

Store #2910
Papillion (Shadow Lake Towne Center), Nebraska

FILED SARPY CO. NE.

INSTRUMENT NUMBER

2006-39278

2006 NOV 20 P 1:52 PM

Sharon G. Dawkins
REGISTER OF DEEDS

COUNTER 40 C.E. 40
VERIFY at D.E. P
PROOF LM
FEES \$ 54.00
CHECK # 40084413
CHECK 1.50 CASH
REFUND CREDIT
SHORT NCR

Title of Document: MEMORANDUM OF GROUND LEASE

Date of Document: June 1, 2004

Grantor(s)/Landlord: PAPILLION DEVELOPMENT, LLC,
a Nebraska limited liability company

Grantee(s)/Tenant: J.C. PENNEY PROPERTIES, INC.,
a Delaware corporation

Grantee(s) Mailing Address: 6501 Legacy Drive
Plano, Texas 75024-3698

Legal Description: See Exhibit A – Part I and II.

Reference Book and Page(s):

If there is not sufficient space on this page for the information required, state the page reference where it is contained within the document.

A

MEMORANDUM OF GROUND LEASE

MEMORANDUM OF GROUND LEASE, dated as of June 1, 2006 by and between PAPILLION DEVELOPMENT, LLC, a Nebraska limited liability company, having a mailing address c/o RED Development, LLC, 6263 N. Scottsdale Road, Suite 330, Scottsdale, Arizona 85250 ("Landlord"), and J.C. PENNEY PROPERTIES, INC., a Delaware corporation, having a mailing address at 6501 Legacy Drive, Plano, Texas 75024-3698 ("Tenant"),

WITNESSETH:

For and in consideration of the sum of Ten Dollars and other valuable consideration paid by Tenant to Landlord, the receipt and sufficiency of which is hereby acknowledged:

1. Landlord by lease bearing even date herewith ("the Lease") has demised and leased to Tenant and Tenant has leased from Landlord, and Landlord hereby demises and leases to Tenant and Tenant hereby leases from Landlord, upon and subject to the terms, covenants and conditions set forth in the Lease the parcel of land (the "Tenant's Premises") described in Part I of Exhibit A attached hereto and hereby made a part hereof (being part of the shopping center located upon the tract of land (the "Entire Premises") described in Part II of said Exhibit A and shown on Exhibit B attached hereto and hereby made a part hereof), and Landlord by the Lease has granted, and Landlord hereby grants, to Tenant for the hereinafter stated lease term:

(a) a non-exclusive easement, right and privilege for it and its customers, employees and invitees and the customers, employees and invitees of any subtenant, concessionaire or licensee of Tenant, to use without charge in common with Landlord and other tenants and occupants of space within the Entire Premises and their customers, employees, and invitees the parking areas, parking area lighting, streets, roads, driveways, underground service drives, tunnels, aisles, sidewalks, fire corridors, landscaped areas, utility and sewer lines and systems, and other facilities and service areas constructed and/or to be constructed within the Entire Premises for common use as provided for in the Lease;

(b) any and all other easements, rights, privileges and appurtenances belonging or appertaining to the Demised Premises.

TO HAVE AND TO HOLD the same for a term commencing as of the date this Memorandum of Ground Lease is recorded or the date which is thirty (30) days after the execution and delivery of the Lease, whichever is the earlier date, and, unless extended or sooner

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terminated under the provisions of the Lease, continuing thereafter to and including the date twenty (20) years from the first day of the first month immediately following the date that is the earlier of (i) the date on which Tenant's Store Building is opened to the public for business under the terms of the Lease; provided, however, that if such commencement date is the first day of a month such term shall continue thereafter to and including the date which is the aforesaid number of years from such opening date, or (ii) the date that is six (6) months after the Commencement Date. Notwithstanding the provisions of the foregoing sentence, in the event that the term of the Lease (as the same may have been extended pursuant to an exercise of option as more particularly described in the article of the Lease captioned "OPTIONS TO EXTEND") or any holdover period (as more particularly described in the article of the Lease captioned "CONTINUED POSSESSION OF TENANT") would expire during the month of October, November or December, then, at Tenant's option exercised in accordance with the terms of the Lease, the term of the Lease or holdover period, as the case may be shall automatically be extended such that the term or holdover period shall instead expire on January 31st next following such October, November or December date.

