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Shelby Cnty Judge of Probate, AL
10/12/2007 03:27:38PM FILED/CERT

Shelby County, AL 10/12/2007
State of Alabama

Deed Tax: \$4523.00

RETURN RECORDED DOCUMENT TO:

WALGREEN CO.

104 Wilmot Road, Dept. #1420
Deerfield, Illinois 60015
Attn: Charles Kaufman

This Instrument Prepared by:
Jenny Mitchell (Store No. 09623)
104 Wilmot Road
Deerfield, Illinois 60015

MEMORANDUM OF GROUND LEASE

By this Memorandum of Ground Lease ("Memorandum") made the 10th day of September, 2007, between THE MANDALA PROJECT, LLC, an Alabama limited liability company, hereinafter called "Landlord", and WALGREEN CO., an Illinois corporation, hereinafter called "Tenant";

Landlord leases to Tenant, and Tenant rents from Landlord, for the term commencing November 1, 2007, and continuing to and including October 31, 2082, as such dates shall be adjusted pursuant to a lease of even date herewith between the parties hereto (the "Lease") and subject to prior termination as therein provided, the premises to include the that certain real estate located within the Inverness Shopping Center (the "Shopping Center") at the southwest corner of Highway 280 and Inverness Parkway in the City of Hoover, County of Shelby, State of Alabama, and together with all improvements, appurtenances, easements and privileges belonging thereto, as shown on the plan attached hereto and made a part hereof as Exhibit "A" and as legally described on Exhibit "B" attached hereto and made a part hereof and hereinafter referred to as the "Leased Premises."

The Lease, among other things, contains the following provisions:

PARKING

7. (a) (i) Landlord covenants that at all times during the continuance of this Lease:

(A) Landlord shall maintain, repair, light when necessary during Tenant's business hours and for sixty (60) minutes thereafter, clean, promptly remove snow and ice from, supervise (including the use of security personnel to the extent that such personnel are necessary) and keep available the Parking Areas (as hereinafter defined) as shown on the Site Plan which Parking Areas shall provide for service and receiving areas, sidewalks, curbs, roadways and other facilities appurtenant thereto the Parking Areas. The term "Parking Areas" shall include all access drives, curbs, sidewalks, entryways, landscaping and all other common areas within the Shopping Center and the Additional Parking Spaces (as defined below). Said Parking Areas shall be for the free and exclusive use of customers, invitees and employees of Tenant and other occupants of said Shopping Center; provided, however, in the event that The Fresh Market vacates the Shopping Center and is replaced by another tenant whose use is a restaurant or gymnasium, sport or health club or spa, Landlord agrees to designate the ten (10) spaces depicted on the site plan attached hereto as Exhibit "I" as short term parking only (30 minutes or less). Landlord acknowledges that in order for Tenant to secure the required approvals for Tenant's Construction, it may be necessary to construct additional parking behind the Shopping Center, in the location shown on Exhibit "J" ("Additional Parking Spaces") for use by the tenants of the Shopping Center.

(B) The number of parking spaces within the Shopping Center shall comply with applicable governmental parking ratio requirements subject to any future condemnation.

(C) Landlord shall maintain, repair, adequately light when necessary during Tenant's business hours and for sixty (60) minutes thereafter, clean, promptly remove snow and ice from, supervise (including the use of security personnel to the extent that such personnel are necessary) and keep available the "Access Drives" (as defined in Article 30 hereof).

(ii) There shall be no changes in the grade elevations in the Parking Areas which exceed five percent (5%), and such Parking Areas if changed shall be suitably paved and drained. There shall be no steps or ramps (except to accommodate the handicapped) in the sidewalks within the Shopping Center except as shown on the Site Plan. No buildings or other structures shall be erected within the Shopping Center except as indicated on the Site Plan. No alterations or additions shall be made to the Parking Areas within the Tenant Control Area shown on the Site Plan and no additional areas added to the Building nor shall additional stories be added to any building in the Shopping Center without obtaining Tenant's express written consent, which consent may be granted or denied in Tenant's sole discretion. Parking Areas shall have automobile entrances and exits from and to adjacent streets and roads, which said

entrances and exits shall be of such size and at such locations as are shown on the Site Plan. Automobile traffic aisles in the Parking Areas shall run in directions shown on the Site Plan. Notwithstanding the foregoing, Landlord reserves the right outside the Tenant Control Area to change the layout of the Parking Areas or common areas so long as the access to the Leased Premises and visibility of the Building shall not be materially altered and required parking ratios shall be maintained.

(iii) If Landlord shall be in default after notice and opportunity to cure as provided in Article 16 of any of the provisions of Article 7(a)(ii) above, Tenant shall have, in addition to any other remedies available to it under this Lease, including the right to injunctive or other equitable relief, the right to either (a) terminate this Lease by giving written notice thereof to Landlord and an additional 30 days to cure such default or, (b) pay as rent, (in lieu of that provided in Sections [a] and [b] of Article 2 of this Lease) an amount equal to one-half of the fixed minimum monthly rent set forth in Section (a) of Article 2 and further shall not be obligated to pay any other rents or any other charges otherwise required to be paid under this Lease. Tenant shall recommence paying rents and other charges under this Lease as of the date that all of such defaults have been fully cured but Tenant shall not be obligated to pay any amounts which would have been payable during the period of Landlord's default.

