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K-40309

Vol M88 Page 3424MEMORANDUM OF LEASE

DATED:

March 10, 1988

BETWEEN:

LEPERCQ CORPORATE INCOME FUND II L.P.,
a Delaware limited partnership
c/o Lepercq Capital Partners
345 Park Avenue
New York, NY 10154

LESSOR

AND:

FRED MEYER, INC.,
a Delaware corporation
PO Box 42121
Portland, OR 97242

LESSEE

Pursuant to a Lease Agreement dated March 10, 1988 (the "Lease"), Lessor has leased to Lessee the real property described in the attached Exhibit A (the "Property") for a primary term under such Lease commencing on March 10, 1988 and ending on March 31, 2008.

The Lease includes options for Lessee to renew or extend the term of the Lease for up to a total of three renewal terms of ten years each, after the end of the primary term.

The Lease contains certain options to Lessee to purchase the Property from Lessor and a right of first opportunity to purchase the Property, on terms and conditions specified in the Lease, to which reference is hereby made for its terms and conditions.

Nothing contained in the Lease shall be construed as the consent or request of Lessor, express or implied, for the performance of any labor or services or for the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Property (or any part thereof).

NOTICE IS HEREBY GIVEN THAT LESSOR WILL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO LESSEE, OR TO ANYONE HOLDING AN INTEREST IN THE PROPERTY (OR ANY PART THEREOF) THROUGH OR UNDER LESSEE, AND THAT NO MECHANIC'S OR OTHER LIENS OR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LESSOR IN THE PROPERTY.

Recording requested by and when recorded mail to:
FRED MEYER, INC., Properties Department, PO Box 42121,
Portland, Oregon 97242

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3425

IN WITNESS WHEREOF, the undersigned have caused this instrument to be duly executed as of the day and year first written above.

LESSOR:

LEPERCQ CORPORATE INCOME
FUND II L.P., a Delaware limited
partnership, general partner

By SECURED PROPERTY ASSOCIATES II
L.P., a Delaware limited
partnership, general partner

By LEPERCQ LEASE ASSOCIATES II L.P.,
a Delaware limited partnership,
general partner

By Peter J. Kinnunen
Peter J. Kinnunen, general partner

LESSEE:

FRED MEYER, INC., a Delaware
corporation

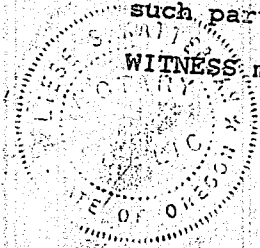
By Kenneth Thrasher
Kenneth Thrasher,
Secretary

STATE OF Oregon ss.
County of Multnomah

On this 10th day of March, 1988, before me, the under-
signed, a Notary Public in and for said State, personally
appeared Peter J. Kinnunen, personally known to me (or proved to
me on the basis of satisfactory evidence) to be the person who
executed the within instrument, as the General Partner of and on
behalf of LEPERCQ LEASE ASSOCIATES II L.P., a Delaware limited
partnership, as General Partner of and on behalf of SECURED
PROPERTY ASSOCIATES II L.P., a Delaware limited partnership, as
General Partner of and on behalf of LEPERCQ CORPORATE INCOME
FUND II L.P., a Delaware limited partnership, the partnership

that executed the within instrument, and acknowledged to me that such partnerships executed the same.

WITNESS my hand and official seal.

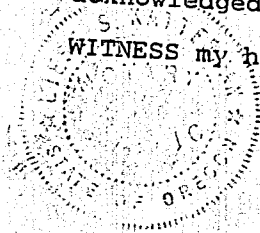


L. S. Fatterman
NOTARY PUBLIC FOR Oregon
Residing at: Albion, Oregon
My commission expires: 9/16/98

STATE OF Oregon)
County of Multnomah) ss.

On this 10th day of March, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Kenneth Thrasher, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument, as the Secretary of FRED MEYER, INC., a Delaware corporation, the corporation therein named, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.



L. S. Fatterman
NOTARY PUBLIC FOR Oregon
Residing at: Albion, Oregon
My commission expires: 9/16/98

EXHIBIT A

Klamath Falls

3427

A parcel of land located in the southwest one-quarter of Section 34, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at a brass cap marking the southwest corner of Section 34 and running North 00° 28' 30" West 168.83 feet; thence North 89° 31' 30" East 55.00 feet to a point on the easterly right-of-way line of Washburn Way and the Point of Beginning; running thence along said right-of-way line, North 00° 28' 30" West 944.12 feet; thence leaving said right-of-way, North 89° 31' 53" East 588.13 feet; thence South 00° 28' 07" East 1101.80 feet to the northerly right-of-way line of Shasta Way; thence along said right-of-way South 89° 52' 25" West 77.96 feet; thence North 87° 15' 50" West 300.37 feet; thence South 89° 52' 25" West 7.13 feet; thence leaving said right-of-way, North 00° 28' 07" West 159.15 feet; thence South 89° 31' 53" West 172.03 feet; thence 38.10 feet along a 35.00 foot radius curve left, the long chord of which bears South 58° 20' 54" West 36.24 feet to the Point of Beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Company the 11th day of March A.D. 19 88 at 2:57 o'clock P M., and duly recorded in Vol. M88 of Deeds on Page 3424

FEE \$20.00

Evelyn Biehn, County Clerk
By Edm Smith