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When recorded return to:

Target Corporation
c/o Faegre & Benson, LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, Minnesota 55402
Attn: Sandra G. Dobbles

FIRST AMENDMENT TO OPERATION AND EASEMENT AGREEMENT

THIS FIRST AMENDMENT TO OPERATION AND EASEMENT AGREEMENT (“**Amendment**”) is entered into this 2nd day of February, 2007 by and between TARGET CORPORATION, a Minnesota corporation (“**Target**”), HIGHWAY 31 ALABASTER, LLC, an Alabama limited liability company, and HIGHWAY 31 ALABASTER TWO, LLC, an Alabama limited liability company (collectively “**Developer**”), and J.C. PENNEY PROPERTIES, INC., a Delaware corporation (“**Penney**”).

WHEREAS, Target and Developer entered into that certain Operation and Easement Agreement dated January 13, 2006 and recorded in the probate records of Shelby County, Alabama on January 17, 2006 as instrument number 20060117000026240 (the “**OEA**”); and

WHEREAS, on March 16, 2006 Penney was conveyed in fee a portion of the Developer Tract consisting of approximately 10.11 acre as more particularly described on Exhibit A attached hereto (the “**Penney Tract**”) and intends to construct a building (the “**Penney Building**”) thereon in the approximate location of the building shown on the Site Plan as being labeled “Anchor”; and

WHEREAS, Target, Developer and Penney desire to amend certain provisions of the OEA as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. Definitions. All capitalized terms used herein and not defined herein shall have the meanings set forth in the OEA.

2. Signs. The second page of Exhibit C labeled “Exhibit C Sign ‘B’” is hereby replaced with the attached Exhibit C labeled “PROPOSED PYLON SIGN at SOUTH ENTRANCE Exhibit C Sign ‘B’” and all references in the OEA to the “Sign Exhibit” shall be deemed to reference Exhibit C to the OEA as hereby amended. Penney shall have top most position on Sign B as set forth in such exhibit. In addition, Penney shall have the right to change the graphics on its sign panel to conform to its prototype panel as the same exists from time to time.

3. Approval of Penney’s Plans. Each of Target and Developer agree that Penney has complied with the submission requirements for Plans set forth in Section 3.3.2 of the OEA with respect to the Penney Building, that the Plans for the Penney Building are architecturally compatible with the

to the Penney Building, that the Plans for the Penney Building are architecturally compatible with the Theme, and that such Plans have been approved by the Approving Parties as required by such section. In addition, Section 3.3.2 of the OEA is hereby amended to provide that the Approving Parties hereby waive the requirement for the submission of Plans for the remodeling or expansion of the Penney Building if the resulting building reflects a prototype "J.C. Penney" retail store.

4. Insurance and Indemnities.

(a) Section 2.2.2 of the OEA is hereby amended by adding the following after the last sentence of such paragraph:

"With respect to the indemnity set forth in the immediately preceding sentence, the grantor shall promptly notify the grantee of any claim asserted against the grantor covered by said indemnity and shall promptly deliver to the grantee the original or true copy of any summons or other process, pleading or notice issued or served in any suit or other proceeding to enforce any such claim; the grantee shall defend any such suit or proceeding at its sole cost and expense with attorneys of its own selection that are approved by grantor (such approval not to be unreasonably withheld or delayed), and the grantor shall have the right to participate in such defense at its own expense."

(b) Section 3.1.3 of the OEA is hereby amended by inserting the words "subtenants, departmental lessees, contractors" after the words "agents, servants, employees" and before "or anyone claiming by, through, or under any of them". In addition, the following sentences are hereby inserted immediately after the last sentence of such section:

"With respect to the indemnity set forth in this Section 3.1.3, the indemnified Party shall promptly notify the indemnifying Party of any claim asserted against the indemnified Party covered by the indemnity set forth in this Section 3.1.3 and shall promptly deliver to the indemnifying Party the original or true copy of any summons or other process, pleading or notice issued or served in any suit or other proceeding to enforce any such claim. The indemnifying Party shall defend any such suit or proceeding at its sole cost and expense with attorneys of its own selection that are approved by the indemnified Party (such approval not to be unreasonably withheld or delayed), and the indemnified Party shall have the right to participate in such defense at its own expense."

