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Shelby Cnty Judge of Probate, AL  
03/11/2024 10:55:21 AM FILED/CERT

Recording Requested by and when  
Recorded return to:  
Michaels Stores, Inc.  
3939 West John Carpenter Freeway  
Irving, Texas 75063  
Attn: Associate General Counsel  
Store No. 5593

## MEMORANDUM OF SHOPPING CENTER LEASE

1. Effective Date of Lease. April 26, 2023.
2. Name and Address of Landlord. PC SWEET HOME BAMA, LLC, a Delaware limited liability company, having an office at 7775 Baymeadows Way, Suite 300, Jacksonville, FL 32256, Attn: Frank C. Gatlin, III.
3. Name and Address of Tenant. MICHAELS STORES, INC., a Delaware corporation, having an office at 3939 West John Carpenter Freeway, Irving, Texas 75063, Attention: Director of Real Estate Administration.
4. Description of Premises. Approximately 25,211 (Dimensions as shown on Tenant's Site Specific Floorplan Layout attached as Exhibit D-2 to this Lease) Leasable Square Feet and being a part of Propst Promenade (the "Shopping Center") located in the City of Alabaster, County of Shelby, State of Alabama, and constructed on land described in Exhibit A attached hereto and as depicted on Exhibit B attached hereto. The term "Entire Project" means the land described in Exhibit A-1 attached hereto (which shall include the Shopping Center and the Walmart and Lowe's Parcels shown on Exhibit B), together with the rights, privileges,



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easements and appurtenances pertaining thereto. The term "Shopping Center" shall also include any portion of the Entire Project which at any time hereafter is owned by Landlord or any person or entity owned or controlled by Landlord, which controls Landlord or which is under common control with Landlord and which shall be added as additional land to the terms of the CCRs (as defined in Section 8.5 of Exhibit C to the Lease) whether or not same is later sold. Upon such inclusion of any portion of the Entire Project in the definition of the "Shopping Center", Landlord will promptly cause the exclusive granted to Tenant in Section 16.4 to be placed of record against said additional land, and shall give Tenant proof of such recordation. The term "Control Area" means the area of the Shopping Center shown on Exhibit B to the Lease.

5. Term of Lease. Commencing on the "Completion Date" of the Lease (as such term is defined in the Lease) and ending on the last day of the one hundred twentieth (120<sup>th</sup>) full calendar month following the Rental Commencement Date (the "Expiration Date"), although if the Expiration Date occurs during the period between and including the dates of September 1 and January 31 of any year, the Expiration Date shall automatically be extended until the last day of February of said following year unless six (6) months' prior to the end of the one hundred twentieth (120<sup>th</sup>) full calendar month, Tenant gives written notice of an election for the Expiration Date to occur at the end of the one hundred twentieth (120<sup>th</sup>) full calendar month.

6. Options to Extend. The Lease grants to Tenant successive options to extend the Lease Term from the date upon which the Lease Term would otherwise expire for three (3) additional periods of five (5) years each.



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7. Restrictions on Construction. Landlord will not create out parcels or pad sites in the Control Area, in addition to the Outparcels designated on Exhibit B to this Lease. Any buildings, pylon or monument signs constructed after the Effective Date on the Outparcels in the Control Area shall be subject to the following restrictions: (i) no building or improvements constructed on any Outparcel shown on Exhibit B shall exceed one (1) story in height, or twenty-three feet (23') in height, inclusive of architectural features, (ii) the buildings on such Outparcels shown on Exhibit B shall be located only within the building areas set forth on Exhibit B, (iii) each building shall comply with Laws, and (iv) any pylon or monument signs erected or constructed on the Outparcels shown on Exhibit B shall not obstruct the visibility of the pylon or monument signs identifying the Shopping Center or Tenant. The roof line and parapet wall of any other premises in the Control Area (other than (a) existing buildings as of the Effective Date [which can be rebuilt to the same height as the building it replaces], and (b) buildings or improvements constructed on any Outparcel shown on Exhibit B, which shall be subject to the height limitation set forth in the preceding sentence) shall not be higher than the height of the roof line and parapet wall of the Premises. Landlord will not construct, or allow any other party to construct, other buildings or improvements in the parking areas in the Control Area shown on Exhibit B to this Lease or on any other area of the Control Area, except as expressly set forth in the CCRs as of the Effective Date. Except (a) as may be expressly allowed in any existing leases set forth in Section I of Exhibit I to this Lease, or (b) except in connection with an emergency repair, Landlord shall not perform (nor permit to be performed) any exterior construction in the Control Area during the months of October, November or December after Tenant has opened for business in the Premises. Landlord

