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FILED SARP COUNTY, NE.  
INSTRUMENT NUMBER  
98 012770

Store #1906  
Bellevue, Nebraska

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Counter a  
Verify: [Signature]  
J.E. [Signature]  
Proof: [Signature]  
Fee: 50.50  
Ck   
Cash   
Home

LEASE EXTENSION AGREEMENT

REGISTER OF DEEDS

AGREEMENT, dated as of the 21st day of August, 1997, by and between SOUTHROADS SHOPPING CENTER LIMITED LIABILITY COMPANY, having an address of 5015 Underwood Avenue, Omaha, Nebraska 68132 (hereinafter called "Landlord"), and J. C. PENNEY COMPANY, INC., a Delaware corporation, having a mailing address of P. O. Box 10001, Dallas, Texas 75301-2105 (hereinafter called "Tenant");

WITNESSETH:

WHEREAS, E. John Brandeis Trust, (Landlord's predecessor in title), as landlord, and Tenant, entered into a certain lease, dated as of the 3rd day of May, 1965, a Memorandum of which lease was filed for record on October 11, 1965, and duly recorded in the Records of Sarpy County, Nebraska, in Book 35 of Miscellaneous, at Page 696, and which lease has been amended and supplemented by the following documents:

- Letter dated September 3, 1965
- Letter Agreement dated November 2, 1966
- Term Agreement dated December 8, 1966
- Letter Agreement dated December 16, 1966
- Letter dated July 16, 1968
- Letter dated August 6, 1968
- Unilateral Waiver Letter dated February 20, 1973
- Letter dated June 29, 1973
- Letter Agreement dated March 22, 1984
- Letter dated April 25, 1984
- First Amendment of Lease dated May 7, 1984
- Letter Agreement dated November 4, 1986
- Second Amendment of Lease dated April 1, 1987
- Letter Agreement dated June 7, 1988
- Letter Agreement dated February 22, 1988
- Letter dated September 23, 1992
- Lease Extension Agreement dated as of May 7, 1993
- Lease Amendment Agreement dated as of December 8, 1993
- Letter dated December 12, 1994

(which lease, as so supplemented and amended, is hereinafter referred to as the "Lease"); and

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WHEREAS, pursuant to the Lease there was demised and leased to Tenant certain premises (the "Demised Premises"), being a part of the Southroads Mall Shopping Center (the "Entire Premises") situated in the City of Bellevue, County of Sarpy, and State of Nebraska, which Entire Premises is more particularly described therein and in Exhibit "A" attached hereto; and

WHEREAS, Landlord is now the fee owner of the Demised Premises; and

WHEREAS, the Lease by its terms will expire on the 31st day of October, 1998; and

WHEREAS, the parties hereto are desirous of extending the term of the Lease and modifying the same in certain other respects.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Landlord and Tenant do hereby covenant and agree as follows:

1. COVENANT OF TITLE: Landlord represents and warrants that Landlord has good leasehold title to the Entire Premises, and that the Lease has neither been assigned nor have the rentals payable under the Lease been assigned. Landlord further covenants and warrants that Landlord has full right and lawful authority to enter into this Agreement and to perform Landlord's obligations under the Lease and this Agreement for the extended term, if any, of the Lease and that no consents of any nature whatsoever are required for Landlord to enter into this Agreement.

2. EXTENSION OF TERM: The term of the Lease shall be, and the same hereby is, extended for an additional period of five (5) years, commencing on the 1st day of November, 1998, and expiring

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on the 31st day of October, 2003, at the same rental and upon the same covenants, terms, and conditions as those specified in the Lease, except as hereinafter set forth.

3. OPTION TO EXTEND: The article of the Lease captioned "OPTIONS TO EXTEND" shall be and the same hereby is deleted therefrom, and the following substituted in lieu thereof:

"Tenant shall have three (3) successive options to extend the term of the Lease each for a separate additional period of five (5) years, from the date upon which the term would otherwise expire. Each such extension shall be upon and subject to the same terms, covenants and conditions as those specified in the Lease, except that Tenant may not exercise again any option previously exercised. If Tenant elects to exercise any of said options, it shall do so by giving Landlord notice of such election at least twelve (12) months before the beginning of the additional period for which the term of the Lease is to be extended by the exercise of such option; provided, however, that if Tenant fails to give any such notice within such time limit, Tenant's right to exercise its option shall nevertheless continue until sixty days after Landlord shall have given Tenant notice of Landlord's election to terminate such option, and Tenant may exercise such option at any time until the expiration of said sixty day period. It is the intention of the parties to avoid forfeiture of Tenant's rights to extend the term of this lease under any of the options set forth in this article through inadvertent failure to give notice thereof within the time limits prescribed. If Tenant gives such notice, the term of this lease shall be automatically extended for the additional period of

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years covered by the option so exercised without execution of an extension or renewal lease."

