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 CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT
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 AS OF OCTOBER 15, 1996
 (Crossroads Center
 Waterloo, Iowa)

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CONSTRUCTION, OPERATION AND
RECIPROCAL EASEMENT AGREEMENT

CROSSROADS CENTER
(Waterloo, Iowa)

THIS CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT (this "REA") is made as of the 15th day of October, 1996, by and between THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES, a New York corporation, having an address at 787 Seventh Avenue, New York, NY 10019 48 ("Developer"), and DILLARD DEPARTMENT STORES, INC., a Delaware corporation, having an address at 1600 Cantrell Road, Little Rock, Arkansas 72201 ("Dillard").

The Background of this REA is that:

- A. Developer owns in fee simple a certain parcel of land situated in the City of Waterloo, County of Black Hawk, State of Iowa, more particularly described in Exhibit A-1 (collectively the "Developer Parcel"), and located as shown on Exhibit B.
- B. Dillard owns in fee simple certain land situated in the City of Waterloo, County of Black Hawk, State of Iowa, more particularly described in Exhibit A-2 (the "Dillard Parcel"), and located as shown on Exhibit B.
- C. Sears Roebuck and Co., a New York corporation ("Sears"), leases from Susan Sandelman, as Trustee of the Esan Trust, and Sanford Sandelman, as Trustee of the Roseff Trust, as tenants-in-common each as to an undivided 50% interest, as successors in interest to The Crossroads Company, certain land situated in the City of Waterloo, County of Black Hawk, State of Iowa, more particularly described by metes and bounds in Exhibit A-3 (the "Sears Parcel"), and located as shown on Exhibit B.
- D. Developer currently operates the Phase I Mall Stores Building and the Phase I Enclosed Mall and intends to construct and operate the Phase II Mall Stores Building and Phase II Enclosed Mall in accordance with the terms of this REA.
- E. Dillard intends to construct and operate the Dillard Store Building on the Dillard Parcel, in accordance with the terms of this REA.
- F. Sears presently operates the Sears Store Building on the Sears Parcel.
- G. The Developer Parcel and Dillard Parcel, as individually described in Exhibits A-1 and A-2, respectively, are collectively described in Exhibit A-4 (collectively, the "Shopping Center Site").
- H. The Developer Parcel, Dillard Parcel and Sears Parcel, as individually described in Exhibits A-1, A-2 and A-3, respectively, are collectively described in Exhibit A-5 (collectively the "Combined Shopping Center Site").
- I. The Parties desire to make an integrated use of the Shopping Center Site and to develop and improve the Shopping Center Site as a multilevel enclosed mall, regional shopping center.

J. The Parties desire to provide for the construction, maintenance and operation of the Common Area and the buildings and other improvements to be situated on the Shopping Center Site, and in that regard to create certain rights, privileges and easements and to impose certain restrictions and covenants upon, the Shopping Center Site.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

As used in this REA, the following terms have the following meanings:

Section 1.1 Accounting Period

"Accounting Period" means any period beginning on January 1 and ending on the next following December 31; provided, however, that the first Accounting Period for Dillard shall begin on the earlier of the day Dillard first opens or is required to open the Dillard Store Building for business to the public and shall end on the next following December 31.

Section 1.2 Affiliates

"Affiliates" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

Section 1.3 Blackout Dates

"Blackout Dates" shall have the meaning set forth in Section 6.2.

Section 1.4 Cause

"Cause" shall have the meaning set forth in Section 9.7.

Section 1.5 Center

"Center" means the Developer Parcel and Dillard Parcel, together with all buildings and other improvements constructed at any time thereon.

Section 1.6 Code Required Number

"Code Required Number" shall have the meaning set forth in Section 16.2.

Section 1.7 Combined Center

"Combined Center" means the Developer Parcel, Dillard Parcel and Sears Parcel, together with all buildings and other improvements constructed at any time thereon.

Section 1.8 Combined Shopping Center Site

"Combined Shopping Center Site" shall have the meaning set forth in background paragraph H hereof.

Section 1.9 Commencement of Construction

"Commencement of Construction" shall have the meaning set forth in Section 4.1.

Section 1.10 Common Area and Exterior Common Area

(a) "Common Area" means all areas and improvements thereto within the boundaries of the Shopping Center Site that under this REA are, or are designated and intended to be, made available for the non-exclusive use, convenience and benefit of all Occupants and their respective Permittees. "Exterior Common Area" means all Common Areas, except those located inside the Enclosed Mall.

(b) Among other things, Common Area includes (i) the Parking Area; (ii) the Enclosed Mall except for areas thereof occupied by kiosks; (iii) all sidewalks and walkways located outside the Dillard Store Building and the Developer Complex; (iv) Common Utility Facilities; (v) all landscaped and planted areas within the Enclosed Mall and on the Exterior Common Area; (vi) all curbs and lighting standards, traffic and directional signs and traffic striping and markings located within the Parking Area; (vii) all emergency corridors, stairs, escalators and elevators which are not located within the Dillard Store Building, Mall Stores, or the Penney Store Building; and (viii) Truck Facilities.

(c) Common Area does not include (i) any area exclusively appropriated for use by an Occupant or (ii) Truck Docks.

Section 1.11 Common Area Improvements

"Common Area Improvements" means all improvements located on the Common Area portions of the entire Shopping Center Site, including the Enclosed Mall.

Section 1.12 Common Utility Facilities

"Common Utility Facilities" means all storm drainage facilities, sanitary sewer systems, natural gas systems, if any, domestic water systems, fire protection water systems, underground electrical systems, underground telephone systems and cable television systems, including pipes, lines, conduits and cables, situated on the Shopping Center Site, and other forms of energy signals or services which are available for service to and use by the Parties for their respective Improvements, each respectively to points which are five feet (5') from the buildings of each Party.

Section 1.13 Comparison States

"Comparison States" means the States of Iowa and Nebraska (or, if Dillard at any time operates six or more stores in the State of Iowa, Nebraska shall be deemed to be deleted from the foregoing during such time without any further action by the parties hereto).

Section 1.14 Condemnation

"Condemn" and "Condemnation" mean the taking of all or any part of the Shopping Center Site or the possession thereof under the power of eminent domain, or the voluntary sale (with the consent of the Party then in possession, the other Parties and any other Persons having both an interest therein and a right of approval with respect to any such sale) of all or any part of the Shopping Center Site, to any Person having the power of eminent domain, provided that the interest sold is then under the threat of condemnation.

Section 1.15 Condemnation Date

"Condemnation Date" means the earlier of (a) the date when possession of the Condemned Parcel (or any part thereof) is taken by the Condemning authority and (b) the date when title to the Condemned Parcel (or any part thereof) vests in the Condemning authority.

Section 1.16 Cotenancy Deficiency

"Cotenancy Deficiency" shall have the meaning set forth in Section 12.1(b).

Section 1.17 Cotenancy Deficiency Date

"Cotenancy Deficiency Date" shall have the meaning set forth in Section 12.1(c).

Section 1.18 Contribution

"Contribution" means Dillard's annual contribution toward Maintenance costs of the Common Area as is set forth under the terms of Dillard's Supplemental Agreement.

Section 1.19 Default Notice

"Default Notice" shall have the meaning set forth in Section 9.6.

Section 1.20 Depository

"Depository" shall have the meaning set forth in Section 15.3.

Section 1.21 Developer Common Area Improvements

"Developer Common Area Improvements" means Common Area Improvements on the Developer Parcel and all Off Site Improvements.

Section 1.22 Developer Complex

"Developer Complex" means the Mall Stores Building, the Penney Store Building and the Enclosed Mall.

Section 1.23 Developer Improvements

"Developer Improvements" means the Mall Stores Building and the Developer Common Area Improvements.

Section 1.24 Developer Minimum Floor Area

"Developer Minimum Floor Area" shall have the meaning set forth in Section 7.1.

Section 1.25 Developer Parcel

"Developer Parcel" shall have the meaning set forth in background paragraph A hereof.

Section 1.26 Dillard Common Area Improvements

"Dillard Common Area Improvements" means Common Area Improvements on the Dillard Parcel, including the landscaping between the perimeter sidewalks adjoining the Dillard Store Building and the Dillard Store Building.

Section 1.27 Dillard Court

"Dillard Court" means those portions of the Enclosed Mall on each level which abut the entrance from the Dillard Store Building to the Enclosed Mall up to the point 76 feet from such entrance.

Section 1.28 Dillard Improvements

"Dillard Improvements" means the Dillard Store Building, the Dillard Truck Dock and the Dillard Common Area Improvements.

Section 1.29 Dillard Mall

"Dillard Mall" means that portion of the Enclosed Mall which extends from the Dillard Court to the central portion of the Enclosed Mall and is designated on Exhibit B as the "Dillard Mall."

Section 1.30 Dillard Opening

"Dillard Opening" means the date on which Dillard opens the Dillard Store Building for business to the public.

Section 1.31 Dillard Operating Covenant Period

"Dillard Operating Covenant Period" shall have the meaning set forth in Section 12.1(a).

Section 1.32 Dillard Pad Development Criteria

"Dillard Pad Development Criteria" shall have the meaning set forth in Section 3.6.

Section 1.33 Dillard Parcel

"Dillard Parcel" shall have the meaning set forth in background paragraph B hereof.

Section 1.34 Dillard Truck Dock

"Dillard Truck Dock" means that Truck Dock depicted on Exhibit B as "Dillard Truck Dock".

Section 1.35 Enclosed Mall

"Enclosed Mall" means that portion of the Common Area consisting of the multilevel enclosed, sprinklered, lighted, heated, ventilated and air-conditioned mall, (including both the portion constructed prior to the date of this REA (Phase I) and the expansion portion which Developer is obligated or permitted to construct pursuant to this REA (Phase II)), all of which is shown as located on the Developer Parcel on Exhibit B. The Mall Stores Building is not part of the Enclosed Mall, and a reference to the Enclosed Mall shall not be deemed to include the Mall Stores Building.

Section 1.36 Floor Area

(a) "Floor Area" means, from time to time, the aggregate of the actual number of square feet of enclosed floor space of all floors in any building located on the Shopping Center Site, exclusively appropriated for use by an Occupant, whether or not actually occupied or leased and including the actual area of any permanent kiosk, all subject to the limitations set forth in this Section 1.36.

(b) Without limiting the generality of Section 1.36(a), Floor Area includes:

- (i) basement space and subterranean areas; and
- (ii) balcony and mezzanine space.

(c) Notwithstanding the foregoing provisions of this Section 1.36, Floor Area shall not include:

- (i) the upper levels of any multi-deck stock areas so long and to the extent not used for selling or offices;
- (ii) areas (whether or not physically operated) used primarily to house mechanical, electrical, telephone, telecommunication, computer and point-of-sale (but not individual point-of-sale terminals), air-conditioning and similar equipment and spaces, and any garbage (or other waste) collecting area or waste bailing or compacting area;
- (iii) Truck Facilities and Truck Docks;
- (iv) the Enclosed Mall except for kiosks;
- (v) the center management office, security office, operations office and service center;
- (vi) Common Area and public restrooms in the Mall Stores Building (but not in a Mall Store and not in a Major's Store Building); and

(vii) space occupied by columns, stairs, escalators, dumbwaiters, conveyors or other interior equipment within the building involved.

(d) Floor Area shall be measured from the exterior faces of the exterior walls (including basement walls), except that where party and interior common walls are involved, the Floor Area shall be measured from the center of such walls instead of from their exterior faces.

Section 1.37 Force Majeure

"Force Majeure" shall have the meaning set forth in Article.

Section 1.38 Grantee

"Grantee" shall have the meaning set forth in Section 2.1.

Section 1.39 Improvements

"Improvements" means the Developer Improvements and Dillard Improvements or any of them as the context shall require.

Section 1.40 Laws

"Laws" shall have the meaning set forth in Section 23.22.

Section 1.41 Lease

"Lease" means any lease or other instrument or arrangement in writing whereby an Occupant (other than Developer or Dillard) acquires rights to use and/or occupy Floor Area.

Section 1.42 Maintenance

"Maintenance" means inspection, maintenance, repair, replacement, security, lighting and operation.

Section 1.43 Major

"Major(s)" means any operator (other than Herberger's, Inc. or successors or assigns with respect to the leasehold estate of Herberger's, Inc. for the term of such leasehold, including any extensions under any right to renew or extend such term existing as of the date hereof) of a retail facility in the Center in excess of 75,000 square feet of Floor Area.

Section 1.44 Major Casualty

"Major Casualty" means a fire or other casualty which costs more to restore than forty percent (40%) of the then replacement cost of the Developer Complex, if the Developer Complex is damaged or destroyed, or of a Major's Store Building, if a Major's Store Building is damaged or destroyed.

Section 1.45 Major Cotenancy Deficiency

"Major Cotenancy Deficiency" shall have the meaning set forth in Section 12.1(b).

Section 1.46 Major's Store Building

"Major's Store Building" means a building owned by or leased to a Major on the Shopping Center Site and constructed or to be constructed as a retail store facility within each Major's Permissible Building Area.

Section 1.47 Mall Stores

"Mall Stores" means the individual stores to be leased to and operated by Occupants of the Mall Stores Building.

Section 1.48 Mall Stores Building

"Mall Stores Building" means the building containing the Mall Stores including both the portion constructed prior to the date of this REA (Phase I) and the expansion portion which Developer is obligated or permitted to construct pursuant to this REA (Phase II), all of which is shown located on the Developer Parcel on Exhibit B.

