Prepared By:

Cornelius T. Dorans, Esq.
J. C. Penney Company, Inc.
1301 Avenue of the Americas
New York, New York 10019

Tax Information

Map 26-14
Parcel 26
GO-7986

Send Tax Bills to:
Owner
Field Tax Manager
J. C. Penney Company, Inc.
P. O. Box 4814
Atlanta, Ga. 30308

BOOK 6825 PAGE 59

DEED

THIS DEED, dated as of December 1, 1985 between SCHNITZER-PENN INVESTMENT CO., a limited partnership organized and existing under the laws of the State of Oregon ("Investment Co.") and SCHNITZER-GOODPENN PROPERTIES, a general partnership organized and existing under the laws of the State of Oregon ("Properties"), each having an office c/o Schnitzer Investment Corp., 3200 N.W. Yeon, Portland, Oregon 97210, parties of the first part, (Investment Co. and Properties are herein collectively referred to as "Sellers"); and J. C. PENNEY COMPANY, INC., a Delaware corporation having an office at No. 1301 Avenue of the Americas, New York, New York 10019, party of the second part ("Purchaser").

W I T N E S S E T H:

That, in consideration of the sum of Ten ($10) Dollars, lawful money of the United States, paid by Purchaser to Sellers, Investment Co. does hereby convey to Purchaser, its successors and assigns forever, the tracts of land (the "Land") situate and being in Davidson County, Tennessee described in SCHEDULE "A" annexed hereto, and Properties does hereby convey to Purchaser, its successors and assigns forever, all its right, title and interest in the buildings, structures and other improvements, including the building fixtures therein located (the "Improvements") on and permanently annexed to the Land;

TO HAVE AND TO HOLD the aforesaid Land and Improvements, with all and singular the hereditaments and appurtenances of and to the same belonging or in any wise appertaining, to the Purchaser, its successors and assigns forever, and the Sellers, for their respective successors and assigns, do separately covenant and agree with the Purchaser, its successors and assigns that the Sellers are lawfully seized in fee of the Land and the Improvements respectively; that the same are free of all encumbrances other than the Permitted Exceptions listed in Schedule "A" annexed hereto; that they have good right to sell and convey the same respectively to Purchaser, as aforesaid; and that the before granted Land and Improvements they will respectively warrant and defend against all lawful claims whatever.

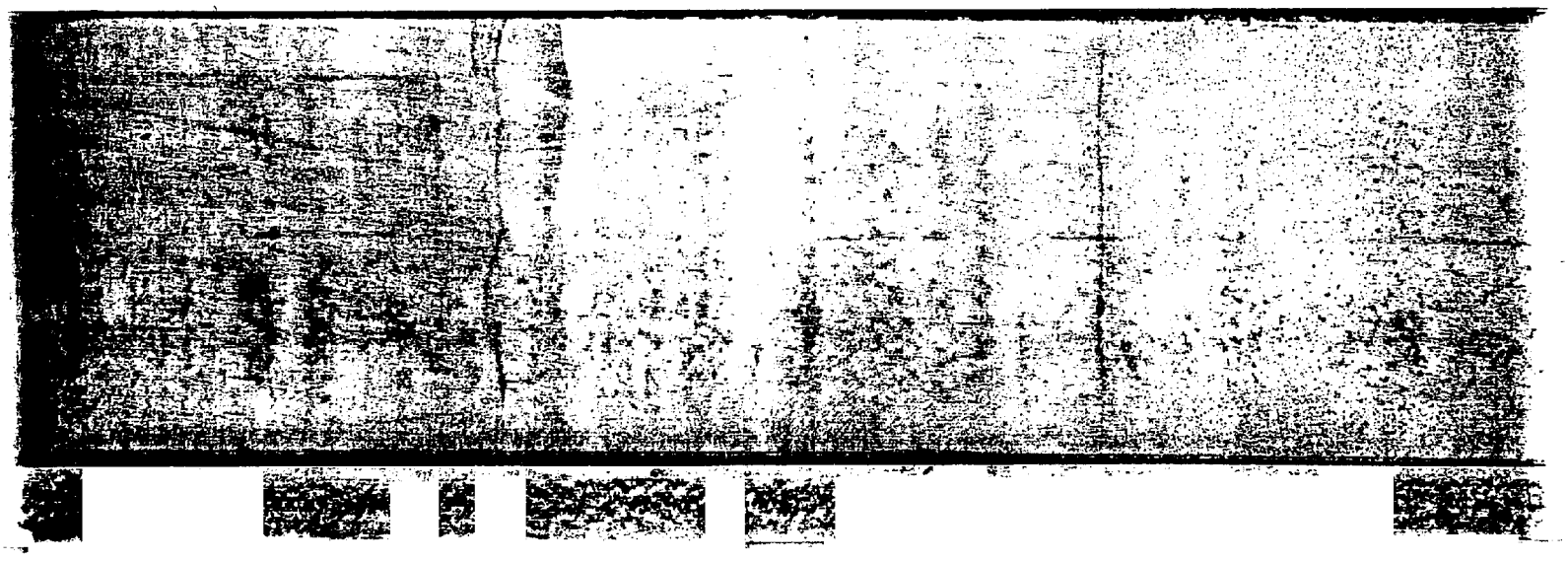
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IDENTIFICATION REFERENCE

