

COMPUTER
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REC \$ 20 ⁰⁰
AUD \$ _____
R.M.F. \$ 1 ⁰⁰

UNIT NO. 3449 **344**
FILED NO. _____
BOOK 45 PAGE 220

STATE OF Iowa
COUNTY OF Madison
21235.2

98 JUL 20 PM 3: 01

**SUPER 8 MOTELS, INC.
DECLARATION OF FRANCHISE AGREEMENT**

MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

The undersigned SUPER 8 MOTELS, INC., a South Dakota corporation (the "Company") and SPIRIT LAKE MOTEL, LP, a partnership, ("Franchisee") declare as follows:

1. A Franchise Agreement, dated as of August 26, 1996 has been executed by the parties pursuant to which the Company has granted to Franchisee the right and license to operate certain lodging premises located at 1312 North 10th Street, Winterset, IA 50273 , a legal description of which premises is attached hereto as Exhibit A (the "Premises"), as a "SUPER 8 MOTEL" facility. Such identification and operation is subject to the terms of the Franchise Agreement and the policies, and standards established by the Company from time to time, provided that Franchisee is solely responsible for the safety, security, operations and maintenance of the Premises, employment of all employees, agents and contractors, and the debts and contracts associated therewith.

2. The term of the license to operate the Premises under the "SUPER 8 MOTEL" name extends from the date Franchisee is authorized by the Company to open using the "SUPER 8 MOTEL" name for a period of TWENTY years, subject to earlier termination as provided in the Franchise Agreement. The license and the Franchise Agreement may not be transferred, assigned, delegated, pledged, hypothecated, donated or conveyed without the prior written consent of the Company. The Franchise Agreement establishes certain conditions that must be satisfied in connection with any transfer of the license. The request for consent must be submitted with the Company's standard franchise application at least 15 business days prior to transfer of the Premises. The Company will require the transferee to pay its transfer fee and execute its standard form of Franchise Agreement then offered to new franchisees prior to approving the transfer. Transfers in violation of the Franchise Agreement are void and subject the license to immediate termination without notice (or such other procedure as may be prescribed by local law). The Company will provide no services to the transferred Premises until the transferee executes the documentation required by the Company.

3. The Company may also license Franchisee to use certain computer software necessary to connect the Premises with the Company's central reservation system. Any such software license may not be transferred, assigned, delegated, donated, hypothecated, pledged or conveyed without the Company's prior written consent. Any software license terminates concurrently with the license granted under the Franchise Agreement.

4. The Company loans certain manuals and confidential materials to Franchisee for use at the Premises. The Company retains ownership of such manuals and confidential materials and may require the return of the same at any time. All software furnished under any software license, all documentation and manuals relating thereto, and all operating and other manuals, and confidential information furnished by the Company remain the property of the Company, and no lien, claim or security interest shall attach thereto.

5. If the license is terminated and the Franchisee or party in possession of the Premises fails to remove all marks, signs, and items bearing the licensed servicemarks and names, or return the reservation system software, manuals and other confidential materials furnished by the Company, the Franchise Agreement authorizes the Company or its agents to enter the Premises without further notice or judicial process and remove all items bearing the licensed servicemarks and names, the software, the manuals and other confidential materials, upon tender of the purchase price of Ten Dollars in cash.

6. The Company may release this instrument at any time by filing notice of release in the records where this instrument is recorded. Franchisee is not required to execute such notice.

7. This instrument is not an encumbrance or conveyance affecting title to the Premises. The Company has no lien on, or security interest in or to, the Premises, provided that the Company maintains a purchase money security interest in computer hardware it sells to Franchisee until payment of the purchase price is received.

IN WITNESS WHEREOF, the parties have executed this declaration intending that it be filed for record in the real property records of the County in which the Premises are located.

FRANCHISEE:

SPIRIT LAKE MOTEL, LP

By: *L. Leroy Ware*
L. Leroy Ware
Partner

Print Name of Signer: L. Leroy Ware

Title: Partner

Witness: *Katy Clevenger*

Print Name of Witness: Katy Clevenger

THE COMPANY:

SUPER 8 MOTELS, INC.