Section 1.49 Minimum Floor Area

"Minimum Floor Area" means, (a) in the case of Dillard, 116,250 square feet of Floor Area, (b) in the case of Penney, 84,070 square feet of Floor Area, and (c) in the case of Sears, 102,565 square feet of Floor Area.

Section 1.50 Mortgagee, Mortgage, Mortgagor, Mortgage Holder, Sale and Leaseback and Foreclosure Purchaser

"Mortgagee" means either (a) the mortgagee under a Mortgage, (b) the beneficiary under a Mortgage which is a deed of trust, or (c) the fee owner or sublessor following a Sale and Leaseback. "Mortgage" means an indenture of mortgage or deed of trust on all or a substantial portion of a Party's fee or leasehold interest in a Parcel, or a Sale and Leaseback. A "Mortgage Holder" means the Mortgagee under a Mortgage. "Mortgagor" means the mortgagor under a Mortgage, or the maker or grantor under a Mortgage which is a deed of trust, or the transferee or sublessee under a Mortgage which is a Sale and Leaseback. "Mortgage Parcel" is a Parcel or portion thereof encumbered by a Mortgage, or if a leasehold Mortgage, a leasehold interest in the Parcel encumbered by a Mortgage. A "Sale and Leaseback" means a transaction whereby a party conveys the fee or a leasehold estate in such Parcel for financing purposes only and such conveyance is followed immediately by a leaseback of the entirety of the Parcel to such Party, or to a parent or subsidiary corporation of such Party. "Foreclosure Purchaser" means a purchaser at the foreclosure sale under any Mortgage (whether such foreclosure sale shall be by power of sale, judicial foreclosure proceedings or otherwise) and including a Mortgagee purchasing at any such sale, or the grantee under any deed in lieu of foreclosure of the Mortgage or the transferee of any other conveyance in lieu of foreclosure of the Mortgage, or a Mortgagee taking possession of a Mortgage Parcel pursuant to rights under any Mortgage (for the period such Mortgagee shall be in possession), and the successors and assigns of such Foreclosure Purchaser.

Section 1.51 Occupant

"Occupant" or "Occupants" means each Major and Developer, and any other Person entitled by Lease to use and occupy Floor Area within the Shopping Center Site, or one or more of them, as the context may require.

Section 1.52 Off-Site Improvements

"Off-Site Improvements" shall mean all of the improvements to be installed off of the Shopping Center Site which are necessary for the proper use, maintenance and enjoyment of the Shopping Center Site as it is being initially expanded under the terms of this REA, as described in Exhibits B, G and H.

Section 1.53 Operate, Operating, Operation

"Operate", or "Operating", or "Operation" means: (a) with respect to a Major's Store Building, that the Store Building is open to the general public for business during its business hours with a customer entrance open onto at least one level of the Enclosed Mall, except while it is temporarily not so open for business by reason of any provision of Article 12 that would permit a temporary cessation during the term of such Major's Operating Covenant (whether or not the temporary cessation actually occurs during the term of such Major's Operating Covenant) or by reason of such reasonable interruptions as may be incidental to the conduct of business; (b) with respect to Mall Stores Building, that Occupants of at least 70% of the Floor Area of the Mall Stores are open to the general public for business during business hours which are normal for the Center, except while any are not so open for business by reason of such reasonable interruptions as may be incidental to the conduct of business; (c) with respect to the Enclosed Mall, that the portions of the Enclosed Mall which are required to be open pursuant to the terms of this REA at the time in question are open to the general public for business, subject to interruptions contemplated by this REA; and (d) with respect to all other Common Area, that the Common Area is available for the uses contemplated by this REA, subject to interruptions contemplated by this REA. The terms of this Section 1.53 are merely definitional and shall not be deemed to create independent covenants for any of the Parties.

Section 1.54 Operating Covenant

"Operating Covenant" means (a) the covenant of Developer to Operate the Developer Improvements for the period of time and in accordance with the provisions set forth in this REA and the Supplemental Agreement, (b) the separate covenant of Dillard to Operate its facility in the Dillard Store Building for the period of time and in accordance with the provisions set forth in this REA and the Supplemental Agreement, (c) the separate covenant of Penney to Operate its facility in the Penney Store Building as more fully described in Section 11.2 hereof, and (d) the separate covenant (if any) of Sears to Operate its facility in the Sears Store Building. The Parties hereby acknowledge that Sears is not operating its facility under an operating covenant as of the date hereof.

Section 1.55 Out-Parcels

"Out-Parcels" means the land situated in the City of Waterloo, County of Black Hawk, State of Iowa, more particularly described by metes and bounds in Exhibit A-6 and located as shown on Exhibit B, which land is neither owned nor controlled by Developer or Dillard as of the date hereof.

Section 1.56 Parcel

"Parcel" means the Developer Parcel, Dillard Parcel or Sears Parcel, as such terms are defined in the background paragraphs A through C, or any combination or portions thereof, as the context may require.

Section 1.57 Parking Area

"Parking Area" means all Common Areas which are set apart or used for the parking or movement of vehicles, including, without limitation, structured or deck parking facilities, all Access Roads, Truck Facilities, interior roadways, including all such areas shown on Exhibit B, and the appurtenances thereof (such as sidewalks, lighting facilities and landscaping), but excluding Truck Docks.

Section 1.58 Party

(a) "Party" means (i) The Equitable Life Assurance Society of the United States, (ii) Dillard Department Stores, Inc., (iii) any successors acquiring all of the fee or leasehold interest in the Parcels occupied by any of the foregoing Parties, except as hereinafter set forth in this Section 1.58.

(b) If there is a transfer of a portion of a Party's fee or leasehold interest in such Parcel (other than pursuant to a Mortgage) so that all interests in such Parcel are not owned in their entirety by a single Person, then the Person who was the Party prior to the transfer shall remain as the only Party for the purposes of this REA, unless and until it delivers a written notice to each of the other Parties to this REA designating one of the Persons having an interest in the Parcel to act as the Party on behalf of all of the Persons having an interest in the Parcel, and such designated Person has accepted the designation as the Party.

(c) Each of the Parties to this REA agrees that, at any particular time, subject to Article 21 hereof, each shall have, with respect to each of the Parcels, only one Person: (i) to whom any charges under this REA must be paid, (ii) to whom notice shall be given, (iii) whose notices shall be honored or complied with, (iv) from or to whom approvals or consents will be requested or granted or refused and (v) or whom the service of any process, writs, summons, order or demand may be made by another Party on behalf of multiple owners of a Parcel. Any such action taken by the other Party to, in reliance on, with, for or against any Person who is acting as the Party with respect to any particular Parcel shall be binding upon, inure to the benefit of and be legally sufficient in favor of and against all Persons having an interest in the particular Parcel, shall be binding upon such Parcel and shall inure to the benefit of the other Party and its respective Parcel.

(d) Whenever there is multiple ownership of the interest in any such Parcel, the other Party shall have the right to continue to deal with the Person acting as the Party and to rely upon all actions by such Person until the other Party to this REA receives (i) notice from such Party that a new Person has been designated to act as the Party with respect to the particular Parcel and (ii) notice from the designee of the designee's acceptance of the designation. Nothing contained in this Section 1.58 shall in any manner release any Person having an interest in any Parcel from any liability it would otherwise have under the terms of this REA.

Section 1.59 Penney

"Penney" means J.C. Penney Company, Inc., a Delaware corporation.

Section 1.60 Permissible Building Area

"Permissible Building Area" means the areas within the Center depicted on Exhibit B within which buildings have been or may be constructed as hereinafter more fully provided on the Shopping Center Site. It is agreed that design treatments, including, without limitation, canopies or archways, may extend out to the edge of the curb defining the sidewalk.

Section 1.61 Permitted Transferee

"Permitted Transferee" means a Person: (i) having a net worth of no less than Seven Million Five Hundred Thousand Dollars (\$7,500,000); (ii) who is an experienced operator of first-class enclosed mall regional shopping centers or covenants to hire management with such experience; and (iii) who executes a written agreement in recordable form assuming all obligations of Developer under this Agreement, including the cure of any then-existing Developer defaults under this Agreement and the Supplemental Agreement.

Section 1.62 Permittees

"Permittees" means all Occupants and their respective officers, directors, employees, agents, partners, contractors, customers, visitors, invitees, licensees and concessionaires.

Section 1.63 Person

"Person" or "Persons" means individuals, partnerships, limited liability companies, associations, corporations and any other form of private, public or governmental entity, or one or more of them, as the context may require.

Section 1.64 Phase I

"Phase I" of any improvement on the Shopping Center Site means the portion or portions of the specified improvement constructed prior to the date of this REA.

Section 1.65 Phase II

"Phase II" of any improvement on the Shopping Center Site means the portion or portions of the specified improvements depicted on Exhibit B which Developer is, pursuant to this REA, obligated to construct after the date of this REA.

Section 1.66 Preliminary Store Plans

"Preliminary Store Plans" shall have the meaning set forth in Section 3.3.

Section 1.67 Project Architect

"Project Architect" shall have the meaning set forth in Section 3.7.

Section 1.68 Project Improvements

"Project Improvements" shall mean the Phase II Developer Common Area Improvements, excluding the Phase II Enclosed Mall.

Section 1.69 Project Improvement Work

"Project Improvement Work" shall mean all labor and materials necessary to complete the Project Improvements in accordance with Exhibits B, G and H.

Section 1.70 Scheduled Opening Date

"Scheduled Opening Date" means August 13, 1997.

Section 1.71 Schoenfelder Agreement

"Schoenfelder Agreement" means that certain Agreement dated as of April 12, 1973 between Mr. G.P. Schoenfelder, Crossroads Center, Inc., Crossroads Center (Austin) Inc., Crossroads Company, a partnership, Crossroads Center (Waterloo) Inc., Woodmen of the World Life Insurance Society, Annuity Board of the Southern Baptist Convention, Prudential Insurance Co., and Sears, Roebuck and Co., as amended.

Section 1.72 Sears

"Sears" shall have the meaning set forth in background paragraph C hereof.

Section 1.73 Sears Lease

"Sears Lease" means that certain Lease dated as of January 29, 1968 by and between The Crossroads Company and Sears, as amended.

Section 1.74 Sears Maintenance Area

"Sears Maintenance Area" means the land situated in the City of Waterloo, County of Black Hawk, State of Iowa, more particularly described in Exhibit A-7.

Section 1.75 Sears Parcel

"Sears Parcel" shall have the meaning set forth in background paragraph C.

Section 1.76 Sears Parcel Buildings

"Sears Parcel Buildings" means buildings from time to time located on the Sears Parcel.

Section 1.77 Shopping Center Site

"Shopping Center Site" shall have the meaning set forth in background paragraph G hereof.

Section 1.78 Store Building

"Store Building" means the building located on each of the Party's Parcels.

Section 1.79 Supplemental Agreement

"Supplemental Agreement" means the separate agreement which has been entered into contemporaneously herewith between Developer and Dillard. If there is any conflict between this REA and the Supplemental Agreement, then the Supplemental Agreement shall control.

Section 1.80 Taxes

"Taxes" shall have the meaning set forth in Section 17.1.

Section 1.81 Truck Docks

"Truck Docks" means the open or enclosed truck docks intended for the exclusive use of a Party, or, as to Developer, intended for the use of more than one Occupant.

Section 1.82 Truck Facilities

"Truck Facilities" means the drives and wells providing access to the Truck Docks.

ARTICLE 2

EASEMENTS

Section 1.1 Definitions and Documentation

(a) The following general provisions apply to easements granted under this REA:

(i) A Party granting an easement is called the "Grantor", it being intended that the grant shall thereby bind and include not only such Party, but also its successors and assigns.

(ii) A Party to whom the easement is granted is called the "Grantee", it being intended that the grant shall benefit and bind and include not only such Party, but its successors, assigns and such Permittees of the Grantee as the Grantee may specifically designate from time to time.

(iii) The word "in" with respect to an easement granted "in" a particular Parcel means, as the context may require, "in", "to", "on", "over", "through", "upon", "across" and "under", or any one or more of the foregoing.

(iv) The grant of an easement by a Grantor shall bind and burden its Parcel, which shall be the servient tenement, provided, however, that if only a portion of the Parcel of the Grantor is designated as being bound and burdened by the easement, then only that portion shall be the servient tenement.

(v) The grant of an easement to a Grantee shall benefit and be appurtenant to its Parcel, which shall be the dominant tenement, provided, however,

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that if only a portion of the Parcel of the Grantee is designated as being so benefited, then only that portion shall be the dominant tenement.

(vi) Unless specifically provided otherwise in this REA, all easements granted herein are non-exclusive and irrevocable.

(vii) All easements granted herein may be enforced only by the Parties, and not by any other Occupant or Permittee.

(viii) All easements granted herein are appurtenant to the Parcels, and are not easements in gross.

(b) All easements granted hereunder shall exist by virtue of this REA, without the necessity of confirmation by any other document. Upon the termination of this REA in accordance with its terms or of any easement, in whole or in part, or its release with respect to all or any part of any Parcel, the REA or such easement, as the case may be, shall be deemed to have been terminated or released without the necessity of confirmation by any other document. Upon the request of any Party, each Party will sign and acknowledge a document memorializing the existence (including the location and any conditions), or the termination (in whole or in part), or the release (in whole or in part), as the case may be, of any easement, if the form and substance of the document is acceptable to each Party.