4. OPTION TO CANCEL: The article of the Lease captioned "OPTION TO CANCEL" shall be deemed deleted from the Lease, and the following shall be substituted in lieu thereof:

"Tenant shall have the right and option of terminating the Lease, by giving Landlord written notice of its election so to do at least twelve (12) months in advance of the termination date specified in such notice, and Tenant, upon vacating the Demised Premises on or after such termination date, shall be released from and relieved of all obligations and liabilities thereafter arising or accruing under the Lease."

5. UTILITIES: The article of the Lease captioned "UTILITIES" shall be deemed amended by the addition of the following two (2) paragraphs to the end thereof:

"In the event that Tenant is able to purchase, acquire or otherwise obtain any or all utilities through direct access, retail wheeling, or otherwise, as a result of the deregulation of the utilities or as a result of the utility market providing open access and customer choice through pilot programs, legislation, or otherwise, Tenant shall have the option, at any time and from time to time during the term of this lease, to purchase its utilities from any source and to elect the service provider, supplier, and such supplier's distributor and/or transmitter for any or all utilities servicing the Demised Premises. Tenant's election shall not abrogate Landlord's obligation to furnish, install and maintain or cause to be furnished, installed and maintained without expense to Tenant all utility lines and sewers required to provide the Demised Premises with such utilities and service as described above.

In the event Landlord becomes a service provider or supplier of any utility, Landlord agrees to furnish to Tenant, upon request, information regarding the availability, price and other service related information regarding such utility service. Landlord further agrees that any time during the term of this lease while Landlord is a service provider or supplier of a utility Tenant may elect, at any time and from time to time during the term of this lease, Landlord as its supplier. It is understood between Landlord and Tenant that the charges for any such utility

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service furnished to the Demised Premises by Landlord shall be at the lowest rate available to Landlord whether such utilities are purchased by Landlord from the local public utility company or through direct access, retail wheeling, or otherwise. Landlord shall provide Tenant with the same level of service and maintenance service as if such services were being directly furnished by a public utility company. Tenant's election shall not abrogate Landlord's obligation to furnish, install and maintain or cause to be furnished, installed and maintained without expense to Tenant all gas, electric, water, telephone and sanitary and storm sewer lines and equipment required to provide the Demised Premises with such utilities and service as described in this article. If having elected Landlord as Tenant's supplier, Tenant may at any time elect to terminate Landlord as Tenant's supplier by so notifying Landlord and Tenant may elect to exercise Tenant's option under the second paragraph of this article."

6. DEFINITION OF NET RETAIL SALES: Effective as of November 1, 1997, the definition of the term "net retail sales" as set forth in the Lease shall be deemed deleted from the Lease, and the following shall be substituted in lieu thereof:

"The term "Net Retail Sales" as used in this lease is hereby defined to mean the amount of gross retail sales made upon the Demised Premises by Tenant and the amount of gross retail sales, if any, made upon the Demised Premises by any departmental lessee, concessionaire, licensee or subtenant of Tenant occupying space within the Demised Premises while a retail store business conducted by Penney is being operated therein, after deducting or excluding, as the case may be, the following: (1) the amount of all sales, use, excise, retailers' occupation or other similar taxes imposed in a specific amount or percentage upon, or determined by, the amount of retail sales made upon the Demised Premises, or any such tax separately stated as comprising a component of the purchase price of an item; (2) amounts in excess of Tenant's (or any such departmental lessee's, concessionaires, licensee's or subtenant's) cash sale price charged on sales made on credit, for cash on delivery, or under a time payment plan or layaway plan; (3) sales of catalogs or sales of merchandise ordered through the use of Tenant's mail order catalogs or filled through Tenant's catalog order channels, regardless of the place of order, payment or delivery; (4) sales of merchandise ordered through the use of or by means of electronic, telephonic, video, computer, or other technology-based systems, whether existing now or developed in the future, regardless of the place of order, payment or delivery; (5) employee discounts, amounts credited on the purchase price of items by reason of goods traded in as part payment thereof, and returns and allowances as such terms are known and used by Tenant in the preparation of Tenant's profit and loss statements; (6) receipts from snack bars and cafeterias operated solely for the use of Tenant's employees, weighing machines, vending machines maintained for the convenience of Tenant's employees and the incidental convenience of customers, amusement devices, and public telephones; (7) sale of gift certificates, provided, however, that the cash sale price of any

