

RECORDING REQUESTED BY

Ross Stores, Inc.

AND WHEN RECORDED MAIL TO:

Bartko, Zankel, Tarrant & Miller
900 Front Street, Suite 300
San Francisco, CA 94111
Attn: Theani C. Louskos, Esq.

State of Oregon, County of Klamath
Recorded 04/13/2004 8:22a m
Vol M04 Pg 21078-85
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 8

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

MEMORANDUM OF LEASE

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3 1. This Memorandum of Lease is effective upon recordation and is entered into by
4 and between JEFFERSON SQUARE OF KLAMATH, LLC, an Oregon limited liability company
5 ("Landlord"), having its principal place of business at 501 Damont, Klamath Falls, OR 97601,
6 and ROSS STORES, INC., a Delaware corporation ("Tenant"), having its principal place of
7 business at 8311 Central Avenue, Newark, CA 94560-3433, who agree as follows:

8 2. By written lease (the "Lease"), Landlord leases to Tenant and Tenant hires from
9 Landlord a portion of the real property located in the City of Klamath Falls, County of Klamath,
10 State of Oregon, described in Exhibit A hereto, for a term of approximately ten (10) years which
11 term is subject to extension by Tenant for four (4) additional periods of five (5) years each. The
12 Exhibit A lands are sometimes herein referred to as the "Shopping Center."

13 3. Landlord has granted Tenant and its authorized representatives and invitees the
14 nonexclusive right to use the Shopping Center common area with others who are entitled to use
15 those areas subject to Landlord's rights as set forth in the Lease.

16 4. The provisions of the Lease are incorporated into this Memorandum of Lease by
17 reference. The Lease contains the following provision(s):

18 "3.2.1. Retail Use.

19 (a) General. Tenant has entered into this Lease in reliance upon
20 representations by Landlord that the Shopping Center is and shall remain retail in
21 character, and, further, no part of the Shopping Center shall be used for office or
22 residential purposes or as a theater, auditorium, meeting hall, school, church or
23 other place of public assembly, "flea market," gymnasium, veterinary services,
24 overnight stay pet facilities, health club, dance hall, billiard or pool hall, massage
25 parlor, video game arcade, bowling alley, skating rink, car wash, facility for the
26 sale, display, leasing or repair of motor vehicles, night club, adult products, adult

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books or adult audio/video products (which are defined as stores in which at least ten percent (10%) of the inventory is not available for sale or rental to children under the age of fifteen (15) years old because such inventory explicitly deals with or depicts human sexuality). No ATM or similar machine shall be permitted in the Shopping Center within one hundred (100) feet of the front and side perimeter walls of the Store. Further, no restaurant or other "High Intensity Parking User" (as hereinafter defined) shall be permitted in the Shopping Center within five hundred (500) feet of the front and side perimeter walls of the Store (except for the existing restaurant "Terry's Doughnut Shop" designated on Exhibit B and a replacement restaurant in the same location). A "High Intensity Parking User" is a tenant or occupant whose use requires more than five (5) parking spaces per one thousand (1,000) square feet of Leasable Floor Area in accordance with either customary shopping center practices or governmental regulations, whichever has a higher parking requirement. The foregoing use restrictions are referred to herein as the Ross Prohibited Uses.

(b) Exceptions. Notwithstanding the restrictions contained in Section 3.2.1(a) above, the following uses shall be permitted in the Shopping Center:

(i) Retail oriented office uses typically found in shopping centers such as travel agencies, real estate brokers, insurance brokers and financial offices provided that no single office space shall exceed three thousand (3,000) square feet of Leasable Floor Area and provided such retail oriented offices in the aggregate do not exceed fifteen percent (15%) of the total Leasable Floor Area of the Shopping Center (excluding the Leasable Floor Area of the Store and the Safeway store from the calculation), and provided that no more than three thousand (3,000) square feet of Leasable Floor Area of space used for retail oriented offices in the aggregate shall be permitted within one hundred fifty (150) feet of the Store.

(ii) One (1) quick serve / fast food restaurant not to exceed one thousand five hundred (1,500) square feet of Leasable Floor Area which is located at least one hundred (100) feet from the Store and one (1) full service/sit down restaurant not to exceed three thousand (3,000) square feet of Leasable Floor Area which is located at least two hundred (200) feet from the Store."