Section 2.2 Easements for Use of Common Area

(a) Each Party hereby grants and conveys to the other Party, perpetual easements in the Common Area (including, without limitation, the Parking Area, the Truck Facilities and the Enclosed Mall) on its (Grantor's) Parcel for:

- (i) ingress to and egress from the Grantee's Parcel;
- (ii) the passage and parking of passenger vehicles (and passage of trucks as long as there is not unreasonable interference with customer and employee parking);
- (iii) the passage and accommodation of pedestrians; and
- (iv) the doing of such other things as are authorized or required to be done on the Common Area under this REA; provided, however, that such easements are limited to such portions of the Common Area on the Grantor's Parcel as are now or hereafter set aside, maintained and authorized for such use under this REA.

(b) Each Party hereby reserves the right to eject from the Common Area on its Parcel any Persons not permitted to use the Common Areas. In addition, each Party reserves the right to close off the Common Area of its Parcel for such reasonable periods of time as may be (i) legally necessary to prevent the acquisition of prescriptive rights by anyone or (ii) necessary to effect repairs and restoration required herein; provided, however, except in emergency situations before closing off any substantial part of the Common Area as provided above, such Party shall give at least thirty (30) days' notice to each of the other Parties of its intention to do so and shall coordinate its closing with the activities of each of the other Parties so that no unreasonable interference with the operation of the Combined Center occurs.

(c) The easements provided for in this Section are subject to the rights to use the Common Area for other purposes provided for in this REA.

(d) Notwithstanding any other provision of this REA, the easements granted under this Section 2.2 shall commence on the date that construction of each respective portion of the Common Area is substantially completed and shall remain in existence during the term of this REA.

Section 2.3 Easements for Access Roads

(a) Each Party hereby grants and conveys to the other Party perpetual easements for pedestrian and two-way vehicular traffic in those strips of land on its (Grantor's) Parcel which are shown on Exhibit B as cross-hatched roadways (the "Access Roads") to provide access between the Parcels of each Grantee and abutting public roads, and access between the various Parcels and the various portions of each Parcel. The respective Grantors of the Access Road easements shall not obstruct or interfere in any way with the free flow of pedestrian and two-way vehicular traffic over the Access Roads, except to the extent necessary for reasonable repair and maintenance, traffic regulation and control, and to prevent a dedication thereof or the accrual of any rights to the public therein.

(b) Grantors reserve the right from time to time after (but not before) the expiration of the term of this REA to change the location of the Access Road easements on their respective Parcels; provided, however, that access for pedestrian and two-way vehicular traffic is not restricted or its use is not in any way impaired by such changes. In addition, a Grantor desiring to so relocate any such Access Roads shall construct, at its own expense, a new roadway on such new location which is in all respects at least equal to the roadway in the old location, and record, in Black Hawk County, Iowa, a certificate setting forth the legal description of such new roadway as it exists upon such Grantor's Parcel and the legal description of the old roadway being relocated.

(c) From and after the date when Developer is no longer obligated to maintain the Common Area on any other Party's Parcel, the owner of such Parcel shall, at its own cost and expense, keep the portions of the Access Roads on its Parcel in good repair and condition, properly lighted, and available for their intended purpose.

(d) The easements granted under this Section 2.3 shall remain in existence during the term of this REA.

Section 2.4 Easements for Common Utility Facilities

(a) Each Party hereby grants and conveys to the other Party perpetual easements in its (Grantor's) Parcel, except within such Party's Permissible Building Area for buildings, for access to, and the installation, use, operation, maintenance, repair, replacement, relocation and removal of Common Utility Facilities.

(b) All Common Utility Facilities whether or not installed pursuant to this Section 2.4 shall be underground unless otherwise approved by the Parties, but this covenant shall not be construed to require Developer to replace existing above ground utility lines, if any, on Phase I with underground facilities. Easements in the Parcel of the respective Grantor for the purpose of installing in the future other Common Utility Facilities, not part of the Common

Utility Facilities as originally constructed, shall be subject to the approval of the respective Grantor, which approval shall not be unreasonably withheld or delayed.

(c) Each Grantee shall have easements in the Parcel of the Grantor for the purposes of connecting the Common Utility Facilities with any facilities on the Parcel of the Grantee to the extent that location thereon is necessary in the Grantee's judgment so as to service such facilities; and after any such connection, for the purpose of using the Common Utility Facilities. The Grantee shall have the right to enter upon and use the Parcel of the Grantor to such extent and so long as reasonably necessary to accomplish such purposes; subject to the following conditions and requirements:

(i) not less than thirty (30) days' prior written notice shall be given to the Grantor that Grantee anticipates doing such work, together with notification of the proposed nature, extent and location of such work; and the anticipated date of start and completion of such work; but if the work involved is emergency repair work, only such advance notice, written or oral, as is reasonably practicable need be given;

(ii) after such work, the Common Utility Facilities in question shall be underground and not beneath or within five feet (5') of any Permissible Building Area on the Grantor's Parcel; provided, however, that this provision shall not require the moving of any Common Utility Facilities theretofore installed, nor permit any such work if as a result thereof any Party utilizing the Common Utility Facilities to provide utilities to Improvement(s) on its Parcel would be required to relocate any connection between any Common Utility Facilities and such Improvement(s) in order for such Party to continue to be able so to utilize the Common Utility Facilities therefor, or if its ability so to utilize the Common Utility Facilities is otherwise materially adversely affected, unless in any such latter case, any such Party shall consent to such work or the Grantee proposing to do such work shall agree (and place the money therefor in escrow, if reasonably required by such Party) to pay all costs of such Party (direct or indirect) occasioned by the performance of such work by such Grantee;

(iii) such work shall be done at the sole cost of the Grantee undertaking the work and shall be performed in such a manner as not to cause any interruption of or undue interference with the business conducted on the Parcel of the Grantor, or any unreasonable interruption in the services provided in the Common Utility Facilities servicing any Party's Parcel; and

(iv) after the completion of such work, the Grantee shall restore the portion of the Parcel and Improvements of the respective Grantor so used to the same or as good condition as existed immediately before the commencement of such work at the Grantee's own cost and expense.

(d) Common Utility Facilities on each Party's Parcel shall be installed, maintained and repaired from time to time by the Party who is responsible for the installation, maintenance and repair, at any particular time, of the Common Area Improvements on the Parcel in question. Any Party may use Common Utility Facilities on the Shopping Center Site for any development permitted by this REA provided that (i) any increase in costs incurred in order to make such Common Utility Facilities adequate to serve such additional use shall be borne by such Party, (ii) such Party shall comply with the requirements of Section 2.4(e), and (iii) such use of the Common Utility Facilities shall not have a material adverse effect on the utility services then provided to any other Party.

(e) The Grantor of any easement under this Section 2.4 may relocate on its Parcel any Common Utility Facilities installed thereon under any easement granted by it, provided such relocation:

(i) may be performed only after Grantor has given Grantee not less than thirty (30) days' notice of its intention to relocate such facilities:

(ii) shall not interfere with or diminish the utility services to the Grantee; provided, however, that temporary interferences with and diminutions in utility services shall be permitted if they occur during the non-business hours of the Grantee, and Grantor promptly reimburses Grantee for all cost, expense and loss incurred by Grantee as a result of such interferences or diminutions:

(iii) shall not reduce or unreasonably impair the usefulness or function of the Common Utility Facilities in question:

(iv) shall not be located other than underground, unless otherwise approved by the Party; and

(v) shall be performed at the sole cost of Grantor.

(f) The easements granted under this Section 2.4 shall remain in existence notwithstanding the expiration of the term of this REA.

Section 2.5 Construction Easements

(a) Each Party hereby grants and conveys to the other Party, easements to the extent needed in accordance with good construction practices, in the Common Area of its (Grantor's) Parcel, and, where applicable, in the Permissible Building Area on its Parcel for:

(i) construction pursuant to Articles, 5, 6 and 7 and restoration pursuant to Articles 8 and 16 all in accordance with the rights, limitations and conditions described in Article:

(ii) the attachment and support of building improvements (including, without limitation, the Enclosed Mall) constructed on Grantee's Parcel to and on building improvements of Grantor, provided the manner of attachment shall be designed in accordance with good construction practice in the manner customary for improvements of such type and so as not to impose any load on Grantor's building improvement except to the extent approved by the Grantor;

(iii) the installation, use, maintenance, repair, replacement and removal of party walls and underground foundations and footings (not to exceed five (5) feet in distance on Grantor's Parcel) for the purpose of supporting building improvements of Grantee, which encroach upon the Parcel of Grantor; and

(iv) the installation, use, maintenance, repair, replacement and removal of any improvements such as signs, entrances, marquees, canopies, lights and lighting devices, awnings, alarm bells, wing walls, roof flashings, electrical vaults, HVAC supply or similar exit shafts, roof and building overhangs and other overhangs

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encroaching upon the Parcel of the Grantor, provided such encroachments described in this Section 2.5(a)(iv) do not encroach more than two (2) feet (or such greater amount as may be shown on the plans and specifications approved by Grantor, if such greater encroachment has been specifically approved) and are attached to buildings constructed by Grantee.

(b) The location of all easements granted under this Section 2.5 shall be subject to the approval of Grantor. The plans and specifications showing the improvements specified in Sections 2.5(a)(ii) through (iv) shall be submitted to Grantor and approval thereof by Grantor shall constitute designation by each Grantor of the portions of its Parcel and Improvements to be used for such easements. Any such approval of Grantor shall not be unreasonably withheld or delayed, except that in the case of an easement for the attachment and support of building improvements pursuant to Section 2.5(a)(ii), approval of the plans and specifications therefor may be approved or disapproved in the sole discretion of Grantor.

(c) Each Grantee shall pay the Grantor that additional cost of construction, maintenance, repair and replacement of any common footings, foundations and retaining walls, or any other structure constructed by Grantor, which is caused by any additional loads imposed by Grantee's Improvements. Each Grantee further agrees to use due care in the exercise of the rights granted in this Section 2.5 and, in the event that the exercise of the rights granted under this Section 2.5 requires Grantee to enter upon the Parcel of Grantor after the initial completion of the Phase II Developer Improvements, Grantee shall make a written request to Grantor, which request shall explain the proposed methods and timing, all of which shall be subject to the reasonable approval of Grantor.

(d) No Party may exercise the easements granted under this Section 2.5 in any manner which results in damage or injury to the Improvements of any other Party or interferes with or interrupts the business operations conducted by any other Party in the Center. In addition, each Grantee, at its expense, shall promptly repair, replace or restore any and all Improvements of Grantor which have been damaged or destroyed by Grantee in the exercise of the easements granted under this Section and shall defend, indemnify and hold Grantor harmless from all loss, liability, cost or expense incurred in connection with Grantee's exercise of easements under this Section 2.5, unless caused by Grantor's active negligence or intentional wrongdoing.

(e) The easements granted under Section 2.5(a)(i) shall remain in existence during the term of this REA. The easements granted under Sections 2.5(a)(ii) through (iv) shall remain in existence so long as the building of the Grantee (or any restoration or replacement of any building made during the term of this REA) remains in existence, subject to the limitations contained in Section 2.6.

Section 2.6 Easements for Maintaining Common Foundations

(a) Each Party covenants with the other Party that if all or any part of the Store Building or the Enclosed Mall on its Parcel is removed or destroyed at a time when it is not required to restore the Store Building or Enclosed Mall under this REA, it will leave in place any foundations and party walls (or portions thereof) which were shared jointly with the other Party. Each Party whose Store Building or Enclosed Mall is not restored shall be obligated to leave the foundations and party walls in place only for so long as the Store Buildings or the Enclosed Mall (as originally constructed, expanded, modified or replaced under this REA) which jointly shared the foundations or party walls shall stand or shall be in the process of

being replaced, but in such event, the Party which allowed its party wall and/or foundation to remain may require the Party benefitted by such party wall or foundation to raze the party wall or foundation at the conclusion of such Party's use of the party wall or foundation.

(b) Nothing in this Section 2.6 nor in Section 2.5 shall impose any obligations on any such Party to restore or reconstruct all or any part of the Store Building or Enclosed Mall on its Parcel beyond the termination of such restoration obligations as are otherwise contained in this REA. In addition, nothing in this Section 2.6 or in Section 2.5 prohibits any such Party from demolishing the Store Building or Enclosed Mall on its Parcel (other than foundations and party walls to the extent they are required to be maintained by Section 2.5 or this Section 2.6) after the time it is obligated to maintain the Store Building or Enclosed Mall, under this REA.

Section 2.7 Self-help Easements

(a) Each Party hereby grants and conveys to the other Party easements in the Common Area of its (Grantor's) Parcel for installation, construction, repairing, maintaining, relocating and removing any and all Common Area Improvements, if such installation, construction, repairing, maintaining, relocating or removing is required or permitted under the other provisions of this REA. Each Grantee of the easements granted under this Section 2.7 shall defend, indemnify and hold Grantor harmless from all loss, liability, cost or expense incurred in connection with Grantee's exercise of the easements granted under this Section 2.7, unless occasioned by Grantor's negligence or intentional wrongdoing, and Grantee shall minimize, to the extent possible, any interference or interruption of any business conducted on the Grantor's Parcel.

(b) The easements granted under this Section 2.7 shall terminate on the expiration of the term of this REA, except that such easements shall be coextensive in duration with the use of the perpetual easements granted by Section 2.4.