(b) Tenant shall, from time to time during the Term of this Lease, pay to Landlord a pro rata share of the reasonable cost of operating, maintaining, repairing, landscaping, lighting and cleaning the above mentioned Parking Areas and other common areas and facilities and the cost of security personnel to the extent that such personnel are necessary and are used at the Shopping Center ("CAM"). CAM expenses shall also include, but shall not be limited to, the costs and expenses of water and sewer service charges and utility services for the common areas, wages, unemployment taxes, social security taxes for any personnel directly involved with the operations of the Shopping Center; and the repair of on-site water lines, sanitary sewer lines and equipment, and an administrative fee of seven percent (7%) of Tenant's prorata share. Common Area Expenses shall also include the cost of repaving of the Shopping Center parking field amortized over the reasonable useful life thereof. Tenant's pro rata share shall not include (by way of illustration and not by way of limitation) any costs incurred in connection or related to (i) the original construction of the Shopping Center or any expansion thereof, (ii) interest on payments related to any financing for the Shopping Center, (iii) the cost of correcting defects in or an inadequacy of the initial design or construction of the Shopping Center, the repair or replacement of any of the original materials or equipment required as a result of such defect or inadequacy, (iv) reserves for anticipated future expenses, (v) the replacement of the Parking Areas or any portion thereof, (vi) the repair and/or replacement of the roof, (vii) repairs and/or replacements to the exterior and structural portions of the buildings including attached canopies in the Shopping Center, (viii) legal and other fees, leasing commissions, advertising expenses and other costs incurred in connection with the development, leasing and re-leasing of the Shopping Center, (ix) any item for which Landlord is reimbursed by insurance or

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otherwise compensated, (x) any bad debt loss, rent loss or reserves for bad debt or rent loss, (xi) the cost (or any depreciation or amortization thereof) of any alteration, addition or change, replacement, improvement, repair, fixture and equipment and any other item which, under generally accepted accounting principles uniformly applied as pertaining to the real estate industry, are properly classified as a capital expense, (xii) any interest or penalties incurred as a result of Landlord's failing to pay a bill as the same shall become due, (xiii) the cost of renting or leasing any item if the purchase price would not properly be included as a reimbursable expense hereunder, (xiv) the cost of removing or remediating any Hazardous Substance, (xv) any and all costs associated with the operation of Landlord's entity as opposed to the cost of maintaining the Shopping Center, including, but not limited to, management and/or administrative fees, except as provided above, and (xvi) any expenses due to the fault or negligence of Landlord and/or any other occupant of the Shopping Center. Tenant's share shall be paid monthly with fixed rent based on an estimate prepared by Landlord, with a reconciliation prepared by Landlord within sixty (60) days of the end of each calendar year; all of such bills shall contain a detailed itemized description of the services performed for which reimbursement is sought. As a prerequisite to Tenant's payment obligations, bills shall be submitted for payment in accordance with the requirements of Article 24 hereof to the Fixed Assets Department of Tenant at 1417 Lake Cook Road, MS #L254, Deerfield, Illinois 60015 or as otherwise directed by Tenant. Tenant's share shall be in the same proportion to the total cost as the square foot floor area of the Leased Premises is to the square foot floor area of all the buildings in the Shopping Center.

(c) In the event that Tenant remains open for business during hours or days that all or some of the other occupants of the Shopping Center are not also open for business, Landlord shall nonetheless provide all of the services described in Article 7(a) above during such hours and days, including, but not limited to, the illumination of the Parking Areas, but neither the amount charged Tenant for such services shall be increased nor the method for determining Tenant's share of such charges shall be modified from that aforescribed.

EXCLUSIVES

8. (a) The Leased Premises may be used by Tenant as a Walgreen's Store, including pharmacy items and other items normally sold in a Walgreen's Store, and for any other lawful use consistent with the operations of a first-class shopping center not in violation of any existing exclusive in the Shopping Center or General Restrictions as set forth on Exhibit "F".

(b) Landlord shall not permit or suffer any other occupant of the Shopping Center to use any premises or any portion thereof, nor shall Tenant use the Leased Premises, nor allow the Leased Premises to be used, for purposes of a cocktail lounge, bar, any other establishment that sells alcoholic beverages for on-premises consumption (excluding any restaurant selling alcoholic beverages and any first-class martini bar or