acknowledges that the foregoing restrictions on construction constitute a material inducement to Tenant's agreement to enter into this Lease, and any violation of the provisions of this section shall be deemed to be a material breach under this Lease.

8. Prohibited Uses. There exists in the Lease various restrictions upon other uses at the Shopping Center, including, without limitation, those set forth on Exhibit C attached hereto. The restrictions set forth above shall be deemed to be covenants running with the land and shall bind and burden the Shopping Center and shall inure to the benefit of the Premises and Tenant.

9. Employee Parking. Landlord may designate, and may from time to time change the designation of, the particular parking areas in the Shopping Center to be used by the employees of the various occupants of the Shopping Center (the "**Employee Parking Areas**"); provided that the rules for parking shall be uniformly imposed upon all tenants of the Shopping Center. Landlord agrees that any designated Employee Parking Areas shall impose no unreasonable burden upon the employees of Tenant and shall impose no greater safety or security risk upon Tenant's employees than any other parking areas of the Shopping Center.

10. Exclusive. Section 16.4.1 of Exhibit C to the Lease provides as follows: "No portion of the Entire Project (other than the Premises), or any property contiguous to the Entire Project (including, without limitation, any property that would be contiguous or adjacent to the Entire Project but for any intervening road, street, alley or highway) owned or controlled now or at any time hereafter by Landlord or any affiliate of Landlord, shall be occupied or used, directly

or indirectly, for the purpose of conducting a "craft store", store selling arts and crafts, art supplies, craft supplies, picture frames or picture framing services, framed art, artificial flowers and/or plants, artificial floral and/or plant arrangements, holiday themed décor, decorations and costumes, wedding goods (except apparel), party goods, scrapbooking/memory book store, or a store selling scrapbooking/memory book supplies, accessories, and/or decorations or other papercrafting (e.g. making greeting cards, gift bags, tags, and other related or similar items) supplies, accessories and/or decorations associated with the foregoing, or providing classes on any of the foregoing or any combination of the foregoing categories, or any store similar to Tenant in operation or merchandising. This Section 16.4.1 shall not apply (A) to any lessee whose lease was fully executed on the Effective Date hereof and is identified on Exhibit I as an "Existing Lease Not Subject to Tenant's Exclusive or Prohibited Uses;" provided, however, that this exception shall not apply if (i) Landlord permits or agrees to an expansion of the premises for any such permitted use which violates Tenant's exclusive (except to the extent that such lease or occupancy agreement listed in Section I of Exhibit I to this Lease expressly provides that the use for expansion space shall be for any lawful use or specifically permits a use protected hereby), or (ii) Landlord permits or agrees to the change of a permitted use by any such lessee or its successors or assigns, or (iii) Landlord permits or agrees to an assignment or sublease of such existing lease if Landlord may avoid the granting of such permission, or (iv) Landlord has the right, by virtue of the provisions of the existing lease, to cause said lessee to honor the exclusive granted to Tenant by giving said existing lessee notice of this exclusive or otherwise, or (B) to any lessee for which the sale of a product or service covered by the exclusive granted to Tenant hereunder is merely incidental to such lessee's primary use, unless the total space which such lessee devotes to the