Section 2.8 Accent Light Easements

Developer hereby grants and conveys to Dillard an easement to install, maintain, repair and replace, at the individual expense (including electricity) of Dillard, accent lights for the entrances to the Dillard Store Building on the Dillard Parcel facing the Enclosed Mall, to be located in the ceiling of the Enclosed Mall, adjacent to the entrances to the Dillard Store Building facing the Enclosed Mall. If Dillard desires to exercise its rights under this Section 2.8, it shall prepare plans and specifications showing the locations of such accent lights and detailing all other specific information with respect thereto, which plans and specifications shall be subject to Developer's approval, and such approval shall not be unreasonably withheld or delayed. Dillard agrees to use due care in the exercise of the rights granted under this Section 2.8. Before entering the Developer Parcel, Dillard shall make a request to Developer which request shall explain the proposed methods and timing, all of which shall be subject to the reasonable approval of Developer. Dillard agrees, at Dillard's expense, to promptly repair, replace or restore any and all Improvements of Developer which have been damaged or destroyed by Dillard in the exercise of the rights granted under this Section 2.8 and to defend, indemnify and hold Developer harmless from all loss, liability, cost or expense incurred in connection with the exercise of such right. The easements granted under this Section 2.8 shall terminate on the expiration of the term of this REA, or the date on which Dillard permanently closes its doors from the Dillard Store Building to the Enclosed Mall, or the date on which

Developer is no longer required by this REA to Operate, and does not Operate, the portion of the Enclosed Mall which abuts the Dillard Store Building, whichever shall occur first.

Section 2.9 Right to Grant Easements

Nothing contained in this REA shall be deemed to prohibit or limit the right of any Party to grant easements in its Parcel for the benefit of any Party for any purpose (but not to the benefit of third parties, except as set forth in the following sentence), including, without limitation, the construction, installation, operation, maintenance, repair, relocation, modification, extension or alteration of utility facilities in its Parcel; provided that (a) all such utility facilities are installed underground and service shall continue unimpaired, (b) all such easements shall be subject to the terms of this REA, (c) no grant of easement pursuant to this Section 2.9 or exercise thereof shall interfere with any other rights under this REA and (d) no grant of easement pursuant to this Section 2.9 shall benefit property outside of the Combined Shopping Center Site or the Out-Parcels. Developer shall have the right, without the consent of any other Party, to grant reciprocal utility, access and parking easements in the Developer Parcel to non-Parties benefitting the Sears Parcel and to grant reciprocal utility and access (but not parking) easements in the Developer Parcel to non-Parties benefitting the Out-Parcels, provided such easements are not inconsistent with the provisions of this REA.

Section 2.10 Grant of Easements to Governmental Units or Utility Companies

Each Party, upon request of any other Party, shall grant perpetual easements to any governmental unit, public body and/or utility company within appropriate locations on its respective Parcel for the construction, installation, operation, use, maintenance, repair, relocation, modification, enlargement, replacement and removal of any utility facilities serving the Combined Shopping Center Site, including, without limitation, electrical power lines, transformers and transformer pads. The form of any easement to be granted pursuant to this Section 2.10 shall be subject to the approval in its sole discretion of each Party which joins the easement. All utility facilities installed pursuant to this Section 2.10 shall be installed underground and not within any Party's Permissible Building Area for buildings.

Section 2.11 Abandonment of Easements

All perpetual easements granted in this Article 2 may be (a) abandoned at any time by Grantee upon notice (with the consent of the Grantee's Mortgagee) to Grantor and (b) terminated by Grantor after the expiration or termination of this REA by non-use for a continuous period of three years if the then record owner of the fee of the Parcel burdened with such easement gives notice of such fact, mailed to the then record owner of the fee of the Parcel or Parcels benefited by such easement (and to its Mortgagee) and the then record owner, if any, of any leasehold interest in such benefited Parcel or Parcels, stating its belief that such easement has been abandoned. If the record owner (or the Mortgagee) of the fee or leasehold of the benefited Parcel or Parcels disputes the abandonment of such easement, it shall serve notice of such dispute upon the fee owner of the burdened Parcel or Parcels within sixty (60) days of the receipt of notice of non-use. If the record owner (or the Mortgagee) of the fee or leasehold interest in the benefited Parcel or Parcels shall not serve such notice of dispute upon the fee owner of the burdened Parcel or Parcels within the sixty (60) day period, the easement shall be conclusively deemed abandoned and terminated and Grantor may file a notice of abandonment in the official records of Black Hawk County, Iowa, or apply for an appropriate judicial decree to that effect.

Section 2.12 Existing Encumbrances

Dillard hereby acknowledges that all or portions of the Combined Shopping Center Site are subject to the easements, restrictions and other encumbrances of record as of the date hereof. Dillard shall defend, indemnify and hold Developer harmless from all loss, liability, cost or expense arising out of or relating to the breach by Dillard of the provisions of such easements, restrictions or other encumbrances which arises out of or relates to (a) the use by Dillard of the Dillard Parcel (or the improvements thereon) other than in a manner contemplated by this REA and the Supplemental Agreement or (b) the negligence or intentional wrongdoing of Dillard, its directors, officers, members, partners, licensees, concessionaires, agents, contractors or employees. Developer shall defend, indemnify and hold Dillard harmless from all loss, liability, cost or expense arising out of or relating to the breach by Developer of the provisions of such easements, restrictions or other encumbrances which arises out of or relates to (a) the use by Developer of the Developer Parcel (or the improvements thereon) other than in a manner contemplated by this REA and the Supplemental Agreement or (b) the negligence or intentional wrongdoing of Developer, its directors, officers, members, partners, agents, contractors or employees.

ARTICLE 3

CONSTRUCTION PLANS AND SPECIFICATIONS

Section 3.1 Addresses to Which Plans Are to be Sent

Each Party shall designate a person to whose attention all plans and specifications and approvals, comments and objections are to be submitted pursuant to this Article 3, as well as any plans and specifications required to be submitted in accordance with Article 4, Article 5 and Article 6. Unless otherwise modified in writing by the Party making such designation, all such plans are to be submitted to the following persons on behalf of the Parties:

TO DEVELOPER: The Equitable Life Assurance Society of the United States
5775 Peachtree Dunwoody Road
Suite 200-D
Atlanta, Georgia 30342
Attention: Retail Asset Management

TO DILLARD: Dillard Department Stores, Inc.
1600 Cantrell Road
Little Rock, Arkansas 72201
Attention: Director of Construction

Section 3.2 General Design Data

In the preparation of all improvement plans for the Center, all applicable governmental requirements shall be followed. The Dillard Store Building shall be designed and operated so as not to discharge any heated or cooled air into the Enclosed Mall or to draw any heated or cooled air from the Enclosed Mall. The Enclosed Mall shall be designed and operated so as not to discharge any heated or cooled air into the Dillard Store Building or to draw any heated or cooled air from the Dillard Store Building.

Section 3.3 Plans of Dillard

Not later than thirty (30) days after the date hereof, Dillard will, at its expense, complete and deliver to Developer, for informational purposes only, a copy of perspectives and other drawings showing the exterior appearance of the Dillard Store Building, including, if then available, color and material selections (the "Preliminary Store Plans"); PROVIDED, HOWEVER, during the course of development of the Preliminary Store Plans, Dillard shall furnish Developer, for informational purposes only, periodic progress prints of such evolving plans. Upon not less than ten (10) days written request from Developer, the Parties shall meet for the purpose of reviewing and discussing the Preliminary Store Plans and any comments which Developer may have to the Preliminary Store Plans, provided, however, in any dispute over what is to be contained in the Preliminary Store Plans, the decision of Dillard shall be made in accordance with the provisions of Section 3.4 hereof and shall be final. After initial construction, perspectives and drawings for modifications of the Dillard Store Building and any reconstruction in the event of damage or partial Condemnation shall be submitted by Dillard to Developer for its comments as soon as reasonably possible, but in any event not later than thirty (30) days before the proposed construction is planned to begin. The final decision shall be made solely by Dillard in accordance with Section 3.4 hereof.

Section 3.4 Center to be Architecturally Harmonious

Each Party shall cause its architect to consult with the other Parties' architects with the objective that, for both initial construction, and any subsequent reconstruction or alteration, the design and exterior of the Dillard Store Building and the design and exterior of the Developer Complex will blend harmoniously and attractively. In order to produce an architecturally harmonious Combined Center, each Party agrees to consult with the other Parties concerning the design, color treatment and exterior materials to be used in the construction and reconstruction of all buildings and structures on its respective Parcel and to consider the views of all the other Parties with respect thereto prior to selecting the specific materials and colors for its Improvements. Nothing contained herein requires Developer to change the existing appearance of the Phase I Mall Stores Building or the Phase I Enclosed Mall.

Section 3.5 Entry Into Enclosed Mall

Dillard shall design, construct, and maintain during the term of its Operating Covenant, an entry for customers into the Enclosed Mall on each level of the Enclosed Mall. At all other times when Dillard is conducting retail operations in the Dillard Store Building, Dillard shall maintain an entry for customers into the Enclosed Mall on at least the ground level of the Enclosed Mall.

Section 3.6 Project Improvements

Developer shall design, supervise and construct (except as hereinafter provided), at its sole cost (except as hereinafter provided), all improvements to the Common Area to accommodate the Dillard Store Building and all other improvements to the Dillard Parcel and the Developer Parcel to be performed after the date hereof including, without limitation, the access drives, grading, drainage, interior circulation roads, paving, lighting, striping, landscaping (up to, but not including, the Dillard Store Building perimeter curb line) and all off-site work such as curb cuts, acceleration and deceleration lanes, road widening, bridges, interchanges, traffic signals and sanitary sewer lines as described on Exhibit G, in accordance (i) herewith and (ii) with the description of the Developer Improvements attached hereto as Exhibit G. Developer shall also design, supervise and construct, or cause to be designed, supervised and constructed, those improvements to the Dillard Parcel described in the Dillard Pad Development Criteria attached hereto as Exhibit H, the cost of which shall be paid as provided in the Supplemental Agreement. All plans and specifications for such improvements shall comply with the applicable provisions of Exhibit C to the Supplemental Agreement and shall be subject to Dillard's approval, except for plans and specifications for (a) changes in the Penney Store Building, (b) the consolidation or subdivision of or other relocation of demising walls between Mall Stores within the Mall Store Building, (c) alterations to the storefronts of, or alterations within, Mall Stores (excluding, however, "pop-outs" of storefronts into the Dillard Court, as provided in Section 8.7 of this REA), and (d) structural, non-structural or decorative modifications to the Developer Improvements other than the Common Areas within the Dillard Court. With respect to plans and specifications for the initial improvements constructed to accommodate the Dillard Store Building if prepared by an architect other than the Project Architect, Dillard's approval of such plans and specifications shall be at Dillard's sole discretion. With respect to any other improvements contemplated by Developer to the Center to which Dillard's consent is expressly required hereunder, Dillard's consent shall not be unreasonably withheld.

Section 3.7 Project Architect

Developer hereby designates and appoints "Architecture +" with its principal offices located at Washington Plaza, Suite 400, 300 Washington St., Monroe, Louisiana 71201, as the coordinating architect for the Phase II Improvements (the "Project Architect"). The Project Architect's responsibilities shall include, without limitation, assisting Developer in the preparation of the plans, specifications and drawings contemplated by this REA and assisting in the resolution of any inconsistencies or discrepancies therein.

ARTICLE 4

GENERAL CONSTRUCTION REQUIREMENTS

Section 4.1 "Construction" and "Commencement of Construction" Defined

Construction shall be deemed to have commenced as to each of Dillard's Improvements and Developer's Phase II Improvements when installation of the foundation systems of each shall have begun ("Commencement of Construction"). "Construction" means (a) initial construction under this REA, and (b) except where otherwise specified, subsequent construction, alteration, repair and maintenance, restoration, replacement, rebuilding, demolition and razing.

Section 4.2 Performance of Construction

(a) Each Party agrees to perform its respective Construction (and any other of its work under this REA) (i) where approval is required as provided in Articles 2 and 3 of this REA, in accordance with such approved plans, (ii) with due diligence and in a good and workmanlike manner using new and first class materials, (iii) in full cooperation with each of the other Parties to the extent necessary to effect an integrated shopping center development, (iv) in accordance with all applicable building and zoning laws, and all other laws, ordinances, orders, codes rules, regulations and requirements of all federal, state, municipal, public and governmental agencies and governments having jurisdiction over performance of Construction, (v) in accordance with orders, rules and regulations of the National Fire Protection Association or any other body now or hereafter constituted performing similar functions in Black Hawk County, Iowa, (vi) in accordance with the Preliminary Store Plans and (vii) in accordance with the terms and provisions of this REA.

(b) Each Party in the performance of its Construction shall not (i) cause any unreasonable increase in the cost of construction of the remainder of the Combined Center or any part thereof, (ii) unreasonably interfere with any other Construction being performed on the Combined Shopping Center Site or (iii) unreasonably interfere with other Parties' operations permitted and rights granted by this REA.

Section 4.3 Safety Measures

(a) Each Party shall at all times take any and all safety measures reasonably required to protect every other Person and all Permittees from injury or damage caused by or resulting from the performance of its Construction. If any Construction shall be commenced at any time or times when such construction work would reasonably be deemed to constitute a hazardous condition, then the Party carrying on such Construction shall erect or cause to be erected either chain link construction fences or adequate painted, construction barricades at least six (6) feet in height substantially enclosing the area of its Construction and shall maintain these construction fences or barricades until the Construction has been substantially completed (to the extent necessary to remove such hazardous condition).

(b) Developer shall, in accordance with practices observed in first-class shopping centers comparable to the Combined Center and located in the Comparison States, take appropriate measures so that any vacant space in the Phase I and Phase II Mall Stores Building will be attractively hidden from public view and, in addition, will use diligent, good faith efforts to cause all Occupants of the Phase I and Phase II Mall Stores Building and their respective contractors to keep all construction material within their respective Mall Stores and to refrain from allowing any accumulation of refuse in the Enclosed Mall.