other type establishment selling alcoholic beverages of the type normally located in a first-class shopping center), disco, bowling alley, pool hall, billiard parlor, skating rink, roller rink, amusement arcade, a theater of any kind, adult book store, adult theatre, adult amusement facility, any facility selling or displaying pornographic materials or having such displays, second hand store, odd lot, closeout or liquidation store (excluding any Dollar-type store), auction house, flea market, educational or training facility (including, without limitation, a beauty school, barber college, school or other facility catering primarily to students or trainees rather than customers) gymnasium, sport or health club or spa (provided, however, gymnasium, sport or health club or spa shall not be prohibited if such gymnasium, sport or health club or spa does not occupy 6,000 square feet or more of floor area within the Shopping Center) blood bank, massage parlor, funeral home, sleeping quarters or lodging, the outdoor housing or raising of animals, the sale, leasing or storage of automobiles, boats or other vehicles, any industrial use (including, without limitation, any manufacturing, smelting, rendering, brewing, refining, chemical manufacturing or processing, or other manufacturing uses), any mining or mineral exploration or development except by non-surface means, a car wash, a carnival, amusement park or circus, an assembly hall, off track betting establishment, bingo hall, any use involving the use, storage, disposal or handling of hazardous materials or underground storage tanks, any use which may materially or adversely affect the water and sewer services supplied to the Leased Premises, a church, temple, synagogue, mosque, or other house of worship, any facility for the sale of paraphernalia for use with illicit drugs, a restaurant (provided, however, a restaurant shall not be prohibited if such restaurant does not occupy 6,000 square feet or more of floor area within the Shopping Center) or any use which creates a nuisance. Provided, however, the foregoing restrictions shall not apply to any tenant within the Shopping Center existing as of the date hereof.

(c) Landlord and Tenant covenant and agree that in the event of a violation or threat thereof of any of the use provisions of Section (b) of Article 8 above, Tenant or Landlord, as the case may be, shall suffer irreparable harm and the non-violating party shall have no adequate remedy at law. As a result, Landlord and Tenant further covenant and agree that in the event of a violation or threat thereof of any of the use provisions of Section (b) of Article 8 above, the non-violating party, in addition to all remedies available to it at law and/or under this Lease, shall be entitled to injunctive or other equitable relief to enjoin a violation or threat thereof of Section (b) of Article 8 above. No encumbrance, lien, or restriction recorded against or otherwise imposed upon the Leased Premises shall be binding upon or otherwise enforceable against Tenant or its successors and assigns unless Tenant has expressly and in writing, consented to said recordation or imposition such consent not to be unreasonably withheld, delayed or conditioned; any such purported encumbrance, lien or restriction to which Tenant has not consented shall be void. With respect to any refinancing of the Shopping Center by Landlord, its successors or assigns, Tenant shall subordinate its interests thereto in accordance with Article 17(b) of this Lease. The foregoing restriction against the imposition or recordation of other liens, encumbrances or restrictions shall

be deemed a covenant running with the land in addition to any contractual obligation of Landlord.

RIGHT OF FIRST REFUSAL

24. (a) In the event that Landlord shall receive a Bona Fide Offer to purchase the Shopping Center, Leased Premises, or a portion thereof, at any time and from time to time on or after the date hereof and during the Initial Term and Term of this Lease or any extensions thereof from any person or entity, Landlord shall so notify Tenant (Attn.: Real Estate Law Department) together with a true and correct copy of said Bona Fide Offer. For purposes hereof, a "Bona Fide Offer" shall be deemed to be one made in writing by a person or entity that is not related or affiliated with Landlord which Landlord intends to accept (subject to this Article). Tenant may, at Tenant's option and within fifteen (15) days after receipt of Landlord's notice of said Bona Fide Offer and receipt of a copy thereof, offer to purchase the Shopping Center, Leased Premises, or the applicable portion thereof, at the price and upon the terms and conditions as are contained in said Bona Fide Offer, in which event, Landlord shall sell the Leased Premises, or said applicable portions, to Tenant upon said terms and conditions and said price; furthermore, in such event, Landlord shall convey the Leased Premises, or the applicable portion thereof, to Tenant by special warranty deed. Landlord covenants that it shall accept no such Bona Fide Offer or convey the premises until it has complied with the terms of this Article. Any conveyance of the Leased Premises, or portion thereof, made in the absence of full satisfaction of this Article shall be void. Tenant may enforce this Article, without limitation, by injunction, specific performance or other equitable relief.

(b) Tenant's election not to exercise its Right of First Refusal shall not prejudice Tenant's rights hereunder as to any further Bona Fide Offer. The terms and conditions contained in this Article shall be binding upon the heirs, successors and assigns of Landlord.

* * * * *

Provisions for additional rent and the other terms, covenants and conditions of said letting, including the options on the part of Tenant for prior termination, are set forth at length in the Lease, and all of said provisions, terms, covenants and conditions are, by reference hereto, hereby incorporated in and made a part of this Memorandum.

This instrument shall also bind and benefit, as the case may require, the heirs, legal representatives, assigns and successors of the respective parties, and all covenants, conditions and agreements herein contained shall be construed as covenants running with the land. This instrument shall not become binding upon the parties until it shall have been executed and delivered by both Landlord and Tenant.