products or services which violates the exclusive contained in this Section 16.4.1 exceeds the lesser of (1) twenty five percent (25%) of the Leasable Square Feet or (2) one thousand (1,000) Leasable Square Feet (inclusive of allocable aisle space and linear shelf space); provided, however, this subpart (B) shall not apply to framing services, it being the intention that no other lessee or occupant of the Entire Project shall be permitted to offer custom framing services, even on an incidental basis. If, for a period of twelve (12) consecutive months, Tenant falls to operate Tenant's business (other than for reasons beyond Tenant's reasonable control) or changes its use such that for two (2) full seasonal sales cycles it is no longer selling items covered by the exclusive granted in this Section 16.4.1, Tenant shall no longer have an exclusive right as to the specific item not sold but described in this Section 16.4.1; provided, however, in the event Tenant recommences its business in the Premises or again sells or offers the items or services covered by this Section 16.4.1, then, upon Landlord's receipt of notice of such recommencement, the exclusive granted to Tenant hereunder shall again be effective, and any leases executed during the interim period during which this exclusive was not effective, shall be deemed to be an "Existing Lease Not Subject to Tenant's Exclusive." The operation in the Shopping Center of (a) a card shop such as a Hallmark card shop containing less than 12,000 square feet, (b) a typical World Market as such stores operate as of the Effective Date, and (c) a typical Burlington as such stores operate as of the Effective Date, shall be deemed not to be a violation of this Section 16.4.1."

This instrument is intended to be only a Memorandum of Lease in respect to the Lease, to which Lease reference is made for the full agreement between the parties. This Memorandum is



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not intended to modify any term, provision or condition of the Lease and to the extent of any  
conflict between this Memorandum and the Lease, the Lease will control.

EXECUTED this 18<sup>th</sup> day of January, 2024.



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TENANT

MICHAELS STORES, INC.,  
a Delaware corporation

By: 

Name: Todd Powers

Title: Senior Vice President – Real Estate and Development

Date of Execution By Tenant:

1/18, 2024

### ACKNOWLEDGEMENT

#### TENANT

STATE OF TEXAS

§

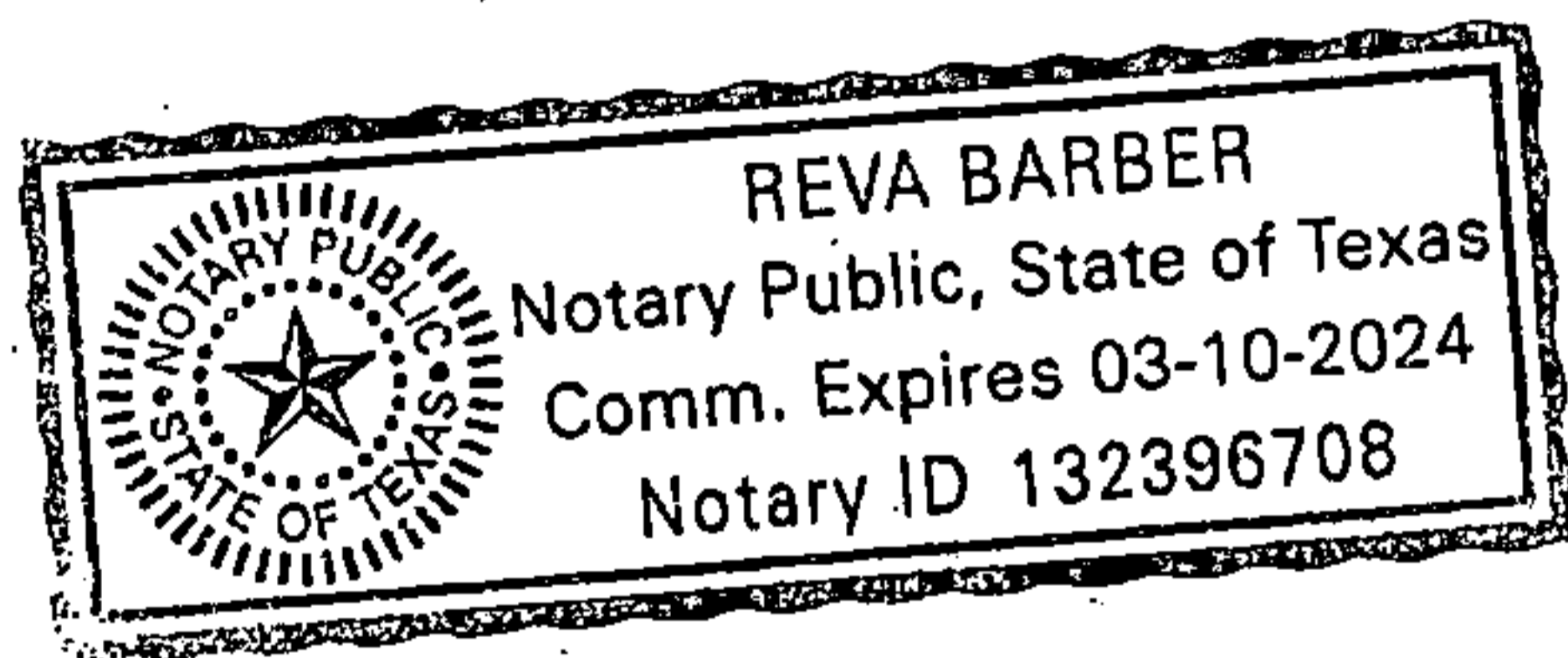
§

COUNTY OF DALLAS

§

BEFORE ME, the undersigned authority, on this day personally appeared Todd Powers, Senior Vice President – Real Estate and Development of MICHAELS STORES, INC., a Delaware corporation, who acknowledged that she was duly authorized to execute this agreement on behalf of said corporation.

GIVEN under my hand and seal of office this 18<sup>th</sup> day of January, 2024.



Reva Barber

Notary Public in and for the  
State of Texas

Reva Barber

Notary's Printed Name

My Commission Expires: 3-10-2024



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LANDLORD  
PC SWEET HOME BAMA, LLC,  
a Delaware limited liability company

By: [Signature]  
Name: Frankly C. Guthrie  
Title: President

Date of Execution By Landlord:

January 16, 2024

### ACKNOWLEDGEMENT

#### LANDLORD

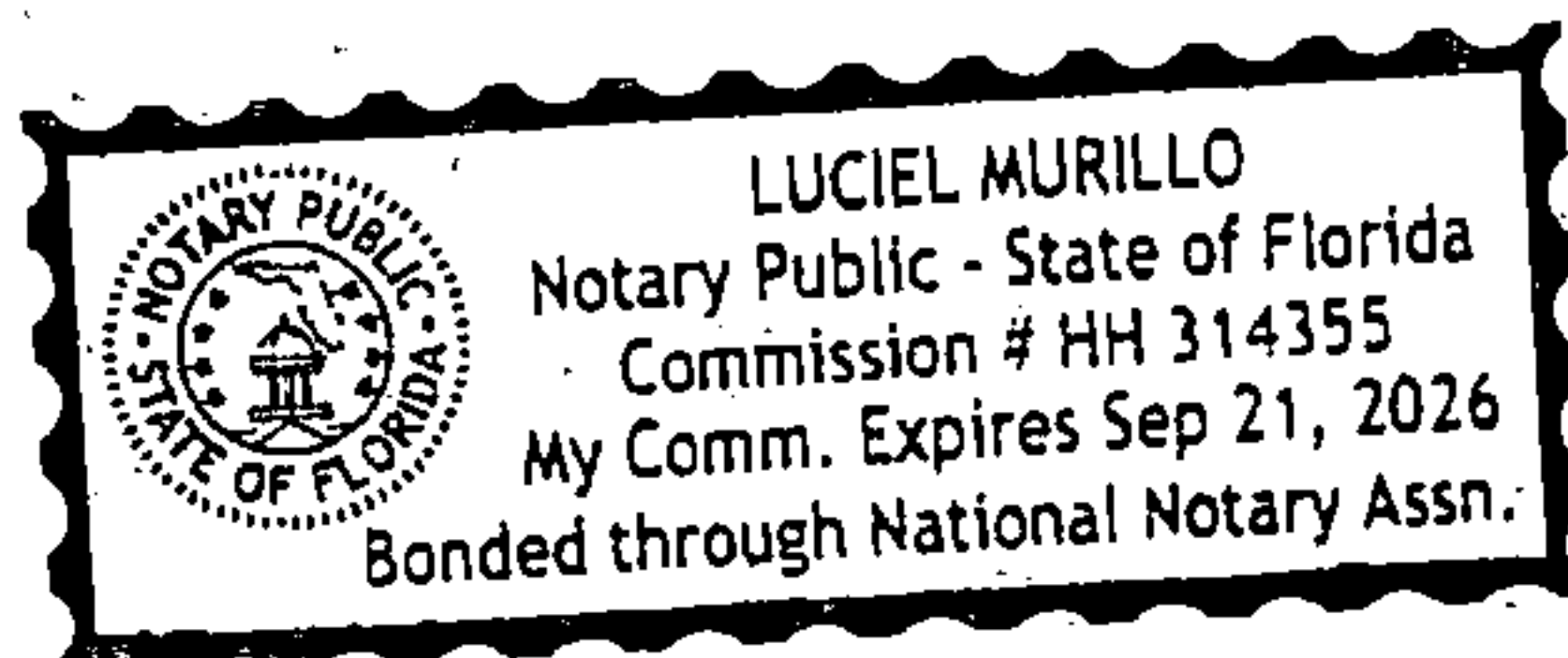
STATE OF Florida §  
COUNTY OF Duval §

On January 16, 2024 before me, Luciel Murillo, Notary Public  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Frankly C. Guthrie  
NAME(S) OF SIGNER(S)

☒ personally known to me - or - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she/they executed the same in his/her/their authorized capacity(ies), and that by his her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



[Signature]  
SIGNATURE OF NOTARY



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## Exhibit A

### Legal Description

Lots 1 and 3, according to the Survey of Colonial Promenade, Alabaster Survey recording in Map Book 35, Pages 102A and 102B in the Probate Office of Shelby County, Alabama.