APR 9 12 45 PM '86

RELIA Z. WILSON III REGISTER
DAVIDSON COUNTY, TN



IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective signatories thereto as of the day and year first above written.

SCHNITZER-PENN INVESTMENT CO.

By _____
General Partner

SCHNITZER-GOODPENN PROPERTIES

By _____
General Partner

STATE OF TENNESSEE
COUNTY OF Davidson

The actual consideration for this transfer or value of property (whichever is greater) is $4,500,000.00. This is equal to or greater than the property would bring at a fair and voluntary sale.

_____

Sworn to and subscribed before me
21st day of March, 1986.

My commission expires: 07-18-87

_____
Notary Public

SCHEDULE A

DESCRIPTION OF PROPERTY

Tract No: 1:

Land in the 10th Civil District of Davidson County, Tennessee, being parts of lots nos. 1, 2, and 3 on the unrecorded plan of the lands of P. J. Moran, deceased, part of lot no. 1 of the Viola Curtis Resubdivision of the Cotton Lands, as of record in Book 547, page 126, Register's Office for said County, parts of lots 3, 5, 6, 7, 10, 11, 12, 33, 34, 35, 36, 38, and part of Walnut Street now closed on the plan of R. W. Grizzard's North Edgefield Junction of record in Book 57, page 48, said Register's Office, described according to a survey made by Barge, Waggoner and Sumner, Inc., October 13, 1969, and as revised October 15, 22, 24 and November 4, 13, 20, and 24, 1969, as follows:

The beginning point is located North 18 deg. 35 min. West, 765.06 feet from the center of Bluebird Avenue extended, as measured along the easterly right-of-way of Two Mile Pike and North 71 deg. 25 min. East 691.39 feet to the said point of beginning; thence, North 15 deg. 30 min. East 474.23 feet to a point; thence, North 84 deg. 06 min. West, 47.65 feet to a point; thence, North 07 deg. 40 min. East, 362.00 feet to a point; thence, South 82 deg. 20 min. East 262.00 feet to a point; thence, South 07 deg. 40 min. West, 364.90 feet to a point; thence, South 82 deg. 20 min. East, 670.00 feet to a point; thence, South 07 deg. 40 min. West 38.10 feet to a point; thence, South 27 deg. 00 min. East, 160.51 feet to a point; thence, South 22 deg. 00 min. East, 430.00 feet to a point; thence, South 18 deg. 42 min. East, 608.80 feet to a point in the northerly margin of Gallatin Road; thence, with said Gallatin Road and with a curve to the right having a central angle of 1 deg. 53 min. 42 sec. a radius of 2,835.00 feet, a distance of 93.76 feet to a point; thence, leaving Gallatin Road, North 18 deg. 42 min.West, 635.08 feet to a point; thence, North 16 deg. 26 min. West, 422.00 feet to a point; thence, North 27 deg. 00 min. West 102.82 feet to a point; thence South 15 deg. 30 min. West, 602.06 feet to a point; thence, North 74 deg. 30 min. West, 333.50 feet to a point; thence, South 15 deg. 30 min. West, 103.50 feet to a point; thence, North 74 deg. 30 min. West, 218.00 feet to a point; thence, North, 15 deg. 30 min. East 229.00 feet to a point; thence, North 74 deg. 30 min. West 333.50 feet to the point of beginning, containing 17.18 acres more or less.

