

PREPARED BY AND RECORDING  
REQUESTED BY AND  
WHEN RECORDED RETURN TO:  
LISA A. SCHWARTZ, ESQ.  
THE TJX COMPANIES, INC.  
770 COCHITUATE ROAD  
FRAMINGHAM, MA 01701

PROPERTY TAX ID # 26-0799537 {To be inserted by Landlord}

### MEMORANDUM OF LEASE

June 13<sup>th</sup>, 2019, by and between **DKM2, LLC**, an Oregon limited liability company as to an undivided 8% interest; **L-39, LLC**, an Oregon limited liability company as to an undivided 12% interest; **KFALLS CENTER, LLC**, an Oregon limited liability company as to an undivided 40% interest; and **RED KNIGHT LLC**, an Oregon limited liability company as to an undivided 40% interest, as tenants in common (the "**Landlord**"), and **THE TJX COMPANIES, INC.**, a Delaware corporation (the "**Tenant**"), provides:

1. Lease. The provisions set forth in a written lease between the parties hereto dated June 13, 2019 (the "**Lease**") are hereby incorporated by reference in this Memorandum.

2. Demised Premises. The Demised Premises consist of a portion of a one-story building and contain twenty one thousand three hundred eighty six (21,386) square feet of ground floor area having a frontage and width of one hundred six feet (106'), a depth of two hundred feet (200'), and other dimensions as shown and labelled "Area A" upon the plan attached to the Lease. The Demised Premises are a portion of the Shopping Center land more particularly described in Schedule A attached hereto as a part hereof. In addition, the Tenant shall have the shared right to use certain service areas adjacent to the Demised Premises which contain an exterior loading dock and trash storage area. The Demised Premises are situated within the so-called Jefferson Square Shopping Center, located at the southeasterly corner of the intersection of Sixth Street and Washburn Way in Klamath Falls, Jefferson County, Oregon.

3. Term and Option to Extend Term. The original term of the Lease shall be the period of ten (10) years and a fraction of month commencing on the Commencement Date (as described below) and terminating on the last day of the month during which the tenth (10<sup>th</sup>) anniversary of the Commencement Date shall occur, except, however, that if the Commencement Date shall be a first day of a calendar month then the original term of the Lease shall be the period of ten (10) years commencing on the Commencement Date and terminating on the day prior to the tenth (10<sup>th</sup>) anniversary thereof.

Tenant shall have the right, at its election, to extend the term of the Lease for four (4) extension periods of five (5) years each, each commencing upon the expiration of the original term, or the original term as thus previously extended. In addition, Tenant shall have the right, at its election, to extend the original term, or the original term as it may have been previously extended as aforesaid, for an extension period of a fraction of a year ending upon the January 31<sup>st</sup> next following the expiration of the original term, or the original term as previously extended, as the case may be. Such extensions shall be granted upon the terms and conditions set forth in the Lease.

4. Commencement Date. An "Opening Day" shall be any Monday through Friday (except for legal holidays) between March 1 and the following April 30, and between August 1 and the following October 30. The "Commencement Date" shall be the first Opening Day after the later to occur of the following dates:

(1) the sixtieth (60<sup>th</sup>) day after the completion of Landlord's Construction Work (as that term is defined in the Lease), receipt by Tenant of notice of such completion from Landlord and receipt by Tenant of permits for its work in the Demised Premises; and

(2) the sixtieth (60<sup>th</sup>) day after a supermarket shall open for business to customers in the Shopping Center under the trade name National Grocers containing not less than fifteen thousand (15,000) square feet of floor area under a lease for a term having not less than ten (10) years thereafter remaining, which shall be non-cancelable except for events such as are set forth in Articles X, XI and XIII of the Lease, and satisfactory evidence of all of the foregoing shall have been delivered to Tenant; and

(3) the ninetieth (90<sup>th</sup>) day after Landlord shall have delivered to Tenant all of the fully executed and acknowledged instruments referred to in Paragraph 8 of Schedule B to the Lease; and