(c) Section 5.1.3 of the OEA is hereby amended by adding the following new paragraph after the first paragraph of such section:

"With respect to the indemnity set forth in this Section 5.1.3, the indemnified Party shall promptly notify the indemnifying Party of any claim asserted against the indemnified Party covered by the indemnity set forth in this Section 5.1.3 and shall promptly deliver to the indemnifying Party the original or true copy of any summons or other process, pleading or notice issued or served in any suit or other proceeding to enforce any

such claim. The indemnifying Party shall defend any such suit or proceeding at its sole cost and expense with attorneys of its own selection that are approved by the indemnified Party (such approval not to be unreasonably withheld or delayed), and the indemnified Party shall have the right to participate in such defense at its own expense.”

(d) Section 5.4.1(A) of the OEA is hereby amended by inserting the following after the last sentence thereof:

“Notwithstanding the foregoing, during the period that ‘Penney Corporation’ (as defined below) is a Party, Penney Corporation shall have no obligation to name any other Party as an additional insured under its Commercial General Liability Insurance policy, and no other Party shall be required to name Penney Corporation as an additional insured under its Commercial General Liability Insurance policy. For purposes of this Section 5.4.1(A), the term ‘Penney Corporation’ shall mean J.C. Penney Corporation, Inc., a Delaware corporation, and every corporation, partnership or other business entity, which is controlled by or under common control with J.C. Penney Corporation, Inc., a Delaware corporation; for purposes of the foregoing, if more than fifty percent (50%) of the voting stock of a corporation is owned by another corporation or by a partnership or other business entity, the corporation whose stock is so owned shall be deemed to be controlled by the corporation, partnership or business entity owning such stock.”

(e) The last paragraph in Section 5.4.1 of the OEA beginning with the words “Each Party agrees to defend,” is hereby deleted and the following two paragraphs are inserted in its stead:

“Except for claims or demands defended by Operator or covered under Operator’s Commercial General Liability Insurance policy, all as referenced in Section 5.4.4 below, each Party covenants to defend, protect, indemnify and hold harmless, or cause to be defended, protected, indemnified and held harmless each other Party from and against all claims or demands, including any action or proceedings brought thereon, and all costs, losses, expenses and liability of any kind relating thereto, including reasonable attorneys’ fees and cost of suit, arising from or as a result of any accident, injury, death, loss or damage whatsoever caused (or alleged to have been caused) during the term of this OEA to any natural person or any property located on the Tract owned by each indemnifying Party; provided, however, the foregoing obligation shall not apply to claims or demands based on the negligence or willful act or omission of the indemnified Party, its licensees, subtenants, departmental lessees, contractors, concessionaires, agents, servants, or employees, or the agents, servants, or employees of any licensee, subtenant, departmental licensee, or concessionaire thereof. In the event it is determined that a Party was not at fault, then the indemnifying Party shall reimburse such indemnified Party for all reasonable costs and/or expenses incurred by it defending against such claim or demand.

With respect to the indemnity set forth in this Section 5.4.1, the indemnified Party shall promptly notify the indemnifying Party of any claim asserted against the indemnified Party covered by the indemnity set forth in this Section 5.4.1 and shall promptly deliver to the indemnifying Party the original or true copy of any summons or other process, pleading or notice issued or served in any suit or other proceeding to enforce any such claim. The indemnifying Party shall defend any such suit or proceeding at its sole cost and expense with attorneys of its own selection that are approved by the indemnified Party (such approval not to be unreasonably withheld or delayed), and the indemnified Party shall have the right to participate in such defense at its own expense.”

(f) The last paragraph of Section 5.4.2 of the OEA is hereby amended by inserting the words “with respect to such construction activities” following “(x) the owners of such Tract to be an additional insured”.

(g) Section 5.4.3 of the OEA is amended by adding the following new paragraph after the last paragraph of such section:

“With respect to the indemnity set forth in this Section 5.4.3, the indemnified Party shall promptly notify the indemnifying Party of any claim asserted against the indemnified Party covered by the indemnity set forth in this Section 5.4.3 and shall promptly deliver to the indemnifying Party the original or true copy of any summons or other process, pleading or notice issued or served in any suit or other proceeding to enforce any such claim. The indemnifying Party shall defend any such suit or proceeding at its sole cost and expense with attorneys of its own selection that are approved by the indemnified Party (such approval not to be unreasonably withheld or delayed), and the indemnified Party shall have the right to participate in such defense at its own expense.”