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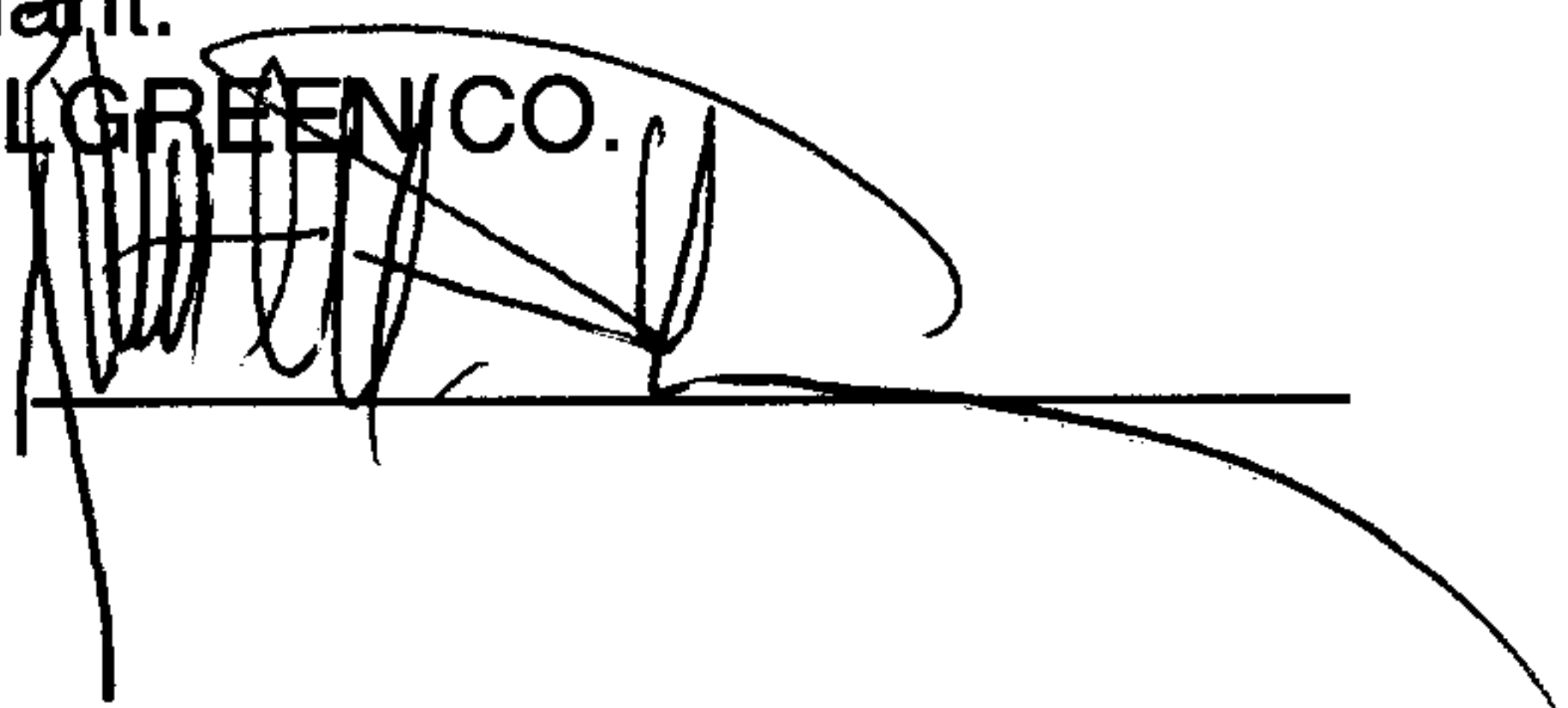
This Memorandum is made and executed by the parties hereto for the purpose of recording the same in the office of the public records of Shelby County, Alabama, and is subject in each and every respect, to the rents and other terms, covenants and conditions of the Lease and this Memorandum is executed and delivered with the understanding and agreement that the same shall not in any manner or form whatsoever, alter, modify or vary the rents and other terms, covenants and conditions of the Lease.

[Signatures follow on the next page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum,
under seal, as of the day and year first above written.

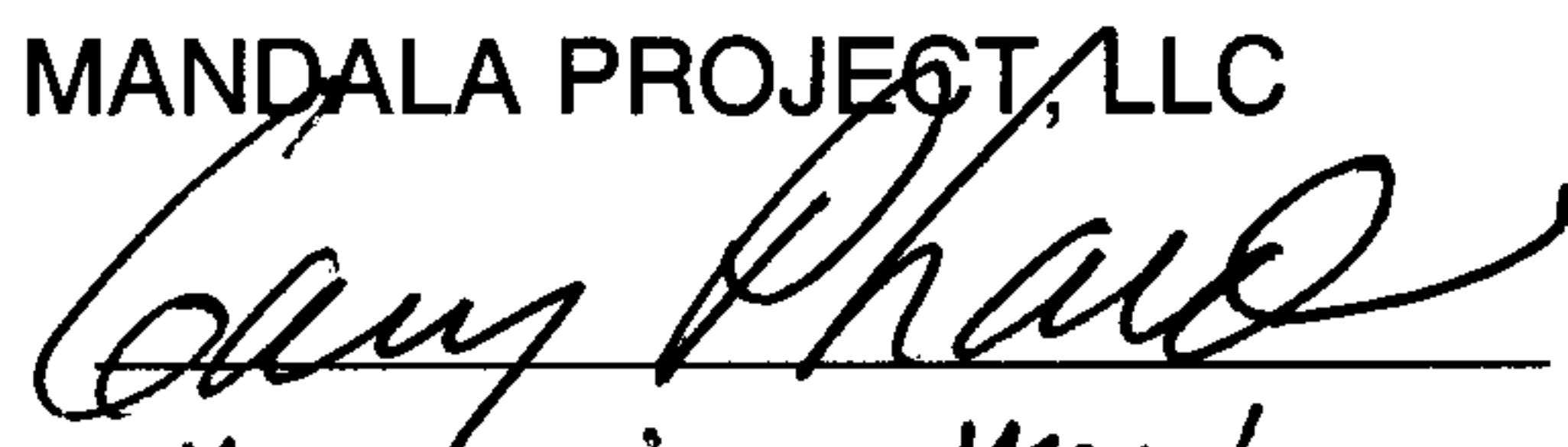
Tenant:
WALGREEN CO.

