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PATRICK F GILL, AUDITOR AND RECORDER  
WOODBURY COUNTY IOWA



Prepared by: Steven A. Schumeister, Esq., Robins, Kaplan, Miller & Ciresi L.L.P., 2800 LaSalle Plaza,  
800 LaSalle Avenue, Minneapolis, MN 55402-2015 612-349-8500

## MEMORANDUM OF LEASE AGREEMENT

**Lakeport Commons, L.L.C.,  
An Iowa Limited Liability Company,  
Landlord**

To

**Best Buy Stores, L.P.,  
A Delaware Limited Liability Company,  
Tenant**

*Legal Description on page 7*

After recording, return to:  
Chicago Title Insurance Company  
222 South 9<sup>th</sup> Street  
Suite 3250  
Minneapolis MN 55402  
100515086  
N.V.



term shall expire on the last day of the tenth (10th) consecutive "Lease Year," unless sooner terminated or extended as provided in the Lease.

2. **OPTION TO EXTEND.** Tenant is hereby given the right to extend the Lease Term for four (4) additional period(s) of five (5) year(s) per period, upon the same terms and conditions as provided in the original term of this Lease.

3. **EXCLUSIVITY AND USE.** Tenant shall initially use and Landlord represents, warrants and covenants to and with Tenant that Tenant may lawfully use the Premises for sales, rental, service and warehousing (and if applicable, installation in motor vehicles) of the product categories listed below, other products typically sold in the majority of Tenant's stores, and thereafter for any lawful use, and Landlord shall not permit any person or entity other than Tenant in space leased directly or indirectly from Landlord within the Shopping Center, to sell, rent, service and/or warehouse (and, if applicable, install in motor vehicles) the following product categories: electronic equipment and appliances (including, without limitation, televisions, stereos, radios and dvd or video machines); major household appliances (including, without limitation, refrigerators, freezers, stoves, microwave ovens, dishwashers, washers and dryers); personal computers and peripherals, computer software; car radios, stereos, tape decks and phones; entertainment software, including compact discs, music videos, dvds and prerecorded tapes; accessories and connectors for products sold by Tenant (including, without limitation, cable connectors, surge protectors, cables, wires and batteries); telephones, telecopy, facsimile and photocopy machines; photographic cameras or equipment; office equipment, supplies or furniture; any substitutes for or items which are a technological evolution of the foregoing items; or any other related items carried in a majority of Tenant's stores, without Tenant's prior written consent, which may be granted or withheld in Tenant's sole and absolute discretion. In addition to the foregoing, Tenant shall have the right to (a) sell gourmet and other food items in support of and incidental to the foregoing product categories, and (b) use up to five percent (5%) of the Premises for a non-alcoholic beverage kiosk or bar, including seating area, with food, snack and bakery items incidental thereto; provided, however, that the incidental rights granted pursuant to (a) and (b) in this sentence shall not be deemed "product categories" to which Tenant has any exclusive rights hereunder. "Landlord", for purposes of this Article, shall be defined to include Landlord, and (i) if Landlord is a corporation, its principal shareholders; or (ii) if Landlord is a partnership, its partners and any principal shareholders or partners of any partner which is a corporation or shareholder; or (iii) if Landlord is a trust, the beneficiaries of any such trust, including the principal shareholders or partners of any beneficiary which is a corporation or trust, all of whom shall execute an agreement to be bound to this Article. In no event shall Tenant be bound by any exclusives granted by Landlord to any other party or occupant with Tenant's prior written consent, which may be granted or withheld in Tenant's sole and absolute discretion.

4. **TENANT'S FIXTURES AND SIGNS.** If Landlord shall construct any additional pylon sign(s) for the Shopping Center, Tenant shall be entitled to no lower than the third space on any such pylon sign(s), as well as on all other pylon or free-standing signs for or in the Shopping Center, with space on all such signs equal to the largest space afforded any other tenant or party.

Landlord shall have no right to (i) place or maintain any signs of any type, other than those of Tenant, on the Premises, including the exterior walls and roof thereof, or (ii) permit any person or entity, other than a retail tenant of the Shopping Center, to place or maintain any signage of any type in the Shopping Center.

**5. ALTERATIONS TO SHOPPING CENTER.** Landlord will not place or permit to be placed by any person or entity other than Tenant, any building, wall, landscaping, fence or other improvement or make any other alterations or changes to the Shopping Center other than improvements shown as existing or planned on the site plan attached to the Lease as Exhibit B without Tenant's prior approval, not to be unreasonably withheld or delayed; or permit the Common Areas to be used in such a way which interferes with Tenant's operation of its business from the Premises.

Landlord and Tenant agree that the Shopping Center shall contain one (1) outparcel(s) designated 3 on the Site Plan ("Outparcel 3") in the location(s) shown on the site plan attached to the Lease as Exhibit B. Any building or improvement to be constructed on an Outparcel 3 shall be as follows:

- (a) be a single-story structure of not more than seven thousand (7,000) square feet of building area;
- (b) be limited to twenty-four feet (24') in height to the highest point of any roof, wall, parapet, or screening or other improvement; and
- (c) and have a self-contained parking field.