(h) Section 5.4.4 of the OEA is amended by adding the following new paragraph after the last paragraph of such section:

“With respect to the indemnity set forth in this Section 5.4.4, the indemnified Party shall promptly notify Operator of any claim asserted against the indemnified Party covered by the indemnity set forth in this Section 5.4.4 and shall promptly deliver to the Operator the original or true copy of any summons or other process, pleading or notice issued or served in any suit or other proceeding to enforce any such claim. Operator shall defend any such suit or proceeding at its sole cost and expense with attorneys of its own selection that are approved by the indemnified Party (such approval not to be unreasonably withheld or delayed), and the indemnified Party shall have the right to participate in such defense at its own expense.”

(i) Section 5.4.5 of the OEA is hereby amended by adding “or the Web address where such annual report may be found” after the words “of both net worth and net current assets” appearing at the end of the clause beginning with “(iii) a plan of self-insurance”.

5. Occupant Signs. Section 5.3.2(F) of the OEA is hereby amended by replacing such section with the following:

“Made of paper or cardboard, or be temporary in nature (exclusive of professionally prepared contractor signs and professionally prepared grand opening banners, provided that such grand opening banners may not remain in place longer than 30 days), or be a sticker or decal; provided, however, the foregoing shall not prohibit the placement at the entrance of each Occupant’s space of a small sticker or decal indicating hours of business, emergency telephone numbers, acceptance of credit cards and other similar items of information.”


6. Notices. It is agreed that Penney is a Party under the OEA and that for purposes of notice under Section 6.4 of the OEA Penney’s notice addresses shall be:

If by U.S. Postal Service:

J.C. Penney Properties, Inc.
P.O. Box 10001
Dallas, Texas 75301-1104
Attention: Real Estate Counsel

If by overnight delivery service:

J.C. Penney Properties, Inc.
6501 Legacy Drive, m/s 1104
Plano, Texas 75024-3698
Attention: Real Estate Counsel


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7. No Further Modifications. Except as expressly modified by the provisions of this Amendment, the OEA shall continue in full force and effect.

8. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[Remainder of this Page Intentionally Left Blank]

SIGNATURE PAGE ATTACHED TO
FIRST AMENDMENT TO
OPERATION AND EASEMENT AGREEMENT
AMONG

TARGET CORPORATION,
HIGHWAY 31 ALABASTER, LLC., HIGHWAY 31 ALABASTER TWO, LLC,
AND
J.C. PENNEY PROPERTIES, INC.

IN WITNESS WHEREOF the parties have executed this Amendment to Operation and Easement Agreement as of the date first set forth above.