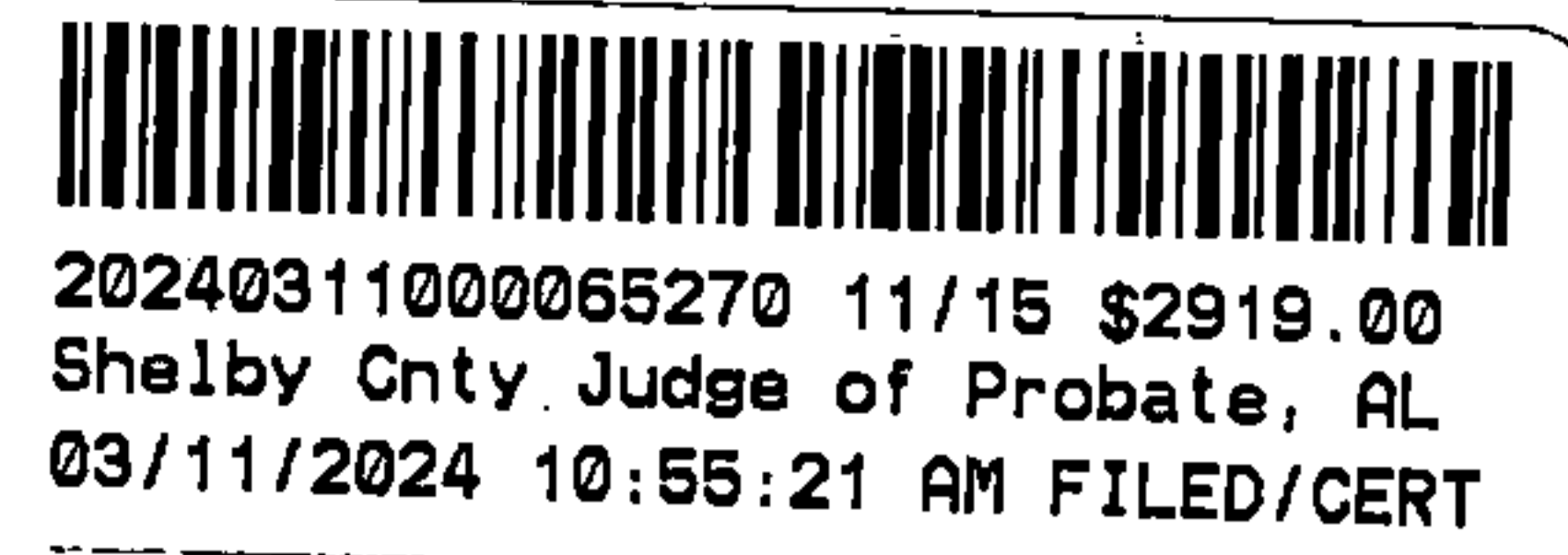


Exhibit A-1

LEGAL DESCRIPTION OF ENTIRE PROJECT

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10A, 10B, 11, 12, 13, 14 and 15, according to the Survey of Colonial Promenade, Alabaster Survey recording in Map Book 35, Pages 102A and 102B in the Probate Office of Shelby County, Alabama.





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## Exhibit C

### PROHIBITED USES

1. funeral establishment;
2. automobile sale, leasing, repair or display establishment or used car lot, including body repair facilities and quick-lube and tire and battery facilities;
3. auction or bankruptcy sale;
4. pawn shop;
5. circus, carnival or amusement park, or other entertainment facility;
6. outdoor meetings;
7. bowling alley;
8. primarily pool or billiard establishment;
9. shooting gallery;
10. off-track betting (provided that state sponsored lottery tickets shall not be prohibited);
11. refinery;
12. adult bookstore or facility selling or displaying pornographic books, literature, or videotapes (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality);
13. massage parlor; provided, however, that one (1) first-class therapeutic massage facility such as "Massage Envy" or "Hand and Stone" shall be permitted;
14. any residential use, including but not limited to living quarters, sleeping apartments or lodging rooms;
15. theater (except the existing theater may be replaced with a similar use);
16. auditorium, meeting hall, ballroom, day care facility, school or other place of public assembly;



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17. agency, department or bureau of any governmental authority or unemployment agency, service or commission (except the existing Army/Navy recruitment office may be replaced with a similar use);
18. gymnasium, health club, exercise or dance studio in Spaces 800, 900, 1100, 1140 and 1160 as depicted on Exhibit B;
19. dance hall;
20. cocktail lounge, bar (except as an incidental part of a restaurant or food use permitted in Item #27 below), disco or night club;
21. bingo or similar games of chance, but lottery tickets and other items commonly sold in retail establishments may be sold as an incidental part of business;
22. video game or amusement arcade, except as an incidental part of another primary business;
23. skating or roller rink;
24. car wash, car repair or car rental agency;
25. temporary or seasonal stores that sell any of the merchandise categories set forth in Section 16.4 of Exhibit C to this Lease (even on an incidental basis);
26. second hand store, close-out store, dollar store (except the existing Dollar Tree may be replaced with a similar use, specifically excluding Popshelf and stores similar to Popshelf), auction house, or flea market (notwithstanding anything to the contrary, a Five Below shall not be considered a violation of this Item 26);
27. any operation or business which requires a governmental permit, license and/or authorization to prepare and/or serve food for either on or off-site consumption;
28. any establishment which sells or dispenses marijuana or drug related paraphernalia;  
or
29. non-retail use, except for Service Retail (defined below) so long as the area devoted to Service Retail does not exceed ten percent (10%) of the Leasable Square Feet of the Shopping Center; for purposes of this provision, the term "**Service Retail**" means any use which primarily sells services as opposed to merchandise, such as, without limitation, salons, photo studios, financial institutions, real estate, stock brokerage and title companies, travel and insurance agencies; provided, however, medical and dental offices shall be deemed to be non-retail use and shall not be



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considered "Service Retail", and office space used by an occupant for administrative purposes, and which is not open to the general public, shall not be considered non-retail use for purpose of this limitation