JMM By:

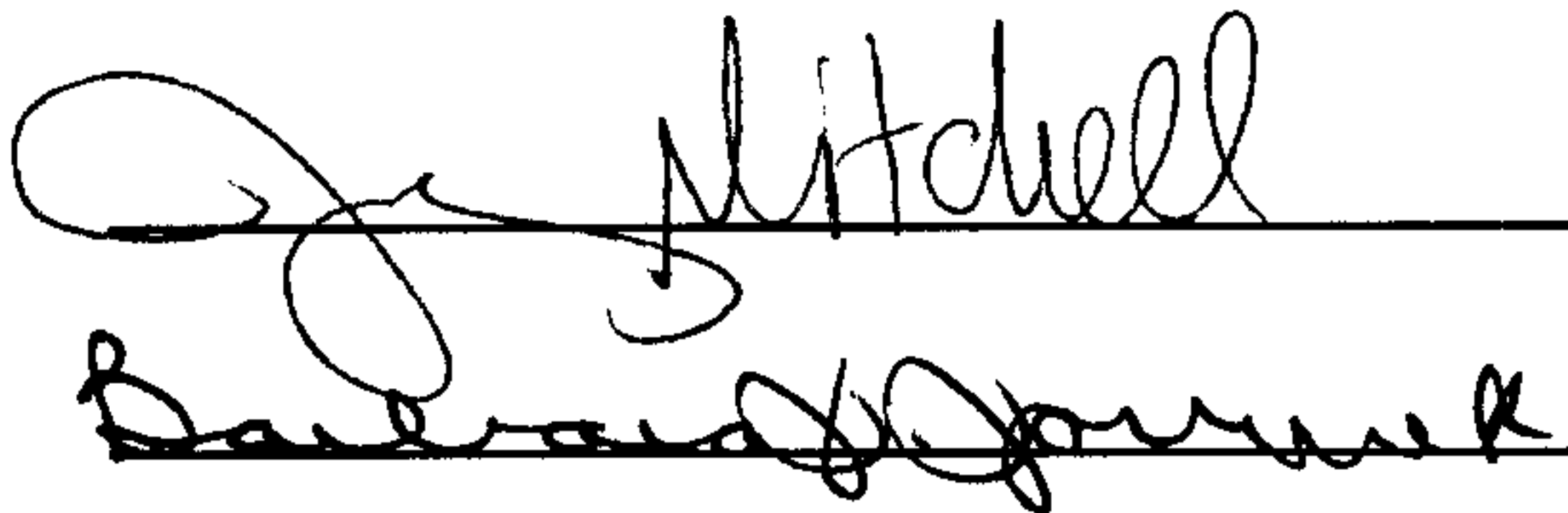


Landlord:
THE MANDALA PROJECT, LLC

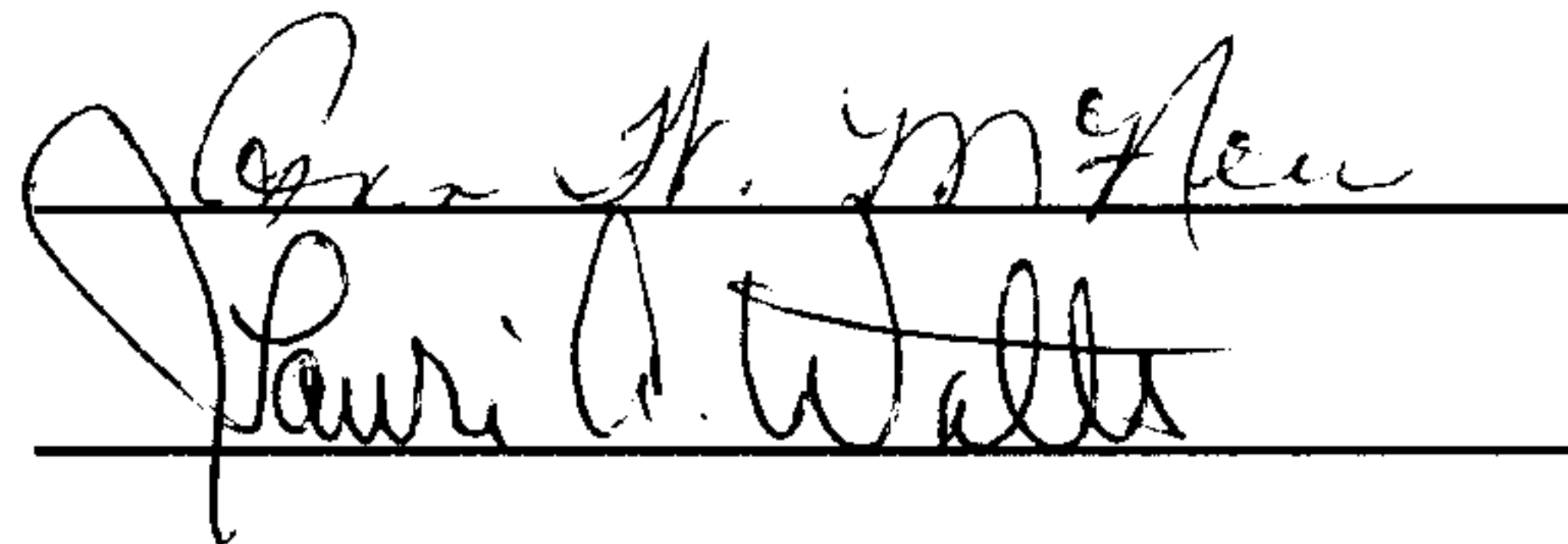
By:


managing member

Witnesses:



Witnesses:



STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

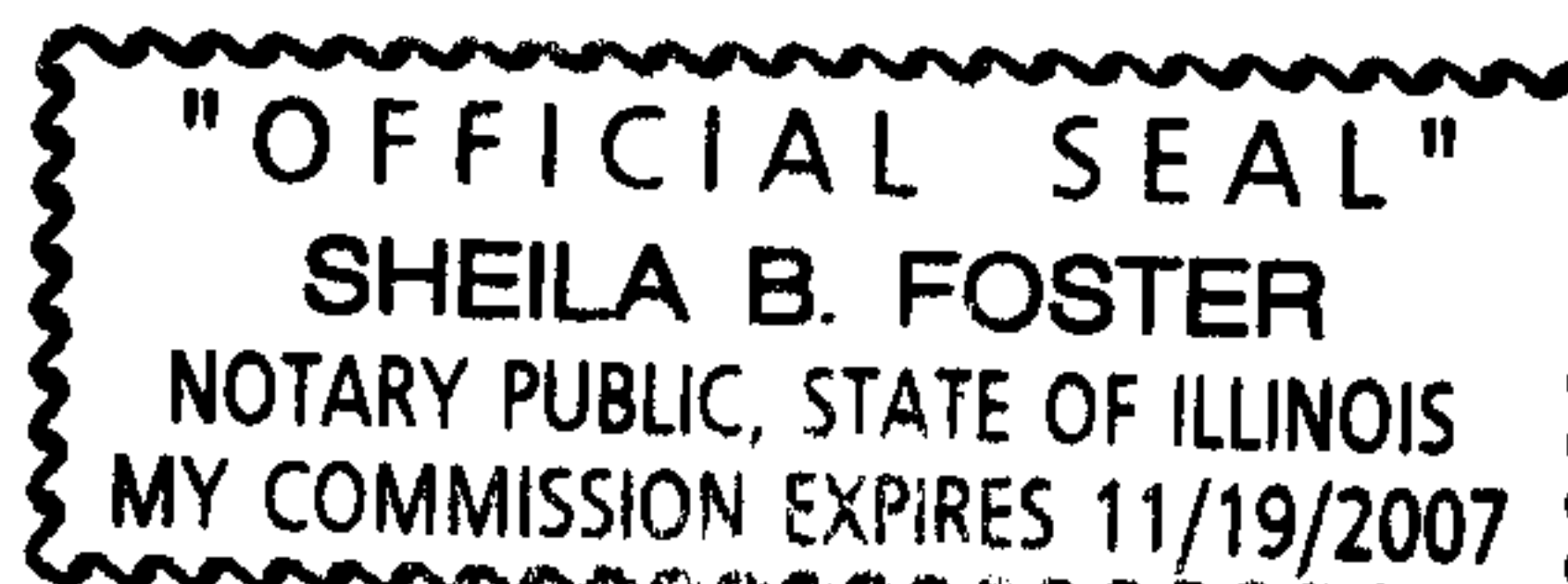
I, the undersigned, a Notary Public, do hereby certify that Robert M. Silberman, personally known to me to be the Divisional Vice President of WALGREEN CO., an Illinois corporation, and personally known to me to be the person whose name is subscribed in the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as such Divisional Vice President of said corporation, pursuant to authority given by the Board of Directors of said corporation, as his free and voluntary act, and as the free and voluntary act and deed of said corporation, for the purposes therein set forth.

Given under my hand and notarial seal this 5 day of Sept, 2007.

Sheila B. Foster
Notary Public

My commission expires:

STATE OF ALABAMA)
) SS
COUNTY OF JEFFERSON)



I, a Notary Public, do hereby certify that Gary Pharo, personally known to me to be the Managing Member of The Mandala Project, LLC, an AL. LLC, and personally known to me to be the person whose name is subscribed in the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as such manager of said company, pursuant to valid and proper authority, as his free and voluntary act, and as the free and voluntary act and deed of said company, for the purposes therein set forth.