**6. PARKING.** Landlord covenants and agrees that the parking areas of the Shopping Center shall at all times satisfy the following criteria as to the ratio of parking spaces (measuring a minimum of nine feet (9') by twenty feet (20')) of :

- (a) five (5) cars per one thousand (1,000) square feet of building retail area, excluding restaurants, entertainment facilities, health clubs and grocery stores;
- (b) ten (10) parking spaces for every one thousand (1,000) square feet of restaurants or bar building area. All outlots must be self-parked;
- (c) eight (8) parking spaces per one thousand (1,000) square feet of building area for health clubs and entertainment facilities; and
- (d) five (5) parking spaces per one thousand (1,000) square feet of building area for a grocery store.

Landlord covenants and agrees that the parking ingress and/or egress areas of the Shopping Center shall at all times be substantially as shown on the site plan on Exhibit A to the Lease, and the number of parking spaces shown thereon shall at all times satisfy any and all governmental requirements related thereto. Landlord agrees that it will need to obtain Tenant's prior written

consent, which shall be given at Tenant's sole and absolute discretion, in order to alter, change, reduce, etc. the parking, ingress and/or egress areas as depicted on the site plan on Exhibit A to the Lease.

7. Upon the expiration or sooner termination of the Lease, at the request of either party, Landlord and Tenant shall enter into and record a memorandum evidencing such termination in a form reasonably satisfactory to both parties.

This Memorandum is executed for the purpose of recordation in the Official Records of the County of Woodbury, State of Iowa, in order to give notice of the terms and provisions of the Lease and is not intended and shall not be construed to define, limit or modify the Lease. In the event of any conflict between the terms and conditions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of the Lease shall control. This Memorandum may be executed in counterpart.


[SIGNATURES ON NEXT PAGE]

EXECUTED on the date first recited above.

**LANDLORD:**

**LAKEPORT COMMONS, L.L.C.,**  
an Iowa limited liability company

Date: SEPTEMBER 17, 2004


By:   
Name: JEFF JOHNSON  
MANAGING MEMBER  
Its: \_\_\_\_\_

**TENANT:**

**BEST BUY STORES, L.P.,**  
a Delaware limited partnership

By: BBC Property Co.,  
a Minnesota corporation  
Its: General Partner

Date: December 9, 2004

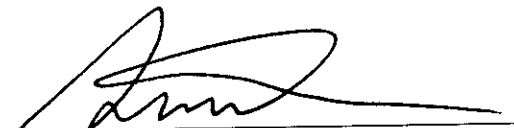
By:   
Name: Patrick Matre  
Its: VP OF Real Estate

STATE OF Nebraska )  
 ) ss.  
COUNTY OF Douglas )



On Sept. 17, 2004, before me, Steven P. Dunn, a Notary Public in and for said State, personally appeared Jeff Johnson, Managing Member of LAKEPORT COMMONS, L.L.C., an Iowa 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 the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, of the entity upon behalf of which the person acted, executed the instrument.

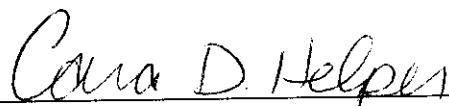
WITNESS my hand and official seal.

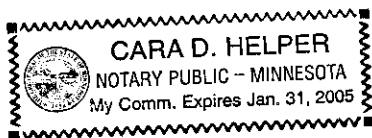
  
\_\_\_\_\_  
Notary Public  
My Commission Expires: July 15, 2008

STATE OF MINNESOTA )  
 ) ss.  
COUNTY OF HENNEPIN )

On December 9, 2004, before me, Cara D. Helper, a Notary Public in and for said State, personally appeared Pat Motte, the VP of Real Estate of BBC Property Co., a Minnesota corporation, the general partner of BEST BUY STORES, L.P., a Delaware limited partnership, 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, of the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 1-31-05



**EXHIBIT A**  
**Legal Description of Shopping Center**

**DESCRIPTION OF LAKEPORT COMMONS:**  
an addition to Sioux City, Woodbury County, Iowa.

Those portions of Tax Lots 5, 10, 11, 12, 13, 15 and 16, all of Tax Lot 14, Andtor's Subdivision of the SW1/4 of Section 8-88-47, a portion of Lakeport Manor 6th Filing, a portion of South Mayhew Avenue Replat as well as an unplatted area all located in the S1/2 of Section 8, Township 88 North, Range 47 West of the 5th P.M., Sioux City, Woodbury County, Iowa, described as follows:

