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Vol. 188 Page 23779

After Recording, Mail To:

Mark P. Munson
Perkins Coie
1900 Washington Building
Seattle, WA 98101

K-39209
MEMORANDUM OF LEASE

This Memorandum of Lease is made and entered into by and between TOHA Investment Co., a California limited partnership ("Landlord"), and Fairbanks Motel Associates, A Washington Limited Partnership ("Tenant").

WITNESSES:

1. Long Form Lease. The parties hereto have of even date herewith entered into a land lease (the "Long Form Lease") for the lease of that certain real property described on Exhibit A attached hereto and incorporated herein by this reference (the "Property").
2. Short Form Lease. The parties hereto are entering into this Memorandum of Lease for the purpose of incorporating the terms and conditions of the Long Form Lease and for the purpose of recording a lease of the Property and to give notice of the terms of this Memorandum of Lease and the Long Form Lease. The Long Form Lease and all the terms and conditions thereof are by this reference incorporated herein and made a part hereof and all respects as of fully set forth herein. The Long Form Lease and this Memorandum of Lease collectively referred to herein as the "Lease". The Long Form Lease and this Memorandum of Lease shall be construed as one lease but in the event there is any conflict between the terms and conditions thereof, the Long Form Lease shall prevail.
3. Term. The term of the Lease commences of even date herewith and continues for forty-nine years, and some days, through December 31, 2035.
4. Options to Extend. Tenant shall have no right to extend the term of the Lease.
5. Notices. Any notice required to be served in accordance with the Lease shall be deemed to have been given or served in writing and either delivered personally or forwarded by certified or registered mail, postage prepaid, addressed as follows:

If to Landlord: TOHA Investment Co., a California limited partnership; c/o Steve T. Okuma, general partner; 1600 Redondo Beach Boulevard, Suite 301; Gardena, CA 90247.

If to Tenant: Fairbanks Motel Associates, A Washington Limited Partnership, P.O. Box 7399, Olympia, WA 98507-7399.

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6. Additional Provisions. Additional and supplementary terms, conditions, covenants and agreements pertaining to the Property are set forth in the Long Form Lease, executed copies of which shall be retained by Landlord and by Tenant to exhibit to any person having lawful right to knowledge of the details thereof, including without limitation, any and all purchasers, prospective purchasers, lenders, prospective lenders and title insurance companies.

7. Right of First Refusal; Option to Acquire Interest. Any time during the term of the Lease, Tenant shall have the right to purchase Landlord's interest in the Lease and the Property on the same terms and conditions as that offered by Landlord to any other party. Furthermore, during the 8th and 13th and 30th years of the term of the Lease, Tenant shall have the option to purchase Landlord's interest in and to the Lease and the Property for a purchase price computed in the manner set forth in the Long Form Lease.

8. Subordination. The Long Form Lease provides that the Lessor is obligated to subordinate its interest in the Lease and to the Property to loans arranged by the Lessee, but not in an amount in excess of \$1,100,000.

9. THIS INSTRUMENT DOES NOT GUARANTEE THAT ANY PARTICULAR USE MAY BE MADE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT. BUYER SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

DATED this 22th day of December, 1986.

LANDLORD:

TOHA Investment Co., a California
limited partnership

By Steve T. Okuma
Steve T. Okuma, General Partner

TENANT:

FAIRBANKS MOTEL ASSOCIATES, A
WASHINGTON LIMITED PARTNERSHIP

By Gerald L. Whitcomb
Gerald L. Whitcomb, General
Partner

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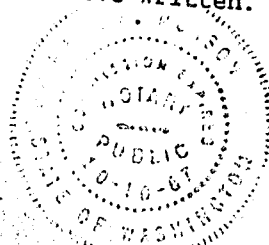
By Super 8 Motels Northwest, Inc.,
General Partner

By Gerald L. Whitcomb
Gerald L. Whitcomb, its Chairman

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 22th day of December, 1986, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steve T. Okuma, to me known to be the general partner of TOHA Investment Co., a California limited partnership, the partnership that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned, and on oath acknowledged that he was authorized to execute said instrument on behalf of said partnership.