Section 4.4 Initial Construction, Storage Sites and Time Schedules

(a) Prior to Commencement of Construction, Developer shall cause the construction manager to prepare and submit to Dillard for its approval, which approval shall not be unreasonably withheld or delayed:

(i) A plot plan of the Center showing, as respects the construction in question, material and equipment storage sites, construction shacks and other temporary improvements and workmen's parking areas;

(ii) A time schedule indicating the approximate date when each portion of the Center used for the purpose referred to in Section 4.4(a)(i) shall cease to be so used by such Party.

(b) Developer and Dillard shall perform their construction in accordance with the terms of, and shall make such reasonable adjustments to, the designated locations and/or time schedules contained in the plot plan and schedule described in Section 4.4(a) in order to prevent unnecessary conflicts in construction.

(c) On the date hereof, Dillard shall prepare and submit to Developer, for informational purposes only, a schedule showing the dates upon which it anticipates (i) Commencement of Construction, (ii) having the Dillard Store Building substantially completed and (iii) having the Dillard Store Building ready to open to the public. From and after the date hereof, Developer shall submit periodic construction progress reports to Dillard, and each of Developer and Dillard shall prepare and submit to the other updated building schedules showing any material change in the status of its construction and, if there shall be any such changes in the schedule, the revised date or dates for each phase thereof. The submission by a Party of a building schedule or revised building schedule shall not in any way change the obligation of any Party with respect to commencement, prosecution and/or completion of Construction of its Store Building or Enclosed Mall in accordance with the provisions of this REA or deprive any other Party of any right or remedy which they may have because of the delay or failure of performance by a Party.

Section 4.5 License for Subsequent Construction and Maintenance

(a) From time to time after the completion of Construction required by Articles 5, 6 and 7, each Party shall have a temporary license to use parts of the Common Area on its own Parcel or on another Party's Parcel for Construction on its own Parcel. Within a reasonable time before it begins any Construction, a Party shall submit a plot plan to the other Party outlining those portions of the Common Area in which the license is needed. If the proposed location as shown on the plot plan is within 300 feet of the Dillard Store Building or the Developer Complex, the location shall be subject to the approval of that Party whose Store Building is within 300 feet; and, in such event, within ten (10) days after its receipt of the plot plan, the Party so affected thereby shall give notice to the requesting Party whether it approves or disapproves of the location, in its sole discretion.

(b) When the licensed Party ceases using the Common Area in question, it shall promptly restore such Common Area to the condition in which it existed before the Commencement of Construction. Restoration shall include clearing the area of all loose dirt, debris, equipment and construction materials and the repair or replacement of paving, striping and landscaping.

(c) The licensed Party shall also restore any portions of the Combined Shopping Center Site that may be damaged by its Construction promptly upon the occurrence of such damage. In addition, the licensed Party shall at all times during the period of its Construction keep all portions of the Combined Center (except for the Improvements of the Party and the portions of the Common Area being used under this Section 4.5) free from any loose dirt, debris, equipment or construction materials relating to its Construction.

Section 4.6 Safety Matters; Indemnification

(a) Each Party shall take all safety measures reasonably required to protect the other Party and all Permittees and the property of each from injury or damage caused by or resulting from the performance of its Construction.

(b) Each Party shall defend, indemnify and hold the other Party harmless from all claims, costs, expenses and liabilities arising from the death of or accident, injury, loss or damage whatsoever caused to any natural person or to the property of any Person as occurs in the process of the Construction by the Party granting this indemnity except to the extent that the death, accident, injury, loss or damage is caused by the negligence or intentional wrongdoing of the other Party or its contractors.

Section 4.7 Evidence of Compliance with Construction Requirements

After it has completed any Construction, each Party shall, within thirty (30) days after the request of the other Party, deliver to the requesting Party evidence that the Construction has been completed in compliance with all applicable laws, ordinances, rules and regulations. A final Certificate of Occupancy (or the equivalent thereof) issued by the governmental body having jurisdiction thereof shall be deemed satisfactory evidence of compliance with the requirements of this Section 4.7

Section 4.8 Liens

(a) Any Party ordering or contracting for any service, labor or materials with respect to any Construction on any part of the Shopping Center Site hereby agrees to defend, indemnify and hold harmless the other Party from all loss, damage, liability, expense or claims whatsoever by reason of any lien for such work, services or materials performed or supplied which shall be filed against any portion of the Shopping Center Site. In the event that a lien or action is prosecuted against any Party or its Parcel, the Party responsible for the lien under the terms of this Section 4.8 shall defend, indemnify and hold harmless the other Party against which the action was taken and shall pay all expenses in connection therewith, including attorney's fees and other costs of defending against the action which are incurred by the Party against which the action was taken prior to the defense by the Party responsible.

(b) In the event any such lien is filed, the Party responsible shall pay and discharge the lien of record as promptly as possible, but in no event later than forty-five (45) days after the filing of the lien, subject to the provisions of the following two sentences. Each such Party shall have the right to contest the validity, amount or applicability of any such liens by appropriate legal proceedings so long as it shall (i) furnish a bond, if bonding is necessary and permitted by law, to secure a stay of execution, or (ii) if bonding is not so required or permitted by law, furnish an indemnity agreement as hereinafter provided in this Section 4.8(b). If such Party prosecutes such contest in good faith, in either event, the requirement that such Party pay and discharge such liens promptly but in no event later than forty-five (45) days shall not be applicable. Notwithstanding the preceding sentence, if such lien has not been discharged of record in any event within forty-five (45) days after the filing thereof, such Party shall promptly bond or indemnify against such liens in an amount and in form satisfactory to induce the title insurance company which insured title to the respective Parcel of each of the Parties hereto to insure over such liens or to reissue or update its existing policy, binder or commitment without showing any title exception by reason of such liens, all at the cost of the Party responsible for the lien; provided, however, that no Party qualified to

maintain self-insurance shall be required to furnish a bond unless a bond is required to effect a stay of execution. Any such qualified Party may, in lieu of such bond, give an indemnity agreement to the Party to be indemnified and shall, if necessary, in connection with the closing of any sale, transfer or financing permitted under, or not prohibited by, the terms of this REA, provide such security as may be reasonably necessary to induce a title insurance company to insure over such liens. In the event such legal proceedings shall be finally concluded (so that no further appeal may be taken) adversely to the Party contesting such liens, such Party shall, within five (5) days thereafter, cause the liens to be discharged of record. In any event, the Party responsible for the lien shall cause it to be discharged prior to foreclosure, and any Party on whose Parcel the lien attached may discharge the lien itself if the Party responsible for the lien had not caused it to be discharged prior to foreclosure, or had otherwise defaulted in its obligations under this Section 4.8.

ARTICLE 5

CONSTRUCTION OF THE DEVELOPER COMPLEX AND COMMON AREA IMPROVEMENTS

Section 5.1 Construction of Common Area Improvements

Developer shall construct at its own cost the Project Improvement Work in accordance with Exhibits B, G and H. Developer shall commence Construction of the Project Improvement Work as soon as reasonably practical after the date hereof. Developer shall perform all of the work and construct all Improvements included as part of the Project Improvement Work, except to the extent that any work is specifically stated to be the obligation of Dillard. All portions of the Common Area on the Shopping Center Site which are not improved with Parking Area, sidewalks or other Common Area Improvements shall be graded and seeded by Developer.

Section 5.2 Construction of Developer Improvements

Developer shall construct at its own cost the Phase II Developer Complex. Developer shall commence Construction of the Phase II Developer Complex as soon as practical after the date hereof.

Section 5.3 Developer's Completion Duty

- (a) By the Scheduled Opening Date, Developer shall:
- (i) substantially complete all Project Improvement Work and the Phase II Developer Complex so that they can be and are made available to be used for their intended purposes all in accordance with Exhibits B, G and H;
 - (ii) open the Enclosed Mall to the public for pedestrian traffic, in such condition that it is functional and operational (except for minor punch list items), including being air-conditioned, heated, ventilated, lighted, decorated and landscaped and free from obstructions;
 - (iii) have caused to be open Mall Stores occupying at least seventy percent (70%) of the Floor Area of the Mall Store Buildings, and all of the other Majors each in the Floor Area depicted on Exhibit B; and

(iv) have exerted diligent, good faith efforts to obtain new operating covenants from Sears and Penney, provided that the payment of cash consideration to Sears and/or Penney in connection therewith shall be in the sole discretion of Developer (such that the determination by Developer not to pay such cash consideration shall not be a breach of Developer's obligation to exert diligent, good faith efforts).

Section 5.4 Assignment of Warranties

Developer hereby assigns to Dillard any and all freely assignable contractors' warranties in favor of Developer with respect to any Project Improvement Work on the Dillard Parcel. Developer shall also deliver such other documents as may be necessary to effect such assignment.

ARTICLE 6

CONSTRUCTION OF DILLARD STORE BUILDING

Section 6.1 Dillard's Opening Duty

Subject to satisfaction of the requirements set forth in Section 6.2, Dillard shall cause (a) substantial completion of the Dillard Store Building, the sidewalks on the Dillard Parcel and the landscaping between such sidewalks and the Dillard Store Building, and (b) the opening of the Dillard Store Building for business with the public by the Scheduled Opening Date.

Section 6.2 Limitation on Opening Time

Notwithstanding anything herein to the contrary, Dillard shall not be required to first open for business between October 20 and the following February 28, or between May 1 and July 1, or within forty-five (45) days prior to Easter, all dates inclusive (the foregoing dates being herein referred to as the "Blackout Dates").

Section 6.3 Scheduled Opening Date

The Phase II Enclosed Mall and the Phase II Mall Stores Building shall be open for business with the public for their intended purposes by the Scheduled Opening Date.

Section 6.4 Utilities

Dillard shall pay for all utility consumption within the Dillard Store Building and all utility consumption required for the construction of the Dillard Store Building and any and all nominal hook-up fees. Developer shall pay all hook-up fees (other than any nominal hook-up fees) and all capital charges and assessments, development, mitigation, impact, concurrence, connection and tap-in fees, contributions-in-aid-of-construction and other fees assessed by any utility or governmental entity as a requirement or condition for furnishing utility service to the Shopping Center Site, the Dillard Store Building or the Dillard Parcel or the issuance of any Dillard Store Building building or occupancy permit; provided, however, Dillard shall bear the cost of the Dillard Store Building building permit.

ARTICLE 7

FURTHER REQUIREMENTS RELATING TO CONSTRUCTION

Section 7.1 Developer Improvements

While Developer's Operating Covenant is in effect, the Mall Stores Building (both Phase I and Phase II) shall have a total Floor Area of not less than 200,000 square feet (the "Developer Minimum Floor Area"). The Developer Complex shall be constructed within that portion of the Developer Permissible Building Area which is designated on Exhibit B for the Developer Complex.

Section 7.2 Size of the Dillard Store Building

Upon completion, the Dillard Store Building shall contain, on two levels, approximately 155,000 square feet of Floor Area. The Dillard Store Building shall not, at any time, contain more than 155,000 square feet of Floor Area. The Dillard Store Building shall be constructed within Dillard's Permissible Building Area.

ARTICLE 8

MAINTENANCE, REPAIR, ALTERATIONS AND RESTORATION - GENERAL

Section 8.1 Maintenance of Buildings

Dillard shall maintain or cause to be maintained, at its sole cost and expense, the Dillard Store Building and the landscaping between the sidewalks on the Dillard Parcel and the Dillard Store Building in good order, condition and repair, except for ordinary wear and tear and except for damage by casualty. Dillard, at its sole cost and expense, shall maintain the Dillard Truck Dock in good order, condition and repair. Developer shall maintain or cause to be maintained, at its sole cost and expense, the Mall Stores Building and the landscaping between the sidewalks on the Developer Parcel and the Mall Stores Building in good order, condition and repair, except for ordinary wear and tear and except for damage by casualty.

Section 8.2 Damage to or Destruction of the Mall Stores Building

(a) If all or any part of the Mall Stores Building is damaged or destroyed by a Major Casualty at any time when Dillard is then Operating its Store Building with at least two (2) years remaining on its Operating Covenant, Developer shall promptly commence reconstruction of the Mall Stores Building and shall diligently prosecute such reconstruction to completion; provided, however, that Developer's reconstruction obligations may be extended pursuant to the terms of Section 8.2(d). The Mall Stores Building as reconstructed shall contain:

(i) If only Dillard is then Operating under its Operating Covenant, at least sixty percent (60%) of the Developer Minimum Floor Area, which Floor Area shall be located as close to the Dillard Store Building as shall be reasonably feasible under prevailing business and construction practices and which location shall be subject to the reasonable approval of Dillard; and

(ii) If Dillard and either of Penney or Sears are then Operating under their Operating Covenants, at least eighty percent (80%) of Developer Minimum Floor Area, which Floor Area shall be located as close to the Store Buildings of such of Dillard, Penney and Sears as are then Operating under their Operating Covenants as shall be reasonably feasible under prevailing business and construction practices; and

(iii) If Dillard, Penney and Sears are then Operating under their Operating Covenants, substantially the same amount of Floor Area that existed prior to such damage or destruction.

(b) All Floor Area reconstructed by Developer pursuant to Section 8.2(a) shall be situated within the Developer's Permissible Building Area designated on Exhibit B and which shall, in any event, include the Dillard Store Building attachment to the Enclosed Mall, and shall be developed in such a manner that the Mall Stores, as so reconstructed, shall be distributed reasonably equally along the entire length of the Enclosed Mall as so reconstructed to the extent reasonably practical. In addition, any entrances from the Exterior Common Area to the reconstructed portion of the Enclosed Mall shall have substantially the same location as existed before the damage or destruction.