By: *Russell A. Moserowitz*
Russell A. Moserowitz
Vice President
Franchise Compliance

Print Name of Signer: _____

Title: _____

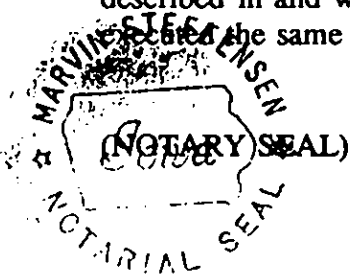
Witness: *Richard J. Wolf*

Print Name of Witness: Richard J. Wolf
Assistant Secretary

ACKNOWLEDGEMENTS

STATE OF IOWA, COUNTY OF POLK ss:

On the 26 day of AUGUST, 1996, before me personally appeared L. Leroy Waas and _____ to me known, who, being by me duly sworn, did depose and say that they are the Partner (title) and _____ of Spirit Lake Motel, LP (name of corporation/partnership) described in and which executed the foregoing instrument; and acknowledged to me that they executed the same in their authorized capacities.

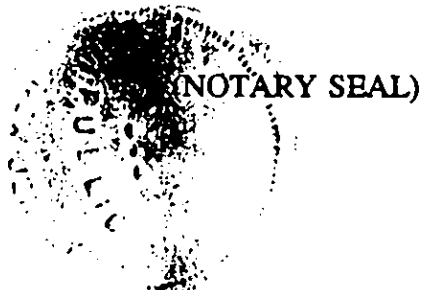


Marvin Jensen
(Notary Public)

My Commission expires: 8-27-99

STATE OF NEW JERSEY, COUNTY OF MORRIS ss:

On the 26 day of August, 1996, before me personally appeared Russell M. Schuch and _____ to me known, who, being by me duly sworn, did depose and say that they are the VP (title) and _____ of Super 8 Motel Inc. (name of corporation/partnership) described in and which executed the foregoing instrument; and acknowledged to me that they executed the same in their authorized capacities.



Deborah E. Dooley
(Notary Public)

My Commission expires: DEBORAH E. DOOLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 11, 2000

This instrument prepared by and to be returned to: Joel R. Buckberg, Esq., SUPER 8 MOTELS, INC., 339 Jefferson Rd., Parsippany, NJ 07054; (201) 428-9700.

Preparer Information Linda M. Kirch 115-3rd St. SE, Ste. 1200 Cedar Rapids (319)366-7641
Individual's Name Street Address City Phone

SPACE ABOVE THIS LINE
FOR RECORDER



**WARRANTY DEED
(CORPORATE GRANTOR)**

For the consideration of One
Dollar(s) and other valuable consideration,
WINTERSET MOTEL, INC., an Iowa Corporation
a corporation organized and existing under the laws of
Iowa
does hereby convey to
SPIRIT LAKE HOTEL LIMITED PARTNERSHIP

the following described real estate in Madison County, Iowa:
LOT SEVEN (7) OF HELEN McCALL HUNTOON ADDITION;
PLAT NO. THREE (3), TO THE TOWN OF WINTERSET,
MADISON COUNTY, IOWA

The Corporation hereby covenants with grantees, and successors in interest, that it holds the real estate by title in fee simple; that it has good and lawful authority to sell and convey the real estate; that the real estate is free and clear of all liens and encumbrances, except as may be above stated; and it covenants to Warrant and Defend the real estate against the lawful claims of all persons, except as may be above stated.
Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, according to the context.

Dated: August 26, 1996
By [Signature]
WINTERSET MOTEL, INC.
Bhupen Patel, President Title
By [Signature]
Bhupen Patel, Secretary Title

STATE OF IOWA COUNTY, POLK, ss:
On this 26 day of August, 19 96 before me, the undersigned, a Notary Public in and for said State, personally appeared Bhupen Patel and Bhupen Patel to me personally known, who being by me duly sworn, did say that they are the President and Secretary respectively, of said corporation; that (no seal has been procured by the said) ~~the said~~ ~~corporation~~ ~~that~~ ~~said~~ ~~instrument~~ ~~was~~ ~~signed~~ ~~and~~ ~~acknowledged~~ on behalf of said corporation by authority of its Board of Directors; and that the said Bhupen Patel and Bhupen Patel as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

[Signature]
Notary Public