(4) the tenth (10<sup>th</sup>) day after Landlord shall have delivered to Tenant a current certificate of occupancy (or its equivalent depending on the jurisdiction) for the Demised Premises, if the same shall be issuable in accordance with local law or custom; and

(5) the sixtieth (60<sup>th</sup>) day after Landlord shall have installed or renovated the Pylon Sign, the Monument Sign and the New Monument Sign with a space for Tenant's identification panels thereon; and

(6) the sixtieth (60<sup>th</sup>) day after Tenant's receipt of the necessary governmental permits and approvals for Tenant's exterior signs, as well as Tenant's identification panels on the Pylon Sign, the Monument Sign and the New Monument Sign; and

(7) the sixtieth (60<sup>th</sup>) day after Landlord shall have delivered to Tenant the Negative Certification Report referred to in Schedule H to the Lease; and

(8) the sixtieth (60<sup>th</sup>) day after Landlord shall have delivered to Tenant evidence that leases or other documents relating to prior occupants of the Demised Premises have been removed as encumbrances from title; and

(9) the tenth (10<sup>th</sup>) day after completion of construction of or necessary repairs to the Common Areas; and

(10) the sixtieth (60<sup>th</sup>) day after Landlord shall have completed "shell construction" of the building of which the Demised Premises forms a part (in addition to the Demised Premises) in the areas shown therefor upon the Lease Plan attached to the Lease; "shell construction" shall mean the foundation, all exterior walls, roof, and all doors and windows (including glass or aesthetically suitable temporary substitutes for such glass); and

(11) September 1, 2019.

Notwithstanding the foregoing, if the Demised Premises shall be opened for business with customers prior to the Commencement Date determined as above provided, such date of opening shall be the Commencement Date.

5. Duplicate originals of the Lease are in the possession of the Landlord and Tenant and reference should be made thereto with respect to any questions arising in connection therewith. The addresses for Landlord and Tenant are as follows:

Landlord: c/o Hesslin Holdings  
23421 South Pointe Drive, Suite 270  
Laguna Hills, California 92653

Tenant: The TJX Companies, Inc.  
770 Cochituate Road  
Framingham, Massachusetts 01701  
Attn: Vice President-Real Estate

6. The Lease contains certain restrictions upon the remainder of the Shopping Center property described in Schedule A, as set forth in Schedule B of the Lease, including without limitation, the following:

“4. (A) Landlord agrees that the Project shall not be used: (a) for any non-retail purposes (repairs, alterations and offices incidental to retailing, and banks and small loan offices, shall be deemed retail for purposes of this lease); or (b) for any entertainment purposes such as a bowling alley, skating rink, cinema, bar (except a bar incidental to a primary restaurant use is allowed in a location permitted by this lease so long as projected sales of beer, wine and alcohol are less than forty percent (40%) of the projected gross sales for such establishment), nightclub, discotheque, amusement gallery, poolroom, massage parlor, sporting event, sports or game facility, off-track betting club; or (c) for any of the Prohibited Uses set forth in Schedule F attached hereto. No restaurants or establishments selling food prepared on premises for consumption on or off premises shall be located in the Shopping Center except in their presently existing size and location, but this shall not preclude the sale of food for consumption on or off premises within a grocery store in the Shopping Center. (Collectively the uses described herein are referred to as the “Prohibited Uses”).