(c) Developer shall comply with the provisions of this REA in connection with any such reconstruction pursuant to this Section 8.2, but Dillard shall have the right to review and approve or disapprove plans for Developer's reconstruction only if it is then Operating under its Operating Covenant, which approval shall not be unreasonably withheld or delayed, except with respect to improvements, the original construction of which was subject to Dillard's approval in its sole and absolute discretion pursuant to Section 3.6 of this REA, as to which improvements Dillard's approval shall again be at Dillard's sole and absolute discretion.

(d) If all or any part of the Mall Stores Building is damaged or destroyed by a Major Casualty at any time when Developer's Operating Covenant remains in effect but no Major is Operating its Store Building with at least two (2) years remaining on its Operating Covenant, then Developer shall not be obligated to rebuild and replace the Mall Stores Building; provided, however, that if within ninety (90) days after the occurrence of such damage or destruction by a Major Casualty Dillard shall notify Developer in writing that it will agree to extend the Dillard Operating Covenant Period for an additional five (5) year period after the date of the restoration by Developer (but not more than six (6) years after the date of the casualty) then Developer shall be obligated to restore the Enclosed Mall and not less than sixty percent (60%) of the Developer Minimum Floor Area; or if Dillard and either Penney or Sears shall notify Developer in writing that each of them will agree to Operate in its respective Store Building with customer entrances on two levels of the Enclosed Mall an integrated single-user department store of at least its respective Minimum Floor Area for an additional five (5) year period after the date of restoration by Developer (but not more than six (6) years after the date of the casualty), then Developer shall be obligated to restore the Enclosed Mall and not less than eighty percent (80%) of the Developer Minimum Floor Area; or if Dillard, Penney and Sears shall notify Developer in writing that each of them will agree to Operate in its respective Store Building with customer entrances on two levels of the Enclosed Mall an integrated single-user department store of at least its respective Minimum Floor Area for an additional five (5) year period after the date of restoration by Developer (but not more than six (6) years after the date of the casualty), then Developer shall be obligated to restore the Enclosed Mall and substantially the same amount of Floor Area of the Mall Stores Building that existed prior to the damage or destruction, and the Operating Covenant of Developer shall continue.

(i) The additional period of the Operating Covenant's of Dillard, Penney and Sears as described above in this Section 8.2(d) shall commence as provided above in Section 8.2(d); provided, however, in addition to any other remedies Dillard may have, if (A) such restoration by Developer shall not have commenced within one hundred eighty (180) days of the date when Dillard shall have agreed in writing to the additional period of its Operating Covenant or (B) such restoration by Developer shall not have been substantially completed within eighteen (18) months after the date when Dillard shall have agreed in writing to the additional period of its Operating Covenant, then the agreement of Dillard to Operate for the additional period shall terminate as of the date which is one hundred eighty (180) days or eighteen (18) months after such damage or destruction, as the case may be.

(ii) If the Mall Stores Building is damaged or destroyed by a Major Casualty during the period following the commencement of the Majors' additional period pursuant to this Section 8(d) and so long thereafter as Developer's Operating Covenant remains in effect, Developer shall have no further obligation to restore the Mall Stores Building unless Dillard will agree to extend the Dillard Operating Covenant Period, and one or more of Penney and Sears agrees to Operate its Store Building as an integrated single-user department store in at least their Minimum Floor Area, for an additional period determined in the same manner as provided above in this Section 8.2(d). If Dillard and either or both of Penney or Sears agree to a second additional Operating Covenant, the provisions of Section 8.2(d)(i) shall apply to the second period with the same force and effect as it did to the first additional Operating Covenant.

(e) If all or any part of the Mall Stores Building is damaged by a casualty which is not a Major Casualty, Developer shall promptly commence such reconstruction, if any, as may be necessary so that Developer may comply with the terms of its Operating Covenant which remains in effect at the time of the damage, if any.

Section 8.3 Damage or Destruction to the Dillard Store Building

(a) If all or any part of the Dillard Store Building is damaged or destroyed by a Major Casualty when two (2) years or more remain on its Operating Covenant and at the time of the damage or destruction by a Major Casualty, Developer's Operating Covenant is then in effect, then Dillard shall promptly begin to reconstruct or cause to be reconstructed the Dillard Store Building and shall diligently prosecute such reconstruction to completion. Such reconstruction shall comply with the provisions of Article 3.

(b) The Dillard Store Building as reconstructed pursuant to this Section 8.3 shall contain at least its Minimum Floor Area and shall be situated within the Dillard Permissible Building Area designated on Exhibit B. The reconstructed Dillard Store Building shall have substantially the same entrance locations on the Enclosed Mall as existed before the damage or destruction.

(c) If all or any part of the Dillard Store Building is damaged or destroyed by a Major Casualty when less than two (2) years remain on its respective Operating Covenant or if Developer's Operating Covenant is not then in effect, then Dillard shall not be obligated to rebuild and replace its Store Building.

(d) If all or any part of the Dillard Store Building is damaged by a casualty which is

not a Major Casualty, then Dillard shall promptly commence such reconstruction as may be necessary so that Dillard may comply with the terms of its Operating Covenant which remains in effect at the time of the damage, if any.

Section 8.4 Damage to Improvements on Sears Parcel; Damage to Penney Store Building

(a) Developer shall not have any obligation to restore or rebuild any building located on the Sears Parcel.

(b) Developer shall not have any obligation to restore or rebuild the Penney Store Building except as may be required of Developer under the Lease between Developer and Penney.

Section 8.5 Duty to Complete Rebuilding

Any building or other improvement which a Party is required to rebuild, replace or repair pursuant to Article 8 shall be completed and ready for occupancy within eighteen (18) months after such damage or destruction occurs. Any Party who is required to rebuild, replace or repair pursuant to this Article 8, shall, prior to commencing such rebuilding, replacement or repair, comply with the requirements herein set forth with respect to initial construction of the Phase II Improvements.

Section 8.6 Clearing Debris from Razed Improvements

If a Party which constructed an Improvement or caused an Improvement to be constructed is not obligated to rebuild, replace or repair an Improvement that has been damaged or destroyed, and if such Party elects not to do so, then it shall raze such improvement (or such part thereof that has been damaged or destroyed) and clear the area of all debris. After the area has been cleared, it shall automatically become a part of the Common Area and landscaped or converted into Parking Area and shall be so improved by the Party performing the razing so as to match adjacent landscaping and/or Parking Area, and shall be maintained by such Party at its expense until such time as rebuilding may occur thereon. All activities that are performed by the Party in razing the Improvements and constructing the landscaping or Parking Area shall be at such Party's sole cost and expense.

Section 8.7 Repairs and Alterations on the Shopping Center Site

Each Party may make such repairs, alterations, reconstructions or additions to its Improvements as it deems necessary or advisable under the circumstances, except to the extent specifically limited by this REA, and provided that there shall be no: (a) addition of Floor Area (including any vertical addition) to any building or store on the Shopping Center Site except as shown on Exhibit B; (b) addition of any new building or parking facility (including any multi-level or subterranean parking facility) on the Shopping Center Site, subject, however, to the Parties' respective rights under Article 16 hereof, except within the Permissible Building Area as shown on Exhibit B; (c) change in the configuration of any Parcel forming a part of the Shopping Center Site; (d) addition of land to, or the subtraction of land from, the Shopping Center Site; or (e) changes in any respect whatsoever to the Dillard Court or the configuration of the Shopping Center Site, as reflected on Exhibit B, the Enclosed Mall, the Mall Stores (except as set forth below) or the Dillard Mall without the prior written consent of the other Parties hereto (except to the extent that the consent of Dillard to reconstruction following casualty damage is not required under the provisions of Section 8.2(c), which consent may be given or withheld in the sole discretion of each Party. Dillard hereby acknowledges and agrees that, notwithstanding anything herein to the contrary, Developer shall have the right to make changes in the Penney Store Building, the Mall Stores and in the interior of the space within the Mall Store Building so long as such changes are within the Permissible Building Area and are consistent with, and result in no change in, Exhibit B; it being understood that Developer otherwise may make repairs, alterations, reconstructions and additions, in accordance with this REA but without the approval of Dillard (either as to such repairs, alterations, reconstructions and additions or as to plans and specifications therefor), with respect to (i) changes in the Penney Store Building, (ii) the consolidation or subdivision of or other relocation of demising walls between Mall Stores within the Mall Stores Building, (iii) alterations to the storefronts of, or alterations within, Mall Stores (excluding, however, "pop-outs" of storefronts into the Dillard Court as provided below), or (iv) structural, non-structural or decorative modifications to the Developer Improvements other than the Common Areas within the Dillard Court; provided, however, that Developer shall not (x) make any changes to the Common Areas within the Dillard Court, (y) make any changes which affect the visibility of or access to Dillard's Store Building within the Dillard Mall, or (z) construct any "pop-outs" of storefronts extending into the Dillard Court or in excess of three (3) feet into the remainder of the Enclosed Mall, without Dillard's approval, which approval shall be at Dillard's sole and absolute discretion; and provided further that if Developer shall undertake any substantial renovation of the Enclosed Mall, Developer shall include the renovation of the Common Areas within the Dillard Court as part of the renovation elsewhere in like manner, to the extent reasonably practicable (and Developer shall be free to undertake the renovation elsewhere and shall be free of any obligation to renovate the Common Areas within the Dillard Court in connection therewith if Dillard shall not approve such renovation of the Common Areas within the Dillard Court, although in such event Developer shall continue to discuss with Dillard, in good faith, such renovation of the Common Areas within the Dillard Court for at least ninety (90) days after the date of Developer's initial request for Dillard's approval and Developer shall not commence the renovation elsewhere until ninety (90) days shall have elapsed since the date of Developer's initial request for Dillard's approval).

ARTICLE 9

COMMON AREA OPERATION, MAINTENANCE, REPAIR AND RESTORATION

Section 9.1 Maintenance of Exterior Common Area

(a) From the date of this REA until the Scheduled Opening Date, Developer shall Operate and perform the Maintenance on the Exterior Common Area and Common Area Improvements on the Shopping Center Site in accordance with the applicable standards set forth in Section 9.3, except for the portion of the Common Area which is being altered or constructed, during the period of such alteration or construction.

(b) Beginning on the Scheduled Opening Date and thereafter during the term of this REA, Developer shall Operate and perform the Maintenance on the Exterior Common Area on the Shopping Center Site in accordance with the applicable standards set forth in Section 9.3, subject to the payment by Dillard of its Contribution, except:

(i) to the extent that the Exterior Common Area on the Dillard Parcel is being maintained by Dillard pursuant to Section 9.7;

(ii) that Dillard shall install, maintain and replace when necessary the plants and other landscaping in the area between its Store Building and the sidewalks adjacent to its Store Building; and

(iii) that Dillard shall install, maintain and replace when necessary the sprinkler system serving such landscaping and any utility facilities on the Dillard Parcel which are installed by Dillard and are not Common Utility Facilities.

Section 9.2 Operation and Maintenance of the Enclosed Mall

Beginning on the date when Developer opens the Phase II Enclosed Mall and continuing until the expiration of Developer's Operating Covenant, Developer shall Operate and perform the Maintenance on the Enclosed Mall, at its sole cost and expense, in accordance with the applicable standards set forth in Section 9.3. Prior to the date when Developer opens the Phase II Enclosed Mall, Developer shall Operate and perform the Maintenance on the Phase I Enclosed Mall at its sole cost and expense, in accordance with the applicable standards set forth in Section 9.3. Developer shall have the right to receive the contribution for such costs and expenses therefor as agreed upon between Developer and Dillard pursuant to the terms of the Supplemental Agreement.

Section 9.3 General Operation and Maintenance Standards

(a) During the term of the REA, Developer shall not allow any fence, barricade, structure, building or other obstruction of any kind whatsoever to be placed, kept, allowed or maintained on the Common Area without Dillard's prior written consent, except to the extent such obstruction is reasonably required:

(i) in connection with the use of any easement granted to any party by the provisions of this REA;

(ii) in connection with the construction, repair or replacement from time to time of any of the permitted improvements located in the Developer Parcel; or

(iii) in connection with the prevention of dedication, whereby each Party shall have the right to temporarily close any Common Area on its Parcel to prevent dedication by law or otherwise to the general public.

(b) In addition to the foregoing, during the term of the REA, Developer shall:

(i) maintain, or cause to be maintained, all Common Area liability insurance covering the Shopping Center Site and the Dillard Common Area in accordance with the coverages and limits set forth in this REA, naming Dillard as an additional insured;

(ii) use diligent, good faith efforts to prevent picketing or the distribution of any handbills or other advertising or written materials (including magazines or newspapers) on or about any part of the Common Area, subject, however, to all applicable laws governing such picketing or distribution;

(iii) prohibit the installation in, on or about the Common Area of any amplifiers or similar devices, or the use in or about any building or the Common Area of any advertising medium, which may be heard or experienced outside such building, such as flashing lights, spotlights, loudspeakers or phonographs;

(iv) prohibit the burning of any papers, trash or garbage of any kind on the Common Area;

(v) prohibit the use of any portion of the Common Area for the purposes of loading or unloading any truck or other delivery vehicle, except in those portions designated on Exhibit B as "Loading Area," "Truck Dock," "Truck Court" or "Service;"

(vi) not permit any occupant of the Center to use or permit to be used the Common Area for the sale or display of merchandise or for any other business, occupation, or undertaking, except that the Common Area may be utilized for promotional purposes sponsored by the advertising and promotion service utilized by Developer and approved by Dillard, which approval shall not be unreasonably withheld or delayed, and on the following conditions: (A) no activity may be conducted in Dillard's Parking Area without Dillard's express written consent, (B) no activity may unreasonably interfere with the flow of traffic and (C) no such promotional activity may be conducted more than ten (10) times in any calendar year and each such occasion may not exceed five (5) days in duration;

(vii) at all times maintain the parking ratio required by this REA on its Parcel and not change the location or arrangement of the parking areas or parking spaces on its Parcel without Dillard's prior written consent, if such action is inconsistent with Exhibit B or the provisions of the Supplemental Agreement;

(viii) use its diligent, good-faith efforts to require its agents, employees and tenants and their respective agents, employees and tenants to park their vehicles in areas designated for employee parking; and

(ix) provide on-site at least a full-time qualified mall manager and a secretary.