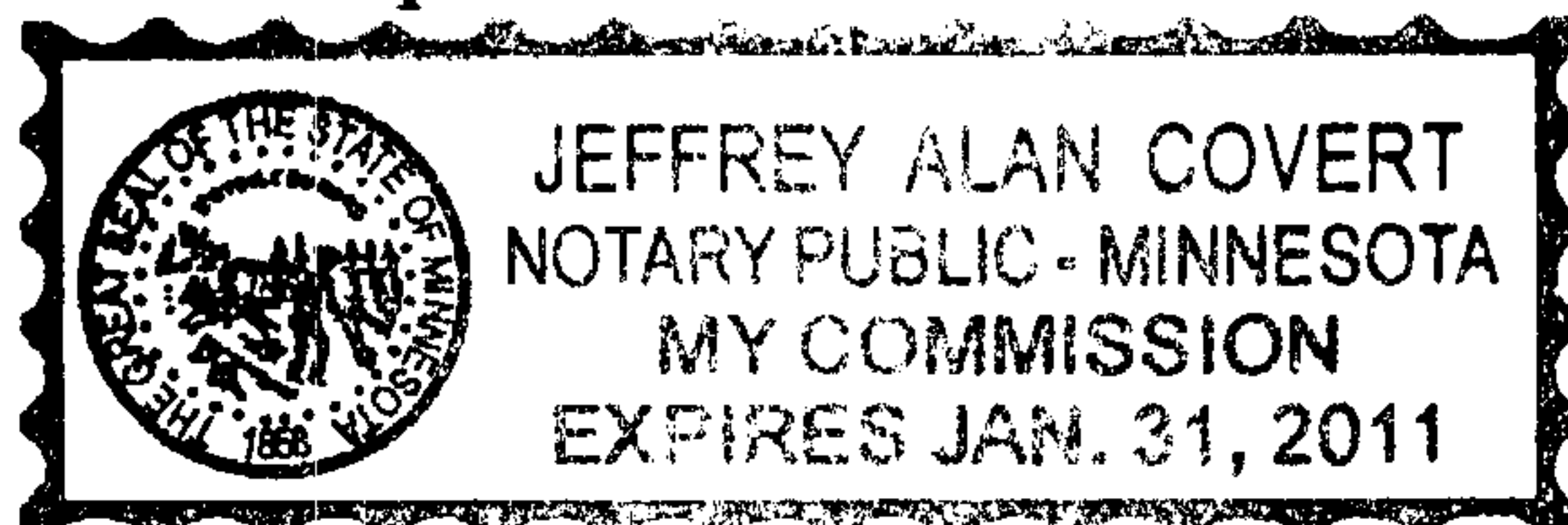
TARGET:

TARGET CORPORATION
a Minnesota corporation

By:  **Scott Nelson**
Its: **Vice President**
Target Corporation

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

On this 27th day of OCT, 2006, before me, a Notary Public within and for said County, personally appeared Scott Nelson to me personally known, being first by me duly sworn, did say that he is the Vice President of Target Corporation and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and Scott Nelson acknowledged said instrument to be the free act and deed of said corporation.




Notary Public

My commission expires: _____

SIGNATURE PAGE ATTACHED TO
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OPERATION AND EASEMENT AGREEMENT
AMONG

TARGET CORPORATION,
HIGHWAY 31 ALABASTER, LLC., HIGHWAY 31 ALABASTER TWO, LLC,
AND
J.C. PENNEY PROPERTIES, INC.

IN WITNESS WHEREOF the parties have executed this Amendment to Operation and Easement Agreement as of the date first set forth above.



PENNEY:

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

By: Paul W. Fredello
Its: President

ATTEST:

Asst Secretary

STATE OF TEXAS)
) SS.
COUNTY OF COLLIN)

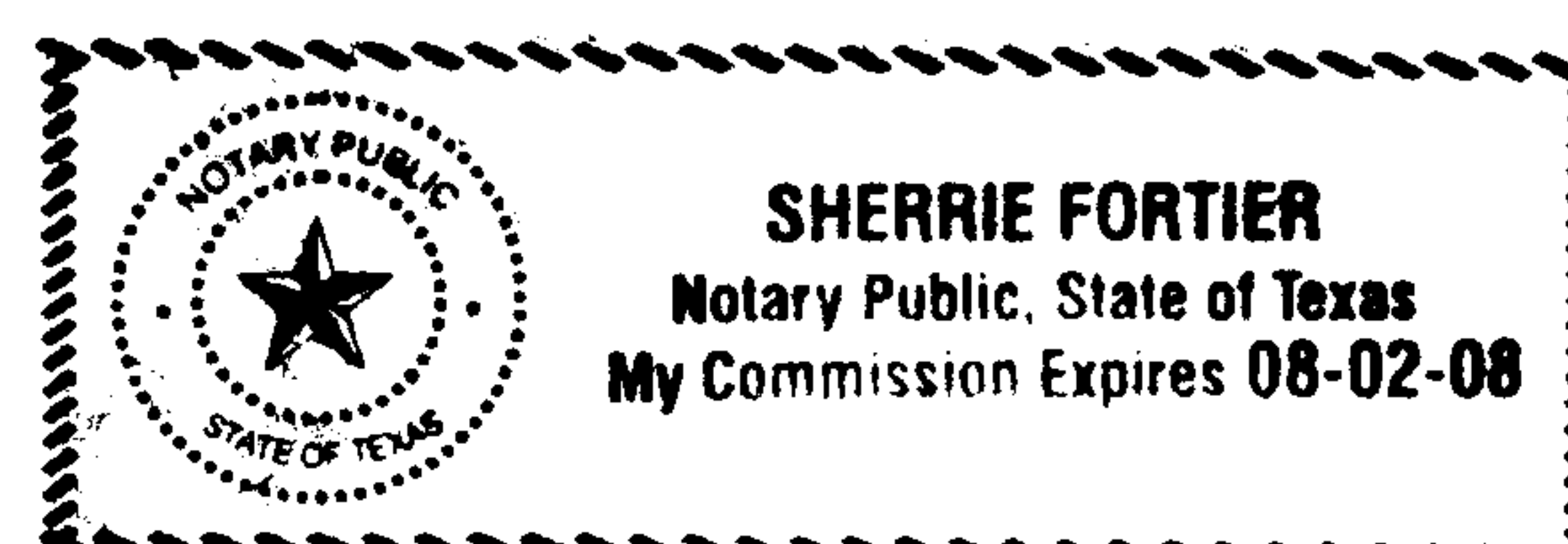
On this the 1st day of February, 2007 before me, a Notary Public duly authorized in and for the said County in the State aforesaid to take acknowledgments, personally appeared Paul W. Fredello, to me known and known to me to be a President of J. C. PENNEY PROPERTIES, INC., one of the corporations described 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 said 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.