WITNESS my hand and official seal the day and year in this certificate above written.

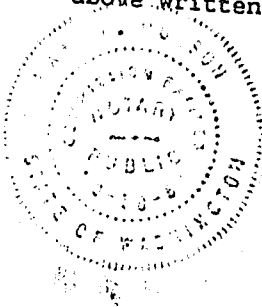


W. Whitcomb
NOTARY PUBLIC in and for the State
of Washington, residing at Seattle
My commission expires: 10/10/87

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 22th day of December, 1986, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gerald L. Whitcomb, to me known to be the general partner of Fairbanks Motel Associates, A Washington Limited Partnership, the partnership which executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned and further acknowledged that he was authorized to execute said instrument on behalf of said partnership.

WITNESS my hand and official seal the day and year in this certificate above written.



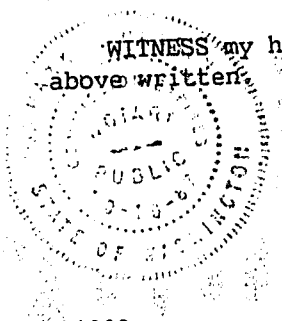
W. Whitcomb
NOTARY PUBLIC in and for the State
of Washington, residing at Seattle
My commission expires: 10/10/87

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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 22th day of December, 1986, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gerald L. Whitcomb, to me known to be the Chairman of Super 8 Motels Northwest, Inc., to me known to be the general partner of Fairbanks Motel Associates, A Washington Limited Partnership, the partnership which executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned and further acknowledged that he was authorized to execute said instrument on behalf of said corporation.

WITNESS my hand and official seal the day and year in this certificate above written.



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Mark A. [Signature]
NOTARY PUBLIC, in and for the State
of Washington, residing at Seattle
My commission expires: 10/10/87

K-39209

EXHIBIT A

DESCRIPTION OF PROPERTY

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The following described real property situate in Klamath County, Oregon:

PARCEL 1:

Beginning at an iron pin on the North line of Byrd Avenue of Chelsea Addition, a subdivision of Klamath County, State of Oregon, which iron pin is at a point South 0°06' West along the East section line of Section 19, Township 38 South, Range 9 East of the Willamette Meridian, a distance of 688.5 feet and North 89°49' West along the North line of Byrd Avenue a distance of 444.4 feet from the iron axle (with Ball Race) which marks the Northeast corner of said Section 19; thence running North 89°49' West along the North line of Byrd Avenue a distance of 77.2 feet to an iron pin which lies on the Northeastly right of way line of State Highway No. 97, 95 feet at right angles from the Northeastly leg of same; thence North 38°52' West along the Northeastly right of way line of State Highway No. 97 (NOTE: The State Highway bearing of this line shows North 39°07½' West) a distance of 130.55 feet to a point; thence North 51°08' East at right angles a distance of 192.77 feet to an iron pin; thence South 38°52' East 15 feet to an iron pin; thence South 0°06' West parallel to the section line a distance of 211.1 feet, more or less, to the point of beginning, in the NE¼NE¼ of Section 19.

PARCEL 2:

A parcel of land lying in the NE¼ of NE¼ of Section 19, Township 38 South, Range 9 East of the Willamette Meridian, and being more particularly described as follows: Beginning at a point in the North line of Byrd St. of Chelsea Addition to the City of Klamath Falls; said point being 688.5 feet South and 234.3 feet West from the Northeast corner of said Section 19; thence North 89°49' West along the North line of said Byrd St. a distance of 208.71 feet; thence North 0°11' East a distance of 208.71 feet; thence South 89°49' East a distance of 208.71 feet; thence South 0°11' West a distance of 208.71 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of December _____ A.D., 19 86 at 9:44 o'clock A M., and duly recorded in Vol. M86
of _____ Deeds on Page 23779

FEE \$21.00

Evelyn Biehn, County Clerk

By [Signature]