(c) Developer shall perform all Maintenance on the Exterior Common Area improvements on the Shopping Center Site at all times during the term of the Supplemental Agreement in accordance with generally accepted standards of first-class regional enclosed mall shopping center maintenance at regional enclosed mall shopping centers comparable to the Combined Center and located in the Comparison States. The standards set forth herein shall apply to Dillard when Dillard is required to or elects to Operate and Maintain the Exterior Common Area and the Common Area Improvements on the Dillard Parcel pursuant to Section 9.7. Such Maintenance shall include at least the following:

(i) perform the Maintenance with respect to the surface of the parking area and the sidewalks (including the sidewalks adjacent to the Dillard Store Building and the Mall Stores Building) smooth and evenly covered with the type of surfacing material originally installed thereon, or such substitute therefore as shall be in all respects equal thereto in quality, appearance and durability; such maintenance of the parking area shall include the repaving or other resurfacing in addition to routine patching and pothole repair in the event the condition of the parking area shall deteriorate to the extent that such resurfacing should be performed; in such event, Developer shall perform the resurfacing in a good and workmanlike manner and at Developer's expense;

(ii) remove all papers, debris, filth, refuse and broken glass and wash or thoroughly sweep paved areas daily; remove all snow and ice; empty trash containers daily and wash such containers at such intervals as required to maintain such containers in a first-class condition; provided, however, that Developer shall not be responsible in any manner whatsoever for the emptying of trash containers servicing exclusively the Dillard Store Building.

(iii) perform the Maintenance with respect to such appropriate parking area entrance, exit and directional signs, markers and lights in such Common Area as shall be reasonably required in accordance with the practices prevailing from time to time in the operation of similar first-class regional enclosed mall shopping centers;

(iv) perform the Maintenance with respect to all lighting systems, standards, wiring, conduit, fixtures and other lighting equipment of such Common Area as needed to maintain at all times the illumination standards set forth in subparagraph (c)(xi) of this Section 9.3 and relamp, reballast, repair and/or replace such lighting equipment immediately upon its failure to function;

(v) perform the Maintenance with respect to striping, markers and directional signs, as necessary to maintain such a first-class condition;

(vi) perform the Maintenance with respect to the landscaping (exclusive of the landscaped areas between the sidewalks on the Dillard Parcel and the Dillard Store Building) as necessary to keep such in a first-class condition; all grass areas shall be regularly moved and edged;

(vii) perform the Maintenance with respect to signs of the Shopping Center;

(viii) provide Common Area security all times as may be prudent or advisable for the safe and orderly operation of the Common Area;

(ix) perform the Maintenance with respect to all Common Utility Facilities and all other utility facilities in the Common Area to the extent that the same are not cleaned, repaired, maintained and replaced by public utilities, including all surface utility facilities such as hose bibbs, standpipes, sprinklers, domestic water lines and storm drain catch basins and lines, and to take such measures as are reasonably necessary to prevent the overflow of the detention and retention ponds;

(x) perform the Maintenance with respect to all Truck Docks and Truck Facilities excluding the Dillard Truck Dock; and

(xi) keep the parking area properly illuminated during those times set forth in Section 9.5 of this REA in accordance with the following minimum maintained design standards measured at grade level (provided, however, such standards shall not apply to existing lighting facilities other than on the Dillard Parcel and shall otherwise apply only to new or replacement lighting facilities):

(A) except as required by subparagraph (B) below, one foot-candle at all points within open parking and open pedestrian walk areas;

(B) one and one-half foot-candles at all points on any Access Road, ring or other road maintained for the passage for motor vehicles within the Shopping Center Site and at all points on all sidewalks within the Shopping Center Site;

(C) to the extent permitted by applicable local authorities, four foot-candles at all intersections formed by such an Access Road or other road and any public road abutting any part of the Shopping Center Site; and

(D) six foot-candles at all points where parking or pedestrian walking areas are located beneath a deck, roof or ceiling.

(d) Developer shall perform all Maintenance on the Enclosed Mall at all times during the term of the Supplemental Agreement in accordance with generally accepted standards of first-class regional enclosed mall shopping center maintenance at regional mall shopping centers comparable to the Center and located in the Comparison States. Such Maintenance shall include at least the following:

(i) perform the Maintenance with respect to the surfaces of the concourses of the Enclosed Mall and sidewalks level, smooth and evenly covered with the type of surfacing material originally installed thereon or such substitute thereof as shall be in all material respects equal thereto in quality, appearance and durability;

(ii) remove all papers, debris, filth and refuse and wash or thoroughly sweep surface areas as required;

(iii) perform the Maintenance with respect to all lighting fixtures to maintain at all times the illumination standards set forth in subparagraph (d)(vii) of this Section 9.3:

(iv) perform the Maintenance with respect to landscaping, in a first-class condition:

(v) perform, or cause the performance of, the Maintenance with respect to all signs in the Enclosed mall:

(vi) perform the Maintenance with respect to, and keep in a sanitary condition, public restrooms, if any, and other common use facilities:

(vii) keep and maintain the Enclosed Mall in a clean, safe and sightly condition and cause the same to be open to the public and well lit during all periods that the Dillard Store Building is open for business and for reasonable periods, not less than one hour in duration, before and after such business hours (but not earlier than 8:00 a.m. or later than 11:00 p.m.), and keep and maintain the Enclosed Mall heating, cooling and ventilating system in good operating condition so as to:

(A) cool the Enclosed Mall with sufficient cooled air to maintain therein a maximum indoor dry bulb temperature of 80 degrees Fahrenheit and to produce a relative humidity not exceeding 50 percent when the outside dry bulb temperature is 95 degrees Fahrenheit and the outside wet bulb temperature is 75 degrees Fahrenheit during each day when local climatic conditions require; and

(B) heat the Enclosed Mall with sufficient heat to maintain therein a minimum indoor temperature of 70 degrees Fahrenheit with an outside dry bulb temperature ranging as low as 20 degrees Fahrenheit during each day when local climatic conditions require:

provided, however, that if federal regulations require different temperatures than the foregoing, federal regulations shall prevail, and Developer shall comply with same;

(viii) cause each occupant of Floor Area which opens on the Enclosed Mall to plan and operate such area in a manner that shall not unreasonably utilize any heated or cooled air from the Enclosed Mall or unreasonably burden the heating or cooling of air in the Enclosed Mall. Developer shall cause the heating and air conditioning systems in the Enclosed Mall to be planned and operated in a manner that such systems shall not unreasonably utilize any heated or cooled air from the Dillard Store Building or unreasonably burden the heating or cooling system in the Dillard Store Building and Dillard shall operate its heating and air conditioning system so as not to unreasonably utilize any heated or cooled air from the Enclosed Mall; as used herein:

(A) "unreasonably utilize" means utilization by one occupant of the air of another occupant to the extent that the cost of heating or cooling of air by the occupant utilizing such air of another occupant is thereby markedly decreased; and

(B) "unreasonably burden" means one occupant discharging unheated or uncooled air into the Enclosed Mall or the Floor Area of another occupant to

such an extent that the cost of heating or air conditioning the Enclosed Mall or such area of the other occupant is thereby markedly increased:

(ix) perform all Maintenance with respect to such appropriate directional signs, markers and lights as reasonably required;

(x) perform all Maintenance with respect to the structure of the Enclosed Mall, the roof, skylights, vertical transportation equipment, wall surfaces, doors, automatic door openers and other appurtenances thereto;

(xi) perform all Maintenance with respect to the fire protection, heating, ventilating and cooling system and the mechanical and electrical systems of the Enclosed Mall in good order, condition and repair, so that at all times the same shall operate within the standards prescribed in this REA;

(xii) provide security during such hours as may be prudent for the safe and orderly operation of the Enclosed Mall; and

(xiii) provide adequate management and supervisory personnel, including, without limitation, at least one full-time qualified mall manager and one full-time secretary.

Section 9.4 Payment of Contribution

Dillard shall pay its Contribution to Developer during the term of this REA as provided in the Supplemental Agreement.

Section 9.5 Illumination of Common Area

When the Dillard Store Building is open for business and is operating in at least its Minimum Floor Area and for reasonable periods after such business hours, Developer shall keep all Exterior Common Areas on the Shopping Center Site lighted and opened to the public, but in no event shall Developer be obligated to light such Common Areas later than 10:00 p.m. Developer will keep lighted for security purposes, seven (7) days each week during the hours of darkness, such security lights as are installed on each Party's Parcel.

Section 9.6 Failure of Performance

(a) If a Party fails to perform any of its duties or obligations provided in this Article 9, the other Party may at any time give a notice (the "Default Notice") to the Party which has failed to perform setting forth the specific failures to comply with Article 9. If such failures are not corrected within thirty (30) days after receipt of the Default Notice, or if such failures are such that they cannot be corrected within thirty (30) days, if the Party receiving the Default Notice does not commence the correction of such failures promptly and within thirty (30) days and diligently prosecute the correction to completion thereafter, then, in either such event, the Party giving the Default Notice shall have the right to correct such failures, including the right to enter upon the other Party's Parcel to correct such failures, and the Party receiving the Default Notice shall pay the costs thereof. Any amount so expended may be withheld from amounts otherwise payable to the defaulting Party, or collection may be sought otherwise, and, in any event, the defaulting Party shall pay such amount with interest in accordance with Section 23.7.

(b) Notwithstanding anything hereinabove contained to the contrary, (i) in the event of an emergency situation, a Party may, with only such advance notice as is reasonable under the circumstances, cure any such emergency situation and, thereafter, shall be entitled to the benefits of this Section 9.6; and (ii) no Party shall have the right, whether under this Section or otherwise, to enter upon the Floor Area of any other Party to make any repairs or perform any maintenance.

Section 9.7 Dillard Take Over of Common Area Maintenance

(a) Dillard may terminate, with Cause (as hereinafter defined), Developer's obligation to perform the maintenance and Operation of the Exterior Common Area and the Common Area Improvements on the Dillard Parcel by giving notice to Developer. Except as provided in Section 9.8, such termination shall be final and shall be effective on the date which is fifteen (15) days after Dillard shall have notified Developer of (i) the expiration of the grace period provided in Section 9.6 and (ii) Dillard's election to terminate for such Cause, and thereafter Developer shall have no obligation to Operate and maintain the Exterior Common Area and the Common Area Improvements on the Dillard Parcel, and Dillard shall have no obligation to pay the Contribution. As used in this Section 9.7, the term "Cause" means Developer's failure to perform in any material respect the Maintenance of the Exterior Common Area or Common Area Improvements on the Shopping Center Site in accordance with the standards set forth in Section 9.3 if Developer has failed to cure the default after notice and expiration of the grace period provided in Section 9.6.

(b) After such termination by Dillard, Dillard shall perform Developer's Maintenance obligations with respect to the Exterior Common Area and the Common Area Improvements on the Dillard Parcel and Developer shall reimburse Dillard for all the costs of such maintenance and Operation in excess of the amount of the Contribution that would be due Developer had Dillard not terminated Developer's obligations to perform the maintenance and Operation of the Exterior Common Area and Common Area Improvements on the Dillard Parcel, to the extent but solely to the extent such costs are competitive with the marketplace for single users contracting for such services with unaffiliated third parties.

Section 9.8 Request to Have Parcel Maintained by Developer

If Dillard has withdrawn any Exterior Common Area and Common Area Improvements from the maintenance and Operation of Developer, it may, upon fifteen (15) days' notice to Developer, request to have the Exterior Common Area and Common Area Improvements on the Dillard Parcel again maintained and Operated by Developer pursuant to Section 9.1. Such request shall be honored by Developer, and Developer shall resume maintenance and Operation of the Exterior Common Area and Common Area Improvements at the commencement of the next Accounting Period. Prior to the resumption by Developer, Dillard shall restore the Exterior Common Area and Common Area Improvements to the condition in which Dillard was required to maintain them, without additional cost to Developer beyond the costs of maintenance and Operation which are competitive with the marketplace for single users contracting for such services with unaffiliated third parties.

Section 9.9 Damage to or Destruction of Exterior Common Area Improvements

If any Exterior Common Area Improvements are damaged or destroyed by fire or any other casualty whatsoever, whether insured or uninsured, during the term of this REA, the

Party on whose Parcel the Exterior Common Area Improvements so damaged or destroyed are located shall promptly rebuild, replace and repair such damaged or destroyed Exterior Common Area Improvements, including, without limitation, all parking decks, Access Roads and surface parking lots, to the same condition and to the same general appearance as existed immediately prior to such damage or destruction. Any Exterior Common Area Improvements which the Party on whose Parcel the Exterior Common Area Improvements so damaged or destroyed are located is required to rebuild, replace or repair shall be completed as soon as reasonably possible and in any event within six (6) months after such damage or destruction occurs (except for the parking decks which shall be completed as soon as reasonably possible and in any event, within nine (9) months after such damage or destruction occurs), and the Party on whose Parcel the Exterior Common Area Improvements so damaged or destroyed are located shall, prior to commencing such rebuilding, replacement or repair, comply with the requirements herein set forth with respect to initial construction.