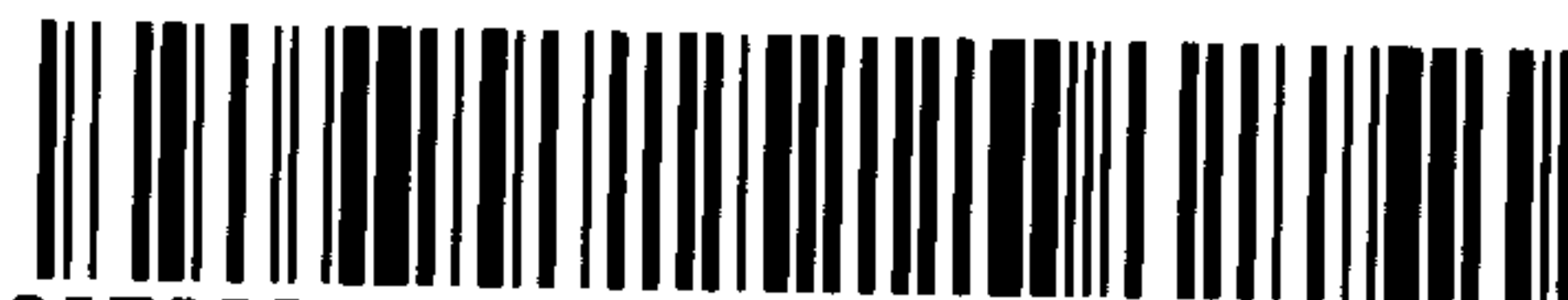
IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

8-20-08

Notary Public





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AMONG

TARGET CORPORATION,
HIGHWAY 31 ALABASTER, LLC., HIGHWAY 31 ALABASTER TWO, LLC,
AND
J.C. PENNEY PROPERTIES, INC.

IN WITNESS WHEREOF the parties have executed this Amendment to Operation and
Easement Agreement as of the date first set forth above.

DEVELOPER:

Witness:

HIGHWAY 31 ALABASTER, LLC,
an Alabama limited liability company

Deborah Busby
Name: Deborah Busby

By: John N. Hughey
Name: JOHN N HUGHEY

Authorized Signatory

STATE OF ALABAMA

COUNTY OF JEFFERSON

On this the 22 day of January, 2007, before me, Jessica Leigh Todd, personally
appeared John N. Hughey, who acknowledged himself to be an Authorized Signatory
of HIGHWAY 31 ALABASTER, LLC, an Alabama limited liability company, and that he, as such
officer, being authorized so to do, executed the foregoing instrument for the purposes therein
contained, by signing his name as such Authorized Signatory of HIGHWAY 31 ALABASTER, LLC,
on its behalf.

In witness whereof, I hereunto set my hand and official seal.