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item purchased with such a certificate shall be included in Net Retail Sales; (8) premiums, commissions, payments and other amounts received from or in connection with (i) the sale of policies of insurance, mutual funds, stocks, bonds and other securities, travelers' checks, money orders, and similar items, (ii) the sale or rendition of financial services of all types including without limitation the operation of checking and savings accounts, the issuance and cashing of checks, the furnishing of bill paying, custodial, investment and fiduciary services, the making of secured and unsecured loans, the operation of facilities for the electronic transfer of funds and use of credit cards, the preparation of income tax returns and the operation of a real estate brokerage business; and (iii) the sale of postage stamps, fishing and hunting licenses, and tickets (including, but not limited to, those customarily sold by travel and theatre agencies); (9) sales of any items (not among those listed in (8) above) which are owned by others than Tenant, its departmental lessees, concessionaires or licensees and for which Tenant receives a commission or brokerage fee, provided, however, that there shall be included in Net Retail Sales the amounts received as commissions or brokerage fees on such sales; (10) delivery charges, and installation and service charges relating to work performed outside the Demised Premises; (11) that portion of the selling price of an item, whether or not separately stated, which approximates the cost of services or labor performed outside the Demised Premises in connection with the sale of an item; (12) sales of offices, departments or divisions not located upon the Demised Premises including, but not limited to, those resulting from referrals or solicitations made on or from the Demised Premises such as sales procured through an in-store custom decorating studio which are filled by a custom decorating service center located off the Demised Premises; (13) sales of service contracts and assured performance plans relating to merchandise sold by Tenant; and (14) sales made through the commercial and industrial sales department of Tenant."

7. NOTICES: Effective upon the execution and delivery of this Agreement, all provisions of the Lease relating to giving, sending, delivering, or receiving notices shall be deleted from the Lease, and the following shall be substituted in lieu thereof:

Any notice, demand, consent, approval, request, statement, document or other communication required or permitted to be given to or served upon either party hereto pursuant to the Lease or applicable law shall be in writing and shall be sent by certified mail, postage prepaid, addressed:

(a) If to Landlord:

Southroads Shopping Center  
Limited Liability Company  
5015 Underwood Avenue  
Omaha, Nebraska 68132

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(b) If to Tenant:

J. C. Penney Company, Inc.  
Attention: Real Estate Counsel  
P. O. Box 10001  
Dallas, Texas 75301-2105

with a duplicate copy to the Demised Premises, marked for the attention of "Store Manager"; provided, however, that Tenant may give Landlord notice by facsimile to be followed by an original written copy of the notice sent by mail or hand delivered, or may give Landlord notice by a recognized national courier service, such as, but not limited to, Federal Express or United Parcel Service in the case of an exercise of an option hereunder or of the need for emergency repairs. All such communications mailed or transmitted in accordance with the foregoing provisions shall be deemed to have been given or served as of the date of such mailing or transmittal. Either Landlord or Tenant may, by 10 days prior notice to the other as aforesaid, designate a different address or different addresses to which communications intended for it are to be sent.

8. AGREEMENT BINDING UPON HEIRS, ETC.: This Agreement shall extend to and be binding upon the heirs, devisees, executors, administrators, successors in interest and assigns of both Landlord and Tenant.

9. LEASE IN FULL FORCE AND EFFECT: Except as hereby modified and amended, the parties hereto do hereby ratify and confirm the terms, covenants, provisions and conditions of the Lease and this Agreement. The Lease is hereby incorporated by reference into this Agreement and made a part hereof as if fully repeated herein, except as otherwise specifically provided for pursuant to this Agreement.

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IN WITNESS WHEREOF, Landlord and Tenant have caused this Agreement to be duly executed and sealed the day and year first above written.