Commencing at the south quarter corner of said Sec. 8; thence North 00°36'35" West along the north-south centerline of said Sec. 8 for a distance of 117.46 feet to the north Right-of-Way line of Primary Road No. U.S. 20-75 and to the Point of Beginning; thence South 84°18'18" West along said Right-of-Way line for a distance of 414.71 feet; thence North 72°17'30" West along said Right-of-Way line for a distance of 442.75 feet; thence North 70°35'28" West along said Right-of-Way line for a distance of 496.23 feet; thence North 26°06'36" West along said Right-of-Way line for a distance of 145.05 feet; thence North 44°57'31" East for a distance of 290.53 feet; thence South 45°32'01" East for a distance of 26.90 feet; thence South 65°57'02" East for a distance of 9.73 feet; thence North 49°09'42" East for a distance of 115.00 feet; thence northeasterly along a non-tangent curve to the left having a radius of 45.50 feet, for a distance along the arc of 31.51 feet, the chord of which bears North 27°16'32" East a distance of 30.89 feet; thence North 35°09'08" West for a distance of 85.55 feet; thence northwesterly along a curve to the left having a radius of 621.50 feet, through a central angle of 26°35'48", for a distance along the arc of 288.50 feet, the chord of which bears North 48°27'02" West a distance of 285.92 feet; thence North 69°51'23" West for a distance of 24.85 feet to the west line of Tax Lot 11; thence North 00°11'27" West along said west line for a distance of 137.68 feet to the easterly Right-of-Way line of S. Lakeport Street; thence North 21°31'59" East along said Right-of-Way line for a distance of 7.47 feet; thence South 18°06'02" East for a distance of 21.35 feet; thence South 54°38'54" East for a distance of 20.57 feet; thence North 88°33'31" East for a distance of 218.46 feet; thence North 01°41'20" West for a distance of 106.25 feet; thence North 88°12'30" East for a distance of 22.42 feet; thence North 01°59'52" West for a distance of 75.24 feet; thence North 01°46'16" West for a distance of 54.37 feet; thence North 88°06'53" East for a distance of 86.06 feet; thence North 27°20'00" East for a distance of 116.04 feet; thence North 88°20'07" East for a distance of 33.00 feet to the centerline of Old Lakeport Road; thence South 03°45'37" East along said centerline for a distance of 104.76 feet; thence North 88°08'44" East for a distance of 383.67 feet; thence North 03°52'38" West for a distance of 304.76 feet to the north line of Tax Lot 15 and the south line of Outlot D, South Mayhew Avenue Replat; thence North 12°13'49" West for a distance of 97.41 feet to the north line of said Outlot D; thence North 31°10'07" East for a distance of 62.97 feet; thence northwesterly along a non-tangent curve to the right having a radius of 59.50 feet, for a distance along the arc of 59.88 feet, the chord of which bears North 29°23'17" West a distance of 57.88 feet; thence South 89°10'01" West for a distance of 44.81 feet to the northeast corner of Lot 2, South Mayhew Avenue Replat; thence North 02°49'17" West along the west line of Outlot C, South Mayhew Avenue Replat for a distance of 282.34 feet to the south line of Brookshire Addition to the City of Sioux City; thence North 88°25'07" East along said south line for a distance of 72.05 feet; thence continuing along said south line, northwesterly along a non-tangent curve to the right having a radius of 832.00 feet, for a distance along the arc of 66.20 feet, the chord of which bears South 74°01'45" East a distance of 66.19 feet; thence southeasterly along a non-tangent curve to the right having a radius of 865.00 feet, for a distance along the arc of 240.28 feet, the chord of which bears South 63°31'05" East a distance of 239.51 feet; thence South 56°34'01" East for a distance of 699.65 feet; thence North 34°25'59" East for a distance of 116.77 feet; thence North 87°53'46" East for a distance of 189.25 feet; thence South 54°47'38" East for a distance of 227.12 feet; thence South 57°37'06" East for a distance of 250.00 feet; thence South 76°00'56" East for a distance of 145.13 feet; thence North 85°59'50" East for a distance of 107.03 feet to the westerly Right-of-Way line of Primary Road No. U.S. 20-75; thence South 15°11'24" West along said Right-of-Way line for a distance of 495.50 feet; thence South 45°16'18" West along said Right-of-Way line for a distance of 487.15 feet; thence South 34°29'48" West for a distance of 209.79 feet; thence South 41°25'27" West for a distance of 191.47 feet; thence South 52°07'08" West for a distance of 192.07 feet; thence South 62°31'23" West for a distance of 96.26 feet; thence South 67°36'04" West for a distance of 87.26 feet; thence South 73°16'51" West for a distance of 95.94 feet; thence South 75°39'37" West for a distance of 106.75 feet to the Point of Beginning, containing 74.76 acres, subject to easements, if any, of record or apparent.

**BASIS OF BEARINGS:**

All bearings are referenced to Geodetic North by GPS measurements taken at the south quarter corner of said Sec. 8, said point having State Plane Coordinates of N-3637797.36 E-4154500.95 NAD83 (1996) HARN, U.S. Survey Feet, Iowa State Plane Coordinate System, North Zone. Rotate bearings clockwise 1°55'32" for Grid North.



DeWitt Grant Reckert & Associates Co.  
Consulting Engineers

4425 Staging Hills Blvd., Suite 503, Sioux City, Iowa.  
Tel. 712-266-1554 Fax. 712-266-1767 81106

Date: 1/31/05  
Drawn By: DAL  
Project No. 233060  
Sheet: 1 of 4

**PLAT AND DESCRIPTION**