Jessica Leigh Todd
Notary Public

My Commission Expires: Nov. 8, 2010

(Affix Notarial Seal)

SIGNATURE PAGE ATTACHED TO
FIRST AMENDMENT TO
OPERATION AND EASEMENT AGREEMENT
AMONG

TARGET CORPORATION,
HIGHWAY 31 ALABASTER, LLC., HIGHWAY 31 ALABASTER TWO, LLC,
AND
J.C. PENNEY PROPERTIES, INC.

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IN WITNESS WHEREOF the parties have executed this Amendment to Operation and Easement Agreement as of the date first set forth above.

Witness:

HIGHWAY 31 ALABASTER TWO, LLC,
an Alabama limited liability company

Deborah Busby
Name: Deborah Busby

By:

Name:

John N. Hughey
JOHN N. HUGHEY
Authorized Signatory

STATE OF ALABAMA

COUNTY OF JEFFERSON

On this the 22 day of January, 2007, before me, Jessica Leigh Joad, personally appeared John N. Hughey, who acknowledged himself to be an Authorized Signatory of HIGHWAY 31 ALABASTER TWO, LLC, an Alabama limited liability company, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing his name as such Authorized Signatory of HIGHWAY 31 ALABASTER TWO, LLC, on its behalf.

In witness whereof, I hereunto set my hand and official seal.

Jessica Leigh Joad
Notary Public

My Commission Expires: Nov. 8, 2010

(Affix Notarial Seal)



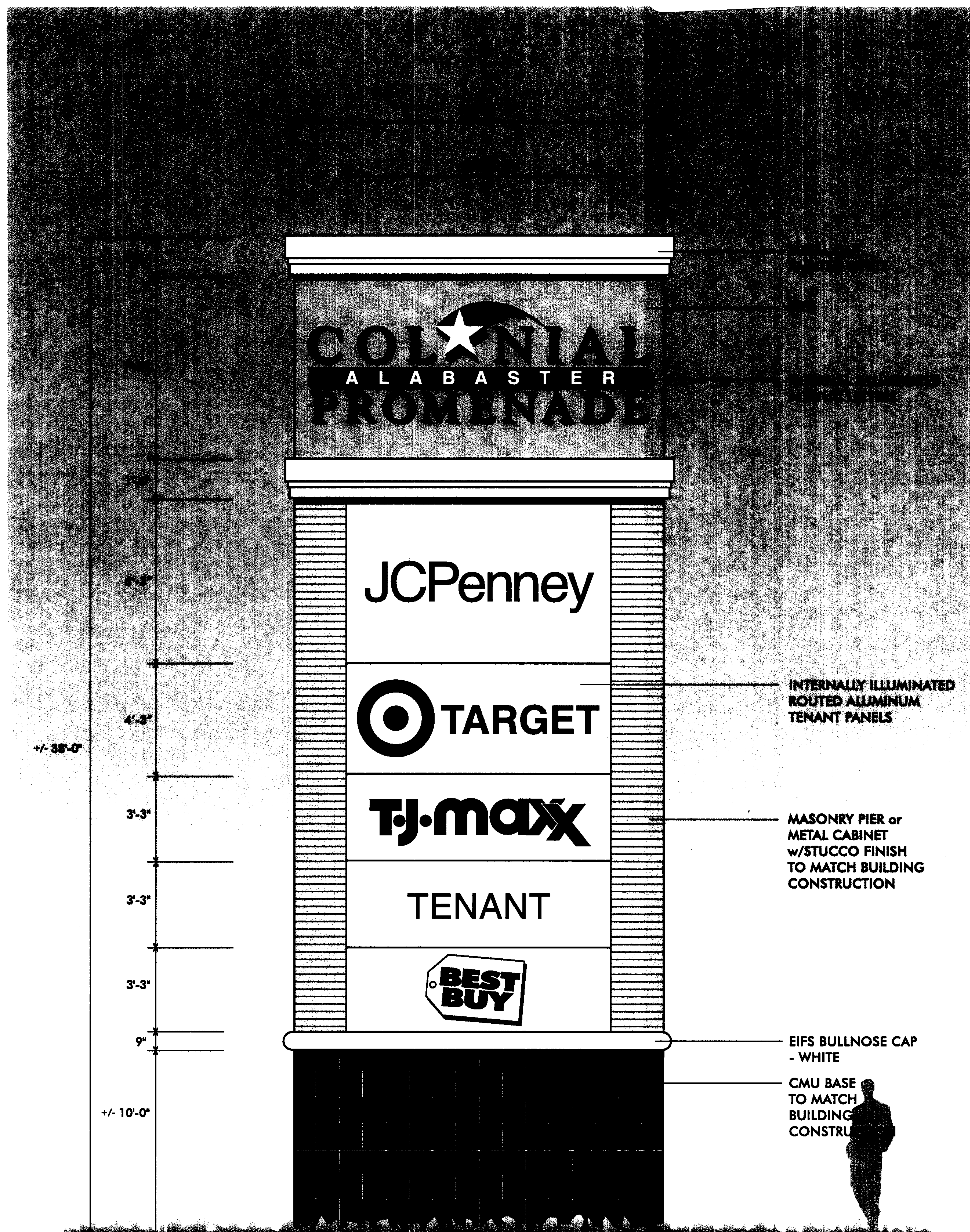
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EXHIBIT A

