

MEMORANDUM OF LEASE

DATED: July 1, 1988

By an instrument in writing dated July 1, 1988, Tyrholm Properties, Inc., Landlord, has leased to Tyrholm Big R, Inc., Tenant, the following described property:

A tract of land situated in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Sec. 1, Twp. 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being a portion of that land as described in Deed Vol. 160 page 149, Deed Vol. 248, page 193, and Deed Vol. 358 page 159, Klamath County Deed Records, being more particularly described as follows:

Beginning at a 5/8 inch iron pin on the North line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 1, said point being N. 87°55'21" E. 240.30 feet from the 5/8 inch iron pin marking the Northwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 1; thence N. 87°55'21" E. along the North line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 1, 270.90 feet to a 5/8 inch iron pin; thence S. 02°04'39" E. at right angles to the North line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 1; 474.66 feet to a 5/8 inch iron pin in the North/South fence line; thence continuing South 02°04'39" E. of the Northerly right of way line of the State Highway as described in said Deed Vol. 358 Page 159; thence Northwesterly along said right of way line to a point that bears S. 00°06'12" W. from the point of beginning; thence N. 00°06'12" E. to a 5/8 inch iron pin; thence continuing N. 00°06'12" E. 240.53 feet to the point of beginning, containing 2.20 acres, more or less.

Also a tract of land situated in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  and the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 1, all in Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:  
Beginning at a 5/8 inch pin on the North line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 1, said point begin N. 87°55'21" E. 240.30 feet from a 5/8 inch iron pin marking the Northwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 1; thence N. 87°55'21" E. along the North line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 1, 270.90 feet to a 5/8 inch iron pin; thence S. 02°04'39" E. at right angles to the North line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 1, 474.66 feet to a 5/8 inch iron pin in the north-south fence line; thence continuing S. 02°04'39" E. to the Northerly right of way line of the State Highway as described in Deed Vol. 358 page 159, Klamath County Deed Records; thence N. 02°06'39" E. along a north-south fence line 494 feet, more or less, to a 5/8 inch iron pin on the South line of Simmers Avenue; thence S. 89°09'53" W. along the South line of Simmers Avenue, 289.35 feet to a 5/8 inch iron pin; thence S. 00°06'12" W. 24.78 feet to a point of beginning, containing 0.25 acres, more or less.

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This Memorandum is executed to evidence and confirm the lease referred to above, to which reference is made for its terms and conditions which include the following:

1. Term. July 1, 1988 through June 30, 1989, with option in the Tenant to renew for two (2) successive ten (10) year terms.

2. Landlord and Tenant as successors in interest under that lease dated December 29, 1971 as disclosed by Assignment of Lessor's Interest dated April 9, 1980, recorded April 14, 1980 in Volume M80 at page 6907, Deed Records of Klamath County, Oregon and by Assignment of Lessor's Interest dated February 14, 1983, recorded February 15, 1983 in Volume M83 at page 2436 Deed records of Klamath County, Oregon, which lease the Landlord and Tenant expressly terminate.

LANDLORD:

TYRHOLM PROPERTIES, INC.,  
an Oregon corporation

BY: Steven J. Tyrholm

TENANT:

TYRHOLM BIG R, INC., an Oregon corporation

BY: Steven J. Tyrholm

STATE OF WASHINGTON,

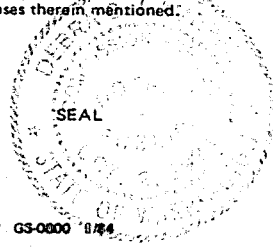
County of King ss.

NOTARY PUBLIC CERTIFICATION  
(INDIVIDUAL ACKNOWLEDGMENT)

I, Debra C. Gambrel, Notary Public in and for the State of Washington residing at Arbutus do hereby certify that on this 8th day of August, 1988, personally appeared before me Steven J. Tyrholm

to me known to be the individual described in and who executed the foregoing instrument and acknowledged that she signed and sealed the same as her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 8th day of August, 1988.



Debra C. Gambrel  
Notary Public in and for the State of Washington residing at Arbutus in said County.

My Commission Expires 10/2/91

3-FN3 FORM GS-0000 8/88

STATE OF OREGON

County of Klamath ss.

On this 2nd day of August personally appeared STEVEN J. TYRHOLM, who being sworn stated that he is President of Tyrholm Big R, Inc. and that said instrument was signed in behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed. Before me.

Richard K. Miller  
Notary Public for Oregon  
My Commission expires: 2-16-89

After Recording Return To:  
William P. Brandsness  
411 Pine Street  
Klamath Falls, OR 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of William Brandsness the 23rd day of Aug. A.D., 19 88 at 4:09 o'clock P.M., and duly recorded in Vol. M88 of Deeds on Page 13644.

FEE \$13.00

Evelyn Biehn County Clerk  
By Dorene Mulder