(B) Landlord agrees that, from the date hereof until expiration of the term of this lease, no other premises in the Project shall at any time contain more than: (i) fifteen thousand (15,000) square feet of floor area therein used or occupied for, or devoted to, the sale or display of apparel and related accessories; and/or (ii) seven thousand five hundred (7,500) square feet of floor area therein used or occupied for, or devoted to the sale or display of shoes, footwear and related accessories; and/or (iii) fifteen thousand (15,000) square feet of floor area therein used or occupied for, or devoted to, the sale or display of furnishings for the home including the following categories of items: linens and domestics, window treatments, floor coverings, bathroom items, bedding, furniture, wall décor, housewares, table top goods, glassware, flatware, cookware, kitchen utensils, giftware and/or closet, shelving and storage items and home accessories (all of the foregoing hereinafter referred to as the “Exclusive Use” and the merchandise referred to therein as the “Protected Merchandise”). The computation of such floor area shall include one half (1/2) of all floor area in any aisles, corridors or similar spaces adjacent to or abutting any racks, gondolas, shelves, cabinets, counters or other fixtures or equipment containing or used for the sale or display of the Protected Merchandise.”

7. It is understood and agreed that the only purpose of this Memorandum of Lease is to give notice of the Lease; it being distinctly understood and agreed that said Lease constitutes the entire lease and agreement between Landlord and Tenant with respect to the Demised Premises. The Lease contains additional rights, terms and conditions not enumerated in this instrument. This instrument is not intended to vary the terms of the Lease, including such rights, terms and conditions and in the event of any inconsistency between the provisions of this Memorandum of Lease and the Lease, the provisions of the Lease shall control.

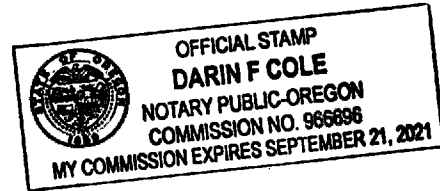


*[Signature]*

By:

Name: MATTHEW / DICKERHOOF  
Its: MANAGER

STATE OF OREGON )  
 ) SS.  
COUNTY OF BENTON )



Sam F. Cul

My Commission Expires: \_\_\_\_\_

S: September 21, 2024

WITNESS:

[Signature]

**KFALLS CENTER, LLC,**  
an Oregon limited liability company

By: [Signature]  
Name: Ben Wahlstrom  
Its: managing member

**LANDLORD'S ACKNOWLEDGMENT**

STATE OF OREGON )  
 ) SS.  
COUNTY OF BENTON )



On this 30th day of MAY, in the year 2019, before me, the undersigned notary public, personally appeared Ben Wahlstrom, as Member for KFALLS CENTER, LLC, a limited liability company, personally known to me/or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he/she executed same in his/her authorized capacity.

[Signature]  
Notary Public  
My Commission Expires: 2-8-2022

WITNESS:

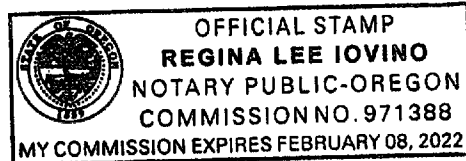
[Signature]

RED KNIGHT LLC,  
an Oregon limited liability company

By: Richard A Carone  
Name: RICHARD A CARONE  
Its: Managing Member

LANDLORD'S ACKNOWLEDGMENT

STATE OF OREGON )  
 ) SS.  
COUNTY OF BENTON )





On this 31st day of May, in the year 2019, before me, the undersigned notary public, personally appeared Richard Carone, as Managing Member for RED KNIGHT LLC, a limited liability company, personally known to me/or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he/she executed same in his/her authorized capacity.

Regina Lee Iovino  
Notary Public  
My Commission Expires: 2-8-2022

John C. Davis

absolutely

By:   
Alicia C. Kelly  
Executive Vice President,  
General Counsel and Secretary

By:   
David L. Averill  
Senior Vice President, Corporate Tax  
Director

COMMONWEALTH OF MASSACHUSETTS       )  
  ) SS.  
COUNTY OF MIDDLESEX                     )