Legal Description of Penney Tract

A parcel of land situated in part of the Southeast one-quarter of the Northeast one-quarter and the Southwest one-quarter of the Northeast one-quarter of Section 12, Township 21 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Begin at the Southeast corner of said Southwest one-quarter of the Northeast one-quarter and run North 87 degrees 51 minutes 24 seconds West along the South line of said quarter-quarter for a distance of 716.00 feet; thence leaving said South line, run North 22 degrees 00 minutes 08 seconds West for a distance of 379.31 feet; thence run North 69 degrees 47 minutes 27 seconds East for a distance of 135.72 feet; thence run North 20 degrees 12 minutes 33 seconds West for a distance of 207.90 feet; thence run North 69 degrees 47 minutes 27 seconds East for a distance of 241.45 feet; thence run North 20 degrees 12 minutes 33 seconds West for a distance of 20.00 feet; thence run North 69 degrees 47 minutes 27 seconds East for a distance of 145.77 feet to a point on a curve to the left, said curve having a radius of 287.00 feet, a central angle of 24 degrees 23 minutes 29 seconds, a chord bearing of South 42 degrees 38 minutes 39 seconds East for a chord distance of 121.26 feet; thence run along arc of said curve for a distance of 122.18 feet; thence run South 35 degrees 10 minutes 03 seconds West for a distance of 50.00 feet to the point of commencement of a curve to the left, said curve having a radius of 337.00 feet, a central angle of 44 degrees 47 minutes 15 seconds, a chord bearing of South 77 degrees 13 minutes 34 seconds East for a chord distance of 256.77 feet; thence run along arc of said curve for a distance of 263.43 feet to a point on the Westernmost right of way line of U.S. Highway 31 (right of way varies) and a point on a curve to the left, said curve having a radius of 2411.83 feet, a central angle of 00 degrees 27 minutes 46 seconds, a chord bearing of South 26 degrees 20 minutes 38 seconds East for a chord distance of 19.48 feet; thence run along arc of said curve and along said right of way for a distance of 19.48 feet; thence run South 63 degrees 25 minutes 29 seconds West for a distance of 37.52 feet; thence run South 02 degrees 07 minutes 39 seconds West for a distance of 297.41 feet to the point of commencement of a curve to the left, said curve having a radius of 25.00 feet, a central angle of 90 degrees 00 minutes 22 seconds, a chord bearing of South 42 degrees 52 minutes 33 seconds East for a chord distance of 35.36 feet; thence run along arc of said curve for a distance of 39.27 feet; thence run South 87 degrees 52 minutes 44 seconds East for a distance of 209.94 feet; thence run South 14 degrees 14 minutes 05 seconds West for a distance of 172.16 feet; thence run South 41 degrees 36 minutes 27 seconds West for a distance of 23.06 feet; thence run South 02 degrees 27 minutes 46 seconds East for a distance of 36.91 feet to the POINT OF BEGINNING. Said parcel contains 440,425 square feet or 10.11 acres more or less.



PROPOSED PYLON SIGN
at SOUTH ENTRANCE

3/16"=1'-0"

12/7/05

Exhibit "C"
Sign "B"