"15.3 Protection. Without the prior written consent of Tenant, which consent may be withheld in the absolute and sole discretion of Tenant, no tenant or occupant of the Shopping Center (other than Tenant) may use, and Landlord, if it has the capacity to do so, shall not permit any other tenant or occupant of the Shopping Center to either use its premises for the Off Price Sale (as hereinafter defined) of merchandise. For purposes of this Section 15.3, "Off Price Sale" shall mean the retail sale of name brand apparel for men, women and children on an every day basis at prices reduced from those charged by typical full price apparel retailers, such as full price department stores; provided, however, this definition

shall not prohibit sales events by a retailer at a price discounted from that retailer's every day price. (As of the Effective Date, examples of Off Price Sale retailers include such retailers as T.J. Maxx, Marshall's, Nordstrom Rack, Goody's, Factory 2U, Burlington Coat, Steinmart, and Filene's Basement.)"

5. The provisions of the Lease to be performed by Landlord whether to be performed at the Tenant's store, or any other portion of the Shopping Center, whether affirmative or negative in nature, are intended to and shall bind the Landlord, its successors and assigns at any time and shall inure to the benefit of Tenant, its successors and assigns.

6. This Memorandum of Lease is prepared for the purpose of constructive notice and in no way modifies the provisions of the Lease.

Contents of Memorandum of Lease:

Paragraphs 1-6
Exhibit A - Legal Description of the Shopping Center
Exhibit B - Site Plan

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Memorandum of Lease on this 1st day of April, 2004.

LANDLORD:
JEFFERSON SQUARE OF KLAMATH,
LLC, an Oregon limited liability company

By:
Its:

Walter Seput

By:
Its:

TENANT:
ROSS STORES, INC.,
a Delaware corporation

By:

James Fassio
Sr. Vice President

By:

Gregg McGillis
Vice President, Real Estate

1 State of California)
 2) ss.
 3 County of Alameda)

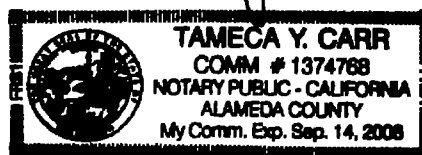
4 On 4/4/04 before me, James,

6 a Notary Public, personally appeared James Fassio and Gregg McGillis, personally known to me
 7 or proved to me, on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are
 8 subscribed to the within instrument and acknowledged to me that he/she/they executed the same
 9 in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
 10 the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

11
 12 WITNESS my hand and official seal.

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James
 Notary Public



20 State of Oregon)
 21) ss.
 22 County of Klamath)

24 On April 1, 2004 before me, Lisa Weatherby, a Notary
 25 Public, personally appeared Walter Seput,
 26 personally known to me or proved to me, on the basis of satisfactory evidence, to be the
 27 person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
 28 he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
 29 signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
 30 acted, executed the instrument.

31
 32 WITNESS my hand and official seal.



Lisa Weatherby
 Notary Public

[Handwritten signature]

