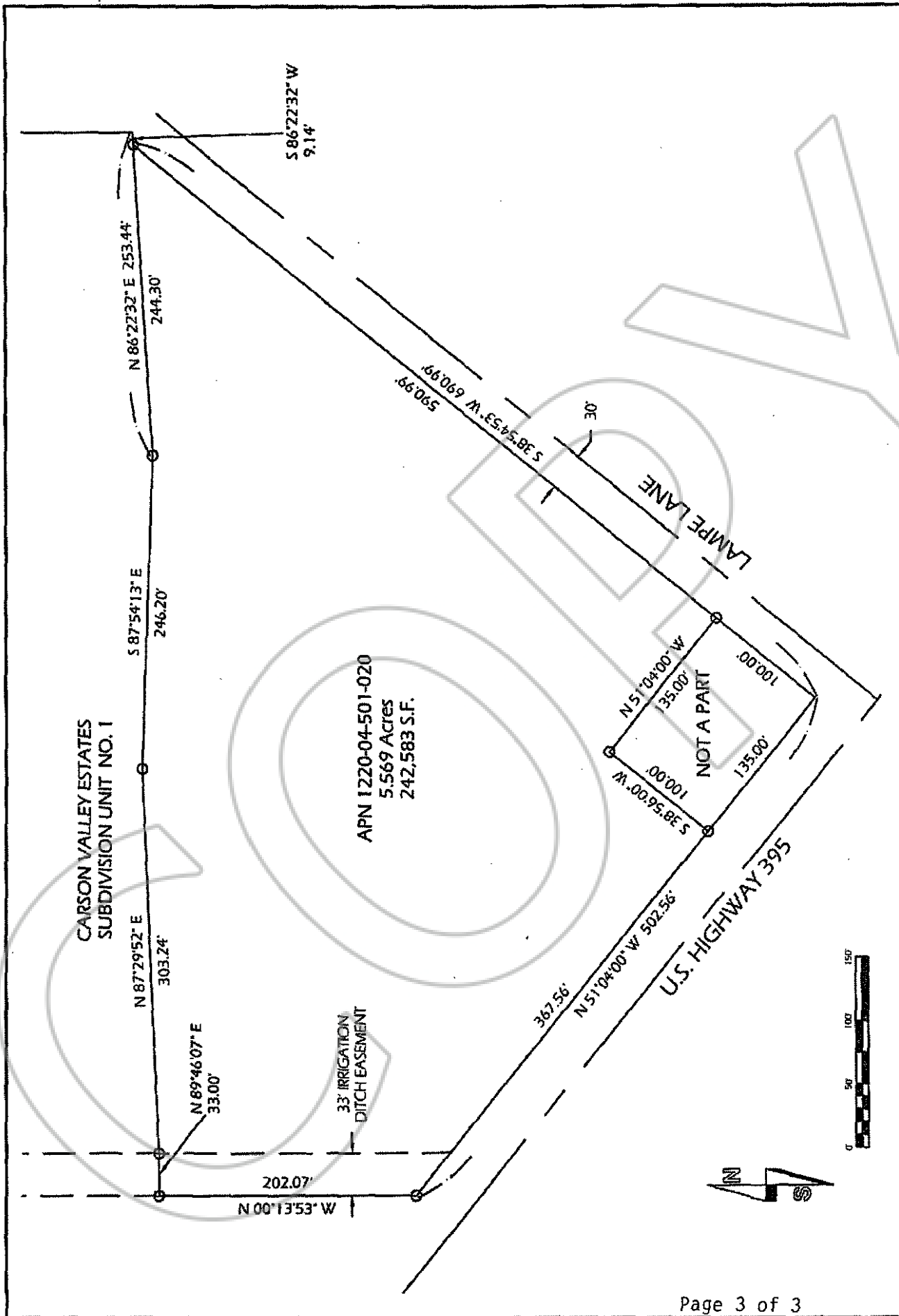


FIGURE
1

SCALE 1" = 100'

WESTERN BOULEVARD LLC
LEGAL DESCRIPTION SKETCH

GD Engineering & Land Surveying, Inc.
1641 Mono Avenue
Minden, Nevada 89423
(775) 783-4772 Fax: (775) 783-4773