Tract No. 2:

Land in the 10th Civil District of Davidson County, Tennessee, being parts of lots nos. 1, 5 and an unnumbered lot on the Plan of Viola G. Curtis Resubdivision of the Cotton Lands, as of record in Book

547, page 126, Register's Office for said County, and parts of lots nos. 4, 5, and 6 on the Plan of H. T. Edenwold Subdivision, not of record, described according to a survey made October 13, 1969, and revised October 15, 22, 24, and November 4, 13, 20, and 24, 1969, as follows:

The beginning point is described as being 1,434 feet on a bearing North 18 deg. 35 min. West, measured along the centerline of Two Mile Pike from the centerline of Gallatin Road, and North 71 deg. 25 min. East, 358.42 feet, and South 74 deg. 30 min. East, 195.00 feet to the point of beginning; thence South 74 deg. 30 min. East 296.00 feet to a point; thence, South 15 deg. 30 min. West 278.00 feet to a point; thence, North 74 deg. 30 min. West, 296.00 feet to a point; thence, North 15 deg. 30 min. East 278.00 feet to the point of beginning, containing 1.89 acres, more or less.

Title to the Land was conveyed to Schnitzer-Penn Investment Co. by Pine Street Equity Corporation by deed dated as of January 29, 1973, recorded in the Office of the Register of Davidson County in Book 4690 at Page 655. Title to the Improvements was conveyed to Schnitzer-Goodpenn Properties by Goodpenney Properties, Inc. by deed dated as of July 10, 1972, recorded in said Office in Book 4622 at Page 659, as corrected by document dated as of January 29, 1973, recorded in said Office in Book 4690 at Page 629.

DESCRIPTION OF AGREEMENTS

(Herein Called the Agreements)

Together with the rights, licenses, easements and privileges relating to the above described property granted to J. C. Penney Company, Inc. or J. C. Penney Properties, Inc. in the following instruments:

1. Unrecorded Operating Agreement, dated December 10, 1969, among Rivergate Associates, J. C. Penney Company, Inc., Alstores Realty Corporation, Cain-Sloan Company, and The Castner-Knott Dry Goods Co.

2. Memorandum of Operating Agreement, dated December 10, 1969, among Rivergate Associates, J. C. Penney Company, Inc., Alstores Realty Corporation, Cain-Sloan Company, and The Castner-Knott Dry Goods Co., recorded in the Register's Office, Davidson County, Tennessee in Book 4432, Page 137.

3. Unrecorded General Expenses Agreement, dated December 10, 1969, between Rivergate Associates and J. C. Penney Company, Inc.

4. Deed of Declaration, dated December 15, 1969, executed by Rivergate Associates, recorded in said Office in Book 4386, Page 523.

5. Assignment of Operating Agreement, dated September 21, 1970, from J. C. Penney Company, Inc. to J. C. Penney Properties, Inc., recorded in said Office in Book 4456, Page 866.

6. Amendment of Deed of Declaration and First Amendment of Operating Agreement, dated December 22, 1970, among Rivergate Associates, J. C. Penney Properties, Inc., Alstores Realty Corporation, Cain-Sloan Company, and The Castner-Knott Dry Goods Co., recorded in said Office in Book 4523, Page 322.

7. Term Agreement, dated April 20, 1972, among Rivergate Associates, J. C. Penney Company, Inc., Alstores Realty Corporation, Cain-Sloan Company, and The Castner-Knott Dry Goods Co., recorded in said Office in Book 4626 at Page 605.

8. Second Amendment to Deed of Declaration, dated February 1, 1977, among Rivergate Associates, Schnitzer-Penn Investment Co., Schnitzer-Goodpenn Properties, Corporate Property Investors, Howard Phipps and The Castner-Knott Dry Goods Co., recorded in said Office in Book 4254, Page 146.

9. Third Amendment to Deed of Declaration, dated as of November 1, 1977, among Rivergate Associates, Schnitzer-Penn Investment Co., Schnitzer-Goodpenn Properties, Corporate Property Investors, Howard Phipps and The Castner-Knott Dry Goods Co., recorded in said Office in Book 5254, Page 164.

10. Second Amendment to Operating Agreement and Memorandum of Operating Agreement, dated as of November 1, 1977, among Rivergate Associates, J. C. Penney Properties, Inc., Alstores Realty Corporation, Cain-Sloan Company, and The Castner-Knott Dry Goods Co., recorded in said Office in Book 5254, Page 124.

11. Unrecorded First Supplement to General Expense Agreement, dated as of January 1, 1977, between Rivergate Associates and J. C. Penney Company, Inc.

PERMITTED EXCEPTIONS

1. (a) Rights and easements created in favor of parties other than J. C. Penney Company, Inc. or J. C. Penney Properties, Inc. and their respective successors and assigns by the above-described Agreements and (b) interests held by others, including without limitation, rights, easements, leases, mortgages and deeds of trust, affecting the land over which J. C. Penney Company, Inc. or J. C. Penney Properties, Inc., has been granted rights, licenses, easements and privileges.

2. Easement vested in the United States of America by decree of the United States District Court for the Middle District of Tennessee, Nashville Division, a certified copy of which is recorded in the Register's Office, Davidson County, Tennessee in Book 2485, Page 253.