EXHIBIT A
LEGAL DESCRIPTION OF THE SHOPPING CENTER

21082

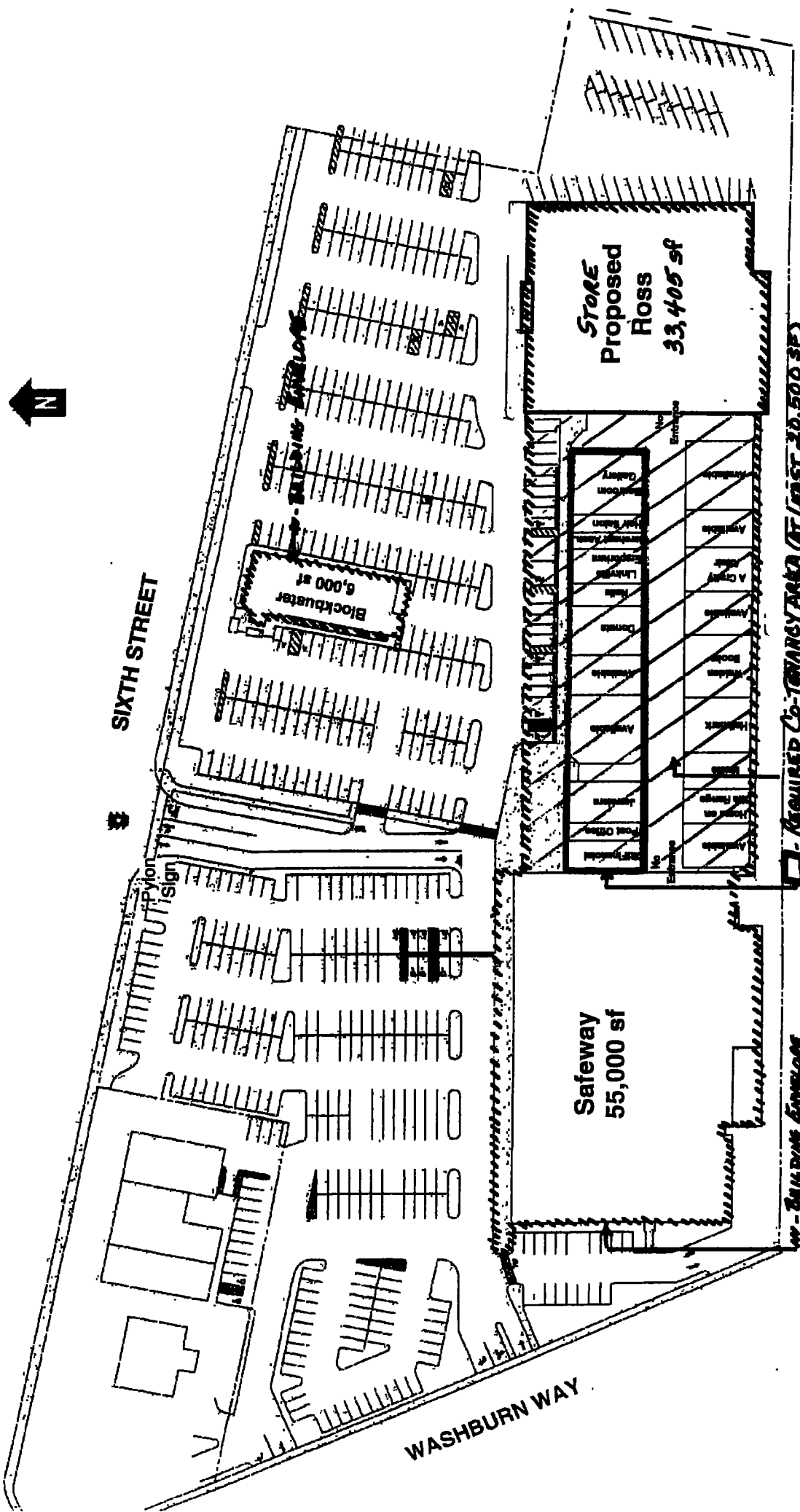
A parcel of land lying in the Northwest quarter of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Starting at the Northwest corner of said Section 3; thence South 00 degrees 00' 30" East along the Westerly boundary of Section 3 and the centerline of Washburn Way, 917.42 feet to the intersection with the present centerline of Sixth Street, formerly known as the Dalles-California Highway, recorded bearing South 55° 52' 30" East, at Engineers Station 9 + 17.42 feet on Washburn Way and Engineers Station 16 + 14.87 feet on Sixth Street present centerline, and continuing thence along said boundary and centerline 48.32 feet to Engineers Station 9 + 65.74 feet on South boundary of Sixth Street, which is distant 40 feet at right angles Southwesterly from centerline of Sixth Street at Engineers Station 16 + 41.99 feet; thence South 55° 52' 30" East parallel to said centerline 463.02 feet to the true point of beginning of this description; thence from said true beginning point continuing South 55 degrees 52' 30" East parallel to said centerline 795.36 feet; thence at right angles South 34 °07' 30" West, 204.00 feet; thence South 55° 52' 30" East parallel to Sixth Street 145.00 feet; thence at right angles South 34° 07' 30" West, 183.80 feet, more or less, to Northerly right way line of the Oregon, California and Eastern Railroad; thence North 66° 57' 30" West along said line 982.45 feet, more or less, to a point on the Easterly right of way line of Washburn Way which is 40.00 feet Easterly of said centerline; thence North 00° 00' 30" West along said right of way line 503.39 feet; thence South 55° 52' 30" East, 306.22 feet; thence North 34° 07' 30" East, 160.00 feet to the true point of beginning.

Tax Account No.: 3909-003BC-00900-000

Key No.: 526087





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