Section 9.10 Maintenance of Portions of Sears Parcel

(a) During the term of the Sears Lease, Developer shall, subject to the provisions of the Schoenfelder Agreement and the Sears Lease, maintain the area shown as the Sears Maintenance Area on Exhibit B and keep such portion of the Enclosed Mall located within such area heated, air conditioned, well lighted and insured, subject to payment by Sears of its obligations to Developer under Article I(d) of the Schoenfelder Agreement.

(b) Developer's obligations to maintain the Sears Maintenance Area shall include operating, managing, equipping, lighting, heating and air conditioning, repairing and otherwise maintaining the portion of the Enclosed Mall located within the Sears Maintenance Area. Such obligation shall include but not be limited to maintaining such portion of the Enclosed Mall, cleaning, fire protection, planting, replanting and replacing flowers and landscaping, providing water, providing liability, property damage, fire and workman's compensation insurance, providing supplies, operation of loud speakers, public address systems and any other equipment supplying music to the Sears Maintenance Area.

(c) Developer's obligations under this Section 9.10 shall terminate immediately upon termination of Developer's rights and obligations under the Schoenfelder Agreement.

Section 9.11 Covenant Regarding Dillard Court

Developer hereby covenants that during the term of this REA, the general design and appearance of that portion of the Enclosed Mall located within the Dillard Court will be comparable in the level of quality, finishes and amenities to the other portions of the Enclosed Mall, subject to the provisions of Section 8.7.

Section 9.12 Joinder of Sears Parcel

By the second anniversary of the Scheduled Opening Date, Developer shall have exerted diligent, good faith efforts to cause Sears and the owners of the fee interests and title to the Sears Parcel to join in and become Parties to this REA, subjecting the Sears Parcel to the restrictions of this REA and otherwise on terms and conditions and pursuant to such documentation as shall be satisfactory to Dillard and Developer, respectively, in their sole and absolute discretion; provided, however, that the payment of cash consideration to Sears and/or such fee owners in connection therewith shall be in the sole discretion of Developer (such that

the determination by Developer not to pay such cash consideration shall not be a breach of Developer's obligation to exert diligent, good faith efforts).

ARTICLE 10

PARKING REQUIREMENTS

Section 10.1 Required Parking Ratio

(a) Each Party hereby agrees to maintain sufficient Parking Area upon its Parcel to provide 4.55 automobile parking spaces for each 1,000 square feet of Floor Area on its Parcel.

(b) All parking spaces and parking bays shall be constructed and maintained by Developer in accordance with the layout and striping detail for the respective portions of the Parking Area as shown on Exhibit B.

Section 10.2 Charges for Parking; Employee Parking Areas

(a) No charge of any type shall be made to or collected from any Occupants or Permittees for the right to park vehicles in the Parking Areas, except such Common Area Maintenance Costs as may be provided for in any Lease with any Occupant. The Permittees of any Party shall not be prevented from so parking so long as (i) space is available in the Parking Areas, (ii) they do not violate the rules covering the use of the Parking Areas promulgated from time to time jointly by the Parties, and (iii) it is not necessary to prevent such parking in order to prevent a dedication of or the accrual of any rights of the public in the Parking Areas.

(b) The Parties shall jointly designate certain areas within the Common Area (or on land outside the Common Area within a reasonable distance from the nearest boundary of the Shopping Center Site) for parking use by the Occupants and their employees, agents, contractors, licensees and concessionaires. Developer shall use diligent, good faith efforts to require its employees and the employees of its tenants and subtenants, contractors, licensees and concessionaires to use only the designated parking areas. Dillard shall use diligent, good faith efforts to require its employees and the employees of its tenants and subtenants, contractors, licensees and concessionaires to use only the designated parking areas.

Section 10.3 Use of Parking Areas

Except as otherwise expressly provided herein, no Party shall use or permit the use of the Parking Area on its Parcel for any purpose other than pedestrian movement and the parking and passage of motor vehicles.

ARTICLE 11

OPERATING COVENANTS OF DEVELOPER

Section 11.1 Developer's Operating Covenant

So long as Dillard or its permitted transferee and one other Major or Sears are operating (whether or not the Dillard Operating Covenant Period has expired or terminated) retail facilities at the Center, Developer shall manage and operate the Enclosed Mall and the Mall Stores Building in the following manner:

(a) in a manner consistent with the best standards of management and operation of a first-class regional enclosed mall shopping center comparable to the Combined Center and located in the Comparison States;

(b) with respect to the Mall Stores, as a complex of retail merchandising and service establishments which is a part of a first-class regional shopping center development comparable to the Combined Center and located in the Comparison States containing a climatically controlled two-level enclosed mall and other related Common Area facilities, open to the public;

(c) use its diligent, good faith efforts to:

(i) have the Floor Area of the Mall Stores occupied and operating during regular retail business hours in its entirety; and

(ii) have at all times a balanced and diversified mixture of retail stores, merchandising and service occupants in the Mall Stores;

(d) operate under the name "Crossroads Center" or such other name approved by Dillard;

(e) to have Floor Area in Mall Stores of not less than the Developer Minimum Floor Area;

(f) in accordance with Article 9;

(g) not materially change, modify or alter the exterior of the Mall Stores or the Enclosed Mall; provided, however, that this limitation shall not apply to changes, modifications or alterations in the storefronts of the Mall Stores or such other alterations permitted pursuant to Section 8.7 of this REA;

(h) subject to Section 8.7 and the provisions of Article 13 hereof, to maintain the layout of the Developer Parcel and the Mall Stores Building as shown on Exhibit B and operate within the confines of the Combined Shopping Center Site as shown on Exhibit B;

(i) to keep the Enclosed Mall open and operating in accordance with this REA and keep all entrances open and provide lighting, heating, cooling and ventilation for the Enclosed Mall and maintain the heating and air conditioning system therein in such manner so that the temperature and humidity throughout the Enclosed Mall are at the levels required by this REA at all times when the retail operations on the Developer Parcel or in the Dillard Store Building

are open for business and for not less than one-half hour before the Dillard Store Building is open and one hour after the same shall close; provided, however, that Developer shall not be required to keep the Enclosed Mall open and operating prior to 8:00 a.m. or later than 11:00 p.m.; and

(j) to operate the Exterior Common Area on the Developer Parcel in accordance with this REA and the Supplemental Agreement.

In the event operations by either (x) Dillard or (y) the other Majors and Sears, shall have ceased (other than in connection with temporary cessations of the type described in Section 12.1(e) of this REA), Developer's Operating Covenant shall terminate and subsequent operations by either Dillard or the other Majors or Sears shall not reinstate Developer's Operating Covenant.

Section 11.2 Other Majors' Operating Covenants

Attached hereto as Exhibit F is the Operating Covenant currently in effect with Penney in the Shopping Center. Developer shall not amend such Operating Covenant other than in connection with any extension thereof without Dillard's consent. In addition to the conditions listed in this REA for the termination of the Dillard Operating Covenant Period, the Dillard Operating Covenant Period shall end immediately in the event Penney shall breach its covenant to continuously operate during the term thereof and in the further event Developer shall then fail to seek, by all commercially reasonable and diligent means, the enforcement of the Operating Covenant of Penney; provided, however, that under no circumstances shall Developer be required, as part of such enforcement efforts, to institute litigation with respect to the Operating Covenant of Penney during the first one hundred eighty (180) days after the date of such breach of such Operating Covenant of Penney.

ARTICLE 12

OPERATING COVENANTS OF DILLARD

Section 12.1 Dillard Operating Covenant

(a) Provided (i) no event set forth in Section 12.1(b) or 11.2 has occurred and continued beyond the applicable cure period and (ii) all conditions precedent set forth in Section 5.3 to the opening of the Dillard Store Building for business with the general public have been fulfilled, Dillard shall (x) open the Dillard Store Building for business to the general public on the Scheduled Opening Date and (y) Operate (in a manner consistent with similarly situated Dillard stores) in at least seventy five percent (75%) of the Floor Area of the Dillard Store Building, a retail facility, with an entrance opening onto both levels of the Enclosed Mall, under a trade name that includes the name "Dillard's" or such other name as Dillard or any permitted transferee thereof may be operating the majority of its retail facilities in the Comparison States in the Dillard Minimum Floor Area for a period (the "Dillard Operating Covenant Period") commencing on the Dillard Opening and ending on the tenth (10th) anniversary of the Dillard Opening.

(b) Notwithstanding anything contrary in this Section 12.1, the Dillard Operating Covenant Period shall terminate immediately upon the earliest to occur of the following dates:

(i) the date of Developer's default (and the expiration, without cure, of the applicable cure period, if any) under the provisions of Article 11 hereof or otherwise under this REA or the Supplemental Agreement;

(ii) the date on which less than both Sears and Penney are in fact operating department stores in at least seventy five percent (75%) of the respective Minimum Floor Areas of their respective facilities at the Combined Center in accordance with their respective Operating Covenants, if any; provided, however, the event (the "Major Cotenancy Deficiency") described in this Section 12.1(b)(ii) shall not be deemed to have occurred until the expiration of the cure period set forth in Section 12.1(c);

(iii) the date on which less than seventy percent (70%) of the Floor Area of the Mall Stores is occupied by tenants operating their respective facilities and representing a tenant mix traditionally found in first-class regional enclosed mall shopping centers comparable to the Shopping Center and located in the Comparison States and other than as a result of casualty or condemnation as to which Developer is performing such repairs or restoration as may be required of Developer pursuant to the REA; provided, however, the event (the "Cotenancy Deficiency") described in this Section 12.1(b)(iii) shall not be deemed to have occurred until the expiration of the cure period set forth in Section 12.1(c);

(iv) the date Developer's performance of the provisions of Section 11.1 is rejected, suspended or stayed by reason of bankruptcy proceedings for a period of twelve (12) months;

(v) the date a motion by or on behalf of any other Major to reject such Major's operating covenant is granted in any bankruptcy or creditors' rights proceedings and, in conjunction therewith, such Major shall cease operations at the Combined Center; provided, however, the event (the "Bankruptcy Related Major Cotenancy Deficiency") described in this Section 12.1(b)(v) shall not be deemed to have occurred until the expiration of the cure period set forth in Section:

(vi) the date on which less than two Majors (inclusive of Dillard) and the Sears Store Building are connected by the Enclosed Mall;

(vii) the date on which the operating covenant, if any, of any Major which shall enter into a covenant with Developer to continuously operate, shall have been terminated, canceled or released by agreement, acquiescence or sufferance by Developer; provided, however, that it is understood that the lapse of the Operating Covenant currently in effect with Penney in the Shopping Center pursuant to the terms of such Operating Covenant shall not be considered such a termination, cancellation or release by agreement, acquiescence or sufferance of Developer; or

(viii) the date on which the Floor Area of the Mall Stores contains less than 200,000 square feet other than as a result of casualty or condemnation, in which event the Floor Area deficiency described in this Section 12.1(b)(viii) shall not be deemed to have occurred as long as Developer is performing such repairs or restoration as may be required of Developer; pursuant to this REA; or

(ix) the date on which any provision of Section 8.7 hereof is violated.

(c) At any time during the Dillard Operating Covenant Period, in the event less than seventy percent (70%) of the Floor Area of the Mall Stores is occupied by tenants operating their respective facilities, Developer shall promptly notify Dillard, which notice shall be effective on the date (the "Cotenancy Deficiency Date") on which such occupancy level drops below the required minimum. Effective upon the Cotenancy Deficiency Date, Developer shall have the right, for a period of twelve (12) months after such Cotenancy Deficiency Date, to restore the occupancy of the Floor Area of the Mall Stores to the minimum required by Section 12.1(b)(iii). In the event Developer shall restore such operation to at least such required minimum during such twelve (12) month period, the Dillard Operating Covenant shall not terminate for such reason pursuant to Section 12.1(b)(iii); provided, however, such cure period shall in no event be extended for Force Majeure and shall be inapplicable to any Cotenancy Deficiency which shall occur more often than once each three years, or more often than three times in the aggregate, during the Dillard Operating Covenant Period. At any time during the Dillard Operating Covenant Period, if either Sears or Penney ceases operating its respective facility in the Combined Center, Developer shall promptly notify Dillard, which notice shall be effective on the date (the "Major Cotenancy Deficiency Date") on which such event occurred. Effective upon the Major Cotenancy Deficiency Date, Developer shall have the right, for a period of six (6) months after such Major Cotenancy Deficiency Date, to cause such Sears or Penney to resume operations in the Combined Center. At any time during the Dillard Operating Covenant Period, in the event a motion by or on behalf of any other Major to reject such Major's operating covenant is granted in any bankruptcy or creditors' rights proceedings and, in conjunction therewith, such Major shall have ceased operations at the Combined Center, Developer shall promptly notify Dillard, which notice shall be effective on the date (the "Bankruptcy Related Major Cotenancy Deficiency Date") on which the later of such events occurred. Effective upon the Bankruptcy Related Major Cotenancy Deficiency Date, Developer shall have the right, for a period of six (6) months after such Bankruptcy Related Major Cotenancy Deficiency Date to cause such Major (or a comparable replacement therefor) to resume operations in the Combined Center, and for such longer period after such Bankruptcy Related Major Cotenancy Deficiency Date as may be necessary for the diligent prosecution thereof, to prosecute an appeal of the motion granting such rejection.

(d) As a material inducement