2. Landlord by the Lease has granted, and Landlord hereby grants to Tenant, ten (10) successive options to extend such lease term, each for a separate additional period of five (5) years, from the date upon which such term would otherwise expire, each such option to be exercised by Tenant's notifying Landlord of such exercise in the manner specified in the Lease at

(remainder of page left blank)

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least twelve (12) months before the beginning of the additional period for which such term is to be so extended and each such extension to be upon and subject to the terms, covenants and conditions stated in the Lease.

The parties hereto by reference incorporate herein all the terms, covenants, and conditions contained in the Lease and agree to observe, conform to and comply with such terms, covenants and conditions on the part of each to be observed and performed. For a complete statement of the rights, privileges and obligations created under and by said instrument and of the terms, covenants and conditions contained therein, reference is hereby made to the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Ground Lease to be duly executed and sealed as of the day and year first above written.

WITNESSES (as to Landlord)

[Signature]

[Signature]

ATTEST:

[Signature]
Secretary

PAPILLION DEVELOPMENT, LLC,
a Nebraska limited liability company

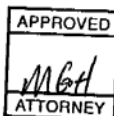
By: RED Papillion, LLC, a Missouri limited liability company, its manager

BY: E & R Holdings, LLC,
Managing Member

By: [Signature]
Michael L. Ebert, manager

ATTEST:

[Signature]
Assistant Secretary



J.C. PENNEY PROPERTIES, INC.,
a Delaware corporation

By: [Signature]
Vice President
Paul W. Freddo

WITNESSES (as to Tenant)

[Signature]
[Signature]

STATE OF Arizona

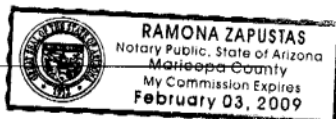
SS.:

COUNTY OF Maricopa

On this the 19 day of October, 2006 before me, a Notary Public duly authorized in and for the said County in the State aforesaid to take acknowledgments, personally appeared Michael L. Elert known to me to be the person(s) whose name(s) (is) (are) subscribed to the foregoing instrument and acknowledged having executed the same as a free and voluntary act for the purposes therein contained.

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

My Commission Expires:



Ramona Zapustas
Notary Public

STATE OF Texas

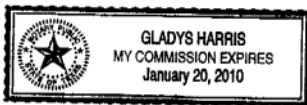
SS.:

COUNTY OF Collin

On this the 14th day of June, 2006 before me, a Notary Public duly authorized in and for the said County in the State aforesaid to take acknowledgements, personally appeared Paul W. Froddo, to me known and known to me to be the President of J.C. Penney Properties one of the corporations described in the foregoing instrument, and acknowledged that as such officer, being authorized so to do, he executed the foregoing instrument on behalf of said corporation by subscribing the name of such corporation by himself as such officer and caused the corporate seal of said corporation to be affixed thereto, as his free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

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

My Commission Expires:



Gladys Harris
Notary Public

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EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES AND ENTIRE PREMISES

Part I

DEMISED PREMISES

The tract of land demised to Tenant in and by this lease and herein referred to as Tenant's Parcel, being part of the Landlord's Parcel described in Part II hereof, situated in the City of Papillion, County of Sarpy and State of Nebraska, and is (are) more particularly described as follows:

Lot 2 as shown on that certain Shadow Lake Towne Center Replat 1, an Administrative Subdivision in Sarpy County, Nebraska, such replat being dated May 3, 2006 and recorded June 26, 2006 as Document No. 2006-21348 in the official records of Sarpy County, Nebraska.

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EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES AND ENTIRE PREMISES

Part II

ENTIRE PREMISES

The tracts of land shown on Exhibit B to this lease which, with the improvements erected and to be erected thereon, comprise the Entire Premises wherein Tenant's Parcel and Landlord's Parcel are located are situated in the City of Papillion County of Sarpy, and State of Nebraska and are more particularly described as follows:

Lot 2, Lots 4 through 12, inclusive, Lot 15, and Outlots A and B, Shadow Lake Towne Center, a subdivision in Sarpy County, Nebraska, according to the recorded plat thereof.

And

Lots 1 and 2 and Outlots A, B and C, Shadow Lake Towne Center Replat 1, an Administrative Subdivision (being a replat of Lot 13 and Outlot C, Shadow Lake Towne Center) in Sarpy County, Nebraska, according to the recorded plat thereof.

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EXHIBIT B

PLAT OF THE ENTIRE PREMISES

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