**ELLEN LUCY HEALY**  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires  
April 26, 2024

Ellen Joyce Kealy  
Notary Public  
My Commission Expires: 4/26/24



## SCHEDULE A

### DESCRIPTION OF SHOPPING CENTER, THE PROJECT AND DEMISED PREMISES

The “**Demised Premises**” consist of a portion of a one-story building, to be renovated by Landlord as herein provided, and contain twenty one thousand three hundred eighty six (21,386) square feet of ground floor area having a frontage and width of one hundred six feet (106’), a depth of two hundred feet (200’), and such other dimensions as shown upon the plan attached hereto (the “**Lease Plan**”), and are a portion of the premises within the Shopping Center referred to hereinbelow labelled AREA A on the Lease Plan. The Lease Plan shall not be modified in any way without Tenant’s consent, which may be withheld at Tenant’s sole and absolute discretion. In addition, Tenant shall have the shared right (with the space used by Natural Grocers) to use certain service areas adjacent to the Demised Premises which contain an exterior loading dock and trash storage area for Tenant’s delivery and removal activities and for Tenant’s compactor, dumpster and/or trash receptacles. It is expressly understood and agreed that said service areas shall not be included in computing minimum rent pursuant to Section 5.1 of the lease or Tenant’s Fraction (defined in Section 6.1) for purposes of Article VI and Paragraph 10 of Schedule B or for purposes of calculating other charges due under this lease. For purposes of this lease, floor area shall be measured from the outside face of exterior walls and the center of interior partition walls. If after completion of Landlord’s Construction Work the Demised Premises shall contain less than the ground floor area required above then, in addition to all other remedies of Tenant, as a result thereof, the rent payable by Tenant pursuant to the lease shall be reduced proportionately and if the Demised Premises contains less than twenty thousand eight hundred eighty six (20,886) square feet of ground floor area, Tenant may terminate this lease by giving notice to Landlord. Notwithstanding anything to the contrary contained in this lease, in no event shall minimum rent, additional rent or other charges due under this lease be based on the Demised Premises containing more than twenty one thousand three hundred eighty six (21,386) square feet of ground floor area. Landlord agrees that the name of the Shopping Center shall not contain the trade name of any business operated in the Shopping Center.

The Demised Premises are situated within the so-called Jefferson Square Shopping Center, located at the southeasterly corner of the intersection of Sixth Street and Washburn Way (herein collectively referred to as the “**Main Streets**”) in Klamath Falls, County of ~~Jefferson~~, Oregon. The **Shopping Center** is the land, together with the buildings and other structures from time to time thereon, shown on the Lease Plan, and is more particularly described as follows:

Klamath

#### (LEGAL DESCRIPTION FOR SHOPPING CENTER)

PARCEL 1 OF LAND PARTITION NO. 48-05, A REPLAT OF A PORTION OF LOTS 35 AND 44 OF ENTERPRISE TRACTS LOCATED IN THE WEST 1/2 OF NW 1/4 OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLIAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

LESS AND EXCEPT THAT PORTION DEEDED TO THE CITY OF KLAMATH FALLS AND ITS SUCCESSORS AND ASSIGNS ON JULY 15, 2008 IN 2008 10156, RECORDS OF KLAMATH COUNTY, OREGON.

#### (EASEMENT PARCEL)

TOGETHER WITH RECIPROCAL EASEMENT AND MAINTENANCE AGREEMENT AS DISCLOSED BY DOCUMENT RECORDED DECEMBER 8, 1995 IN VOLUME M95 PAGE 33582, RECORDS OF KLAMATH COUNTY, OREGON.

ALSO TOGETHER WITH NONEXCLUSIVE EASEMENTS FOR COMMON PARKING AND REASONABLE PEDESTRIAN AND VEHICULAR ACCESS, INGRESS AND EGRESS OVER ALL PAVED DRIVEWAYS, ROADWAYS AND WALKWAYS AS PRESENTLY OR HEREAFTER CONSTRUCTED AND CONSTITUTING A PART OF THE COMMON AREA, AND FOR MAINTENANCE AS GRANTED IN DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED DECEMBER 21, 2005 AS DOCUMENT M05 71541, RECORDS OF KLAMATH COUNTY, OREGON.

LEASE PLAN

EXHIBIT A  
SITE PLAN