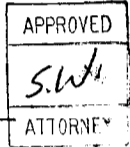
SOUTHROADS SHOPPING CENTER LIMITED  
LIABILITY COMPANY

By: Alan Baer  
Alan Baer, Member

ATTEST:

J. C. PENNEY COMPANY, INC.

Alfred O. Gellner  
Assistant Secretary



By: Michael Cowen  
Vice President



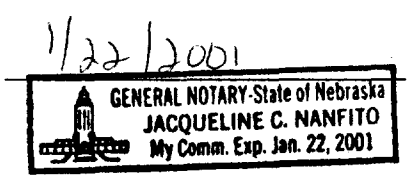
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STATE OF Nebraska )  
COUNTY OF Douglas ) SS.:

On this the 9th day of September, 1997, before me, a Notary Public duly authorized in and for the said County in the State aforesaid to take acknowledgments, personally appeared Alan Baer, to me known and known to me to be the Member of SOUTHROADS SHOPPING CENTER LIMITED LIABILITY COMPANY, and acknowledged that as such member, being authorized so to do, he executed the foregoing instrument on behalf of said limited liability company, as his free and voluntary act, and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:



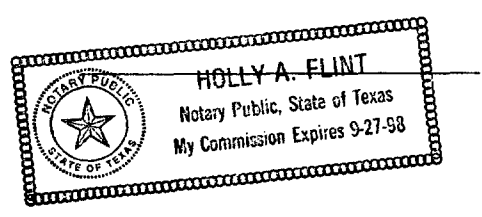
Jacqueline C. Nanfita  
Notary Public

STATE OF TEXAS )  
COUNTY OF COLLIN ) SS.:

This instrument was acknowledged before me on the 19th day of September, 1997, by Michael Lowenkron, a Vice President of J. C. PENNEY COMPANY, INC., a Delaware corporation, on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:



Holly A. Flint  
Notary Public, State of Texas



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EXHIBIT A

LEGAL DESCRIPTION OF ENTIRE PREMISES

A tract of land lying wholly within the Southwest Quarter (S. W. 1/4) of Section 14, Township 14 North, Range 13 East of the 6th principal meridian, Sarpy County, Nebraska. Said tract of land is more particularly described as follows:

Beginning at the point of intersection of the northerly right of way line of Child's Road and the southwesterly right of way line of Prairie Avenue; thence S 90°00'00" W (Assumed) along the northerly right of way line of Child's Road a distance of 1099.18 feet to a point on the easterly right of way line of State Highway No. 73 and 75; thence N 15°18'00" W along the easterly right of way of State Highway No. 73 and 75 a distance of 488.69 feet to a point; thence in a northwesterly direction along the right of way line of State Highway No. 73 and 75 and said right of way line being on a curve to the left, and said curve having a radius of 2,914.9 feet; a distance of 462.92 feet to a point on the southerly right of way line of Brewster Road; thence N 73°25'50" E along the southerly right of way line of Brewster Road a distance of 654.09 feet to a point; thence N 69°00'48" E continuing along the southerly right of way line of Brewster Road a distance of 354.84 feet to a point on the westerly right of way line of vacated Prairie Avenue; thence N 76°10'04" E a distance of 20.62 feet to a point on the centerline of vacated Prairie Avenue; thence S 00°15'54" W along the centerline of vacated Prairie Avenue a distance of 134.97 feet to a point; thence S 89°44'06" E a distance of 20.00 feet to a point on the easterly right of way line of vacated Prairie Avenue; thence S 88°38'21" E a distance of 185.13 feet to a point; thence S 00°15'39" W a distance of 75.56 feet to a point; thence N 87°18'39" E a distance of 82.60 feet to a point; thence S 00°15'39" W a distance of 71.70 feet to a point; thence N 89°42'21" W a distance of 37.66 feet to the northeast corner of Lot 7 of Lawndale Subdivision; thence S 00°16'07" W along the easterly line of Lots 7 and 10 and the easterly line of Lots 7 and 10 extended south a distance of 610.98 feet to a point on the southerly line of Lot 12 of Lawndale Subdivision; thence N 89°45'09" W a distance of 29.54 feet to the southwest corner of Lot 12 of Lawndale Subdivision; thence S 55°04'07" W a distance of 15.00 feet to a point on the centerline of vacated Prairie Avenue; thence S 34°55'53" E along the centerline of vacated Prairie Avenue a distance of 349.00 feet to a point; thence S 10°19'33" E a distance of 36.03 feet to the point of beginning. The above said tract of land contains 27.06 acres more or less.

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Attached to and forming part of Lease Extension Agreement, dated <sup>as of the</sup> 21st day of August, 1997, by and between SOUTHROADS SHOPPING CENTER LIMITED LIABILITY COMPANY, as Landlord, and J. C. Penney Company, Inc., as Tenant.

Initialed for  
identification  
for Landlord

Initialed for  
identification  
for Tenant

By: \_\_\_\_\_

By: S.W.  
Attorney