Given under my hand and notarial seal this 10th day of Sept., 2007.

Cheruis Issam
Notary Public CHERUIS ISSAM

My commission expires: 4-19-08

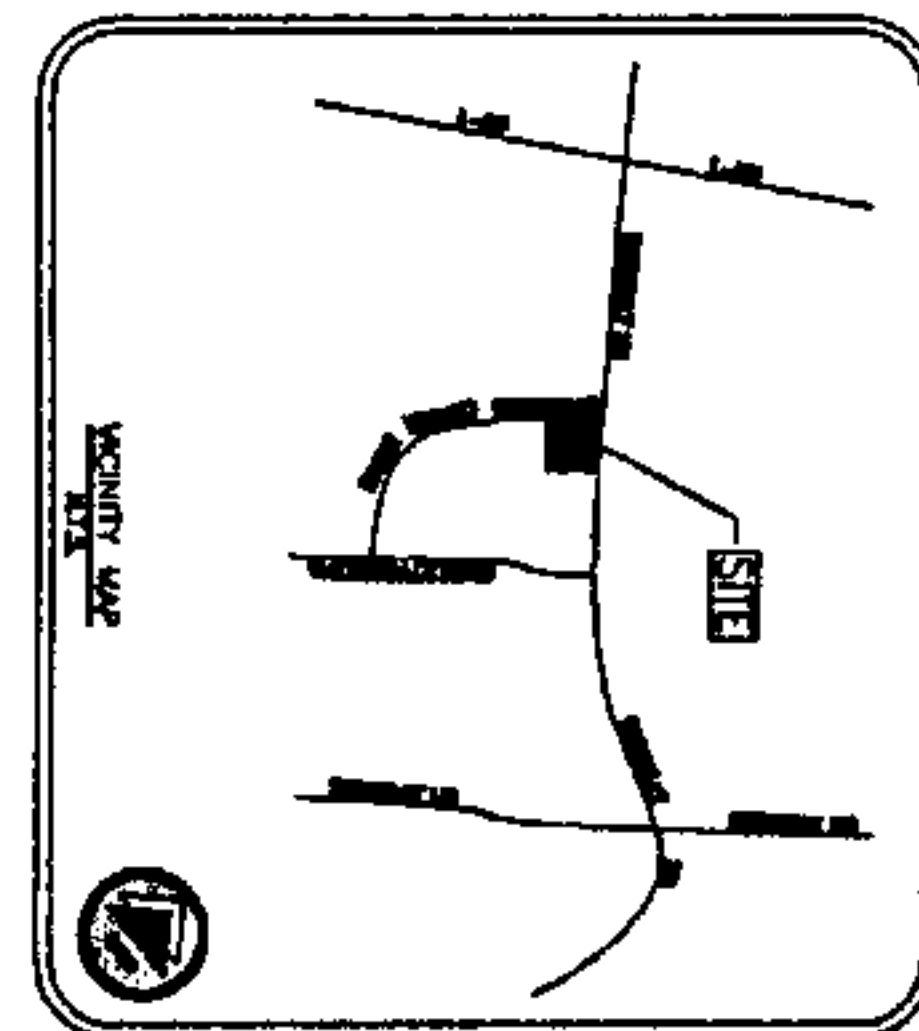
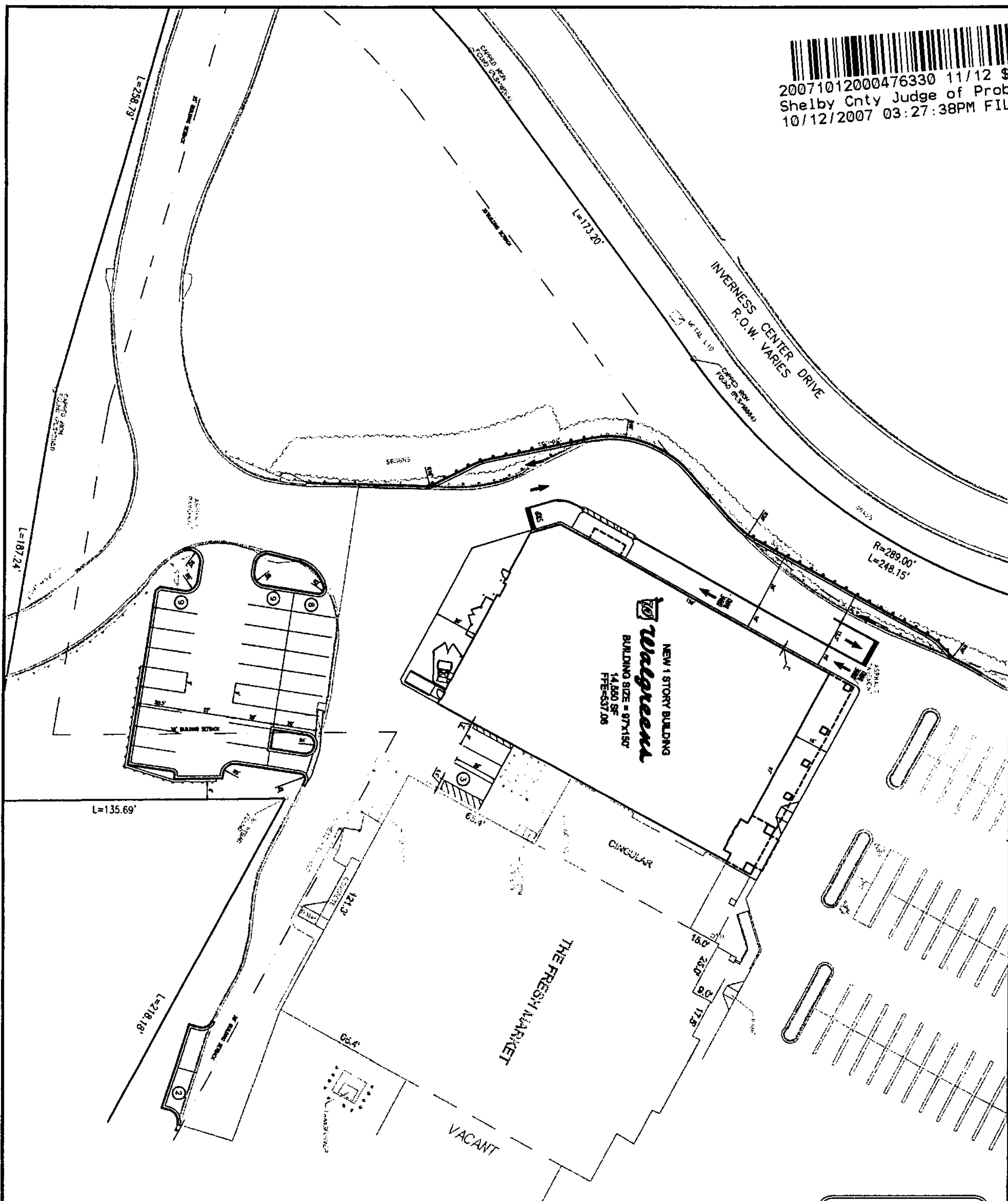
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EXHIBIT "A"

