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RECORDING REQUESTED BY
AND WHEN RECORDED, RETURN TO:Jane Rakay Nelson
Lane Powell Spears Lubersky, LLP
1420 Fifth Avenue, Suite 4100
Seattle, WA 98101-2338State of Oregon, County of Klamath
Recorded 03/27/2002 1:33 p.m.
Vol M02, Pg 18046-18048
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3*K57443*

MEMORANDUM OF DEVELOPMENT AGREEMENT

KLAMATH FALLS CENTER, LLC, an Oregon limited liability company, and HOME DEPOT U.S.A., INC. are parties to a Development Agreement dated as of March 26, 2002 ("Development Agreement") affecting the real property located in the City of Klamath Falls, County of Klamath, State of Oregon, described on the attached Exhibit "A" which is incorporated herein by this reference.

The Development Agreement creates an encumbrance on the property described on Exhibit "A" evidencing the obligations of the parties under the Development Agreement. This encumbrance shall remain in effect until termination of the Development Agreement. The parties have agreed to execute and record a statement confirming termination of the Development Agreement after it has been fully performed in accordance with the terms of the Development Agreement. The Development Agreement grants Home Depot the right to lien Developer's interest in the above described real property. The lien may be created by recording a written instrument ("Claim of Lien") in the real property records of Klamath County, Oregon. The priority of the lien shall be established solely by reference to the date the Claim of Lien is recorded, provided, that such lien shall, in all instances, be subject to and junior to, and shall in no way impair or defeat the lien or charge of any mortgagee holding any mortgage recorded prior to the date of the lien. The Development Agreement creates obligations on the Developer, its successors and assigns, which are binding until the termination thereof.

IN WITNESS WHEREOF, the parties have executed and acknowledged this Memorandum as of March 22 2002.

"HOME DEPOT"

HOME DEPOT U.S.A., INC., a Delaware corporation

By: Daniel R. Hatch, Senior Corporate Counsel,
- Western Region

"DEVELOPER"

KLAMATH FALLS CENTER, LLC

By: 

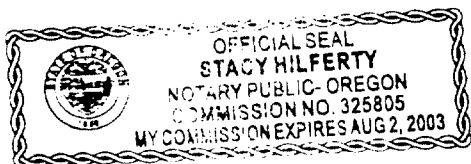
Name: _____

Its: _____

STATE OF OREGON)
) ss.
 COUNTY OF KLAMATH)

I certify that I know or have satisfactory evidence that C.A. Gopin is the person who appeared before me, and said person acknowledged that {he/she/they} signed this instrument, on oath stated that {he is/she is/they are} authorized to execute the instrument and acknowledged it as the _____ to be {his/her} free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

Subscribed and sworn to before me on MARCH 26, 2002

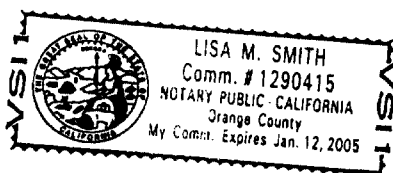


Print Name: Stacy Hilferty
 NOTARY PUBLIC for the State of Oregon
 residing at: Klamath County
 My appointment expires 8-2-03

STATE OF CALIFORNIA)
) ss.
 COUNTY OF ORANGE)

On March 22, 2002, before me, Lisa M Smith
 a Notary Public in and for said state, personally appeared DANIEL R. HATCH, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Print Name: Lisa M Smith
 NOTARY PUBLIC for the State of California
 residing at: Placentia
 My appointment expires: 1-12-05

(SEAL)

EXHIBIT "A"

SHOPPING CENTER PROPERTY LEGAL DESCRIPTION

LAND PARTITION 42-01

PARCELS 1, 2 AND 3, LAND PARTITION NO. 42-01, SITUATE IN THE SOUTH ONE-HALF OF THE NORTHWEST ONE QUARTER, THE SOUTHWEST ONE-QUARTER AND THE SOUTHEAST ONE-QUARTER OF SECTION 1, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, AS FILED IN THE OFFICE OF THE COUNTY CLERK, KLAMATH COUNTY, OREGON.