3. Easement vested in the Tennessee Valley Authority by decree of the United States District Court for the Middle District of Tennessee, Nashville Division, a certified copy of which is recorded in said Office in Book 2485, Page 257.

4. Easement to the Tennessee Electric Power Company recorded in said Office in Book 653, Page 56.

5. Clearance Permit from R. E. Dunn, Trustee, to the Tennessee Electric Power Company, recorded in said Office in Book 986, Page 330.

6. Easement to the Tennessee Electric Power Company recorded in said Office in Book 986, Page 336.

7. Plan of Subdivision Plat dedicating Sanitary Sewer Easement, recorded in said Office on July 27, 1971, in Book 4460, Page 31.

8. Taxes and assessments which may be a lien but which are not yet deliquent.

9. All zoning ordinances, building or use restriction laws or regulations and the exercise of governmental police powers.

10. Any rights, interests or claims which may exist or arise by reason of the state of facts shown on the surveys of the above-described land by Hart-Freeland-Roberts, Inc., dated March 27, 1972 and revised May 6, 1972 and July 20, 1972; and by Barge, Waggoner, Sumner & Cannon, dated January 26, 1972, and revised April 8, 1972, May 8, 1972 and July 13, 1972.

11. Lease and Agreement, dated as of July 10, 1972, between Goodpenney Properties, Inc., as Lessor, and J. C. Penney Properties, Inc., as Lessee, a Memorandum of which was recorded in said Office in Book 4622 at Page 464.

12. Deed of Trust, dated as of July 10, 1972, between Goodpenney Properties, Inc., as Trustor, and Attorneys Title Company, as Trustee, and The Bowery Savings Bank, as Beneficiary, recorded in said Office in Book 4622 at Page 472.

13. Assignment of Lease and Agreement, dated as of July 10, 1972, among Goodpenney Properties, Inc., J. C. Penney Properties, Inc., and The Bowery Savings Bank, recorded in said Office in Book 4622 at Page 496.

STATE OF OREGON)
) ss.:
COUNTY OF MULTNOMAH)

Before me, Cynthia A. Raynor a Notary Public within and for the State and County aforesaid, personally appeared Leonard E. Schnitzer, with whom I am personally acquainted and who upon his oath acknowledged himself to be a general partner of SCHNITZER-GOODPENN PROPERTIES, named in the foregoing instrument, a general partnership, and that he as such general partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the general partnership by the said Leonard E. Schnitzer as such general partner.

Witness my hand and seal at Portland Oregon, on this 16th day of December, 1985.

CYNTHIA A. RAYNOR NOTARY PUBLIC STATE OF OREGON

Cynthia A. Raynor
Notary Public
expires 12/5/87

STATE OF OREGON)
) ss.:
COUNTY OF MULTNOMAH)

Before me, Cynthia A. Raynor, a Notary Public within and for the State and County aforesaid, personally appeared Dori Schnitzer, with whom I am personally acquainted and who upon her oath acknowledged herself to be a general partner of SCHNITZER-PENN INVESTMENT CO., named in the foregoing instrument, a limited partnership, and that she as such general partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the limited partnership by the said Dori Schnitzer as such general partner.

Witness my hand and seal at Portland Oregon, on this 16th day of December, 1985.

CYNTHIA A. RAYNOR NOTARY PUBLIC STATE OF OREGON

Cynthia A. Raynor
Notary Public
expires 12/5/87

OFFICIAL RECEIPT

FELIX Z. WILSON, II

REGISTER OF DAVIDSON COUNTY

NASHVILLE, TENNESSEE

RECEIVED OF _____

FOR _____ BOOK 6825 PAGE 66

CO - CONVEYANCE	CC - CERTIFIED COPY	MISC - MISCELLANEOUS
MO - MORTGAGE	REL - RELEASE	CO TX - STATE TAX CONVEY
WD - WARRANTY DEED	UCC - UNIFORM COMMERCIAL CODE	MO TX - STATE TAX MORT
TD - TRUST DEED		PRFEE - PROBATE FEE

DATE	SYMBOL	VALUATION	TAX AND FEES	TOTAL PAID

4,500,000.00 Conv.
1700.00 CSTAX
.50 PRFEE
21.00 WDEED
CHECK 1721.50-
1342A04/09/86 BAL .00

RECEIPT IS NOT VALID UNTIL CHECK IS PAID BY BANK

90038

IDENTIFI REFERENCE

APR 9 12 45 PM '86

FELIX Z. WILSON II REGISTER
DAVIDSON COUNTY, TN

No. 235471