SITE PLAN

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PROJECT CONTACT INFORMATION:
DEVELOPER:
R.K.M. DEVELOPMENT CORPORATION
100 2ND AVENUE SOUTH
SUITE 200
SHELBY COUNTY, ALABAMA 35201
(205) 985-2150
CONTACT: BILL LLOYD

DESIGNER:
THE ENGINEER
711 SOUTH 30TH STREET
SHELBY COUNTY, ALABAMA 35211
(205) 251-1000
CONTACT: STEVEN CRABER, P.E.

SUBMITTER:
SAM ASSOCIATES, INC.
244 WEST WALLEY AVENUE
SHELBY COUNTY, ALABAMA 35209
(205) 985-2150
CONTACT: JASON BAILEY, P.E.

ARCHITECT:
TWO ARCHITECTS
1704 SOUTH 10TH STREET
SUITE 100
HOUSTON, TEXAS 77058
(713) 815-1115
CONTACT: SCOTT WEBB, AIA

DATE: 7/23/07
SCALE: 1"=40'
PROJECT: 11651

WALGREENS - HOOVER, AL
STORE NUMBER 11651 - SWC Hwy 280 & INVERNESS CENTER
R.K.M. DEVELOPMENT CORPORATION



DATE: 7/23/07
SCALE: 1"=40'
PROJECT: 11651

DATE: 7/23/07
SCALE: 1"=40'
PROJECT: 11651

Handwritten signature or initials.

EXHIBIT "B"

LEGAL DESCRIPTION

A Lease Lot situated in the Northeast Quarter of the Southwest Quarter of Section 36 Township 18 South Range 2 West Shelby County, Alabama, being more particularly described as follows:

Commence at the Southeast corner of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 36; thence run North $00^{\circ} 01' 03''$ East along the East line of said quarter-quarter section for a distance of 799.77 feet to appoint on the Southeast line of the Lease Lot herein described and this being the Point of Beginning; thence run South $29^{\circ} 07' 39''$ West for a distance of 107.48 feet; thence run North $60^{\circ} 52' 21''$ West for a distance of 68.42 feet; thence run North $15^{\circ} 51' 39''$ West for a distance of 41.84 feet; thence run North $29^{\circ} 07' 39''$ East for a distance of 15.04 feet; thence run North $60^{\circ} 52' 21''$ West for a distance of 9.00 feet; thence run North $29^{\circ} 07' 39''$ East for a distance of 16.00 feet; thence run South $60^{\circ} 52' 21''$ East for a distance of 9.00 feet; thence run North $29^{\circ} 07' 39''$ East for a distance of 109.37 feet; thence a distance of 98.00 feet; thence run South $29^{\circ} 07' 39''$ West for a distance of 62.52 feet back to the Point of Beginning. Said described Lease Lot containing 16,367 Square Feet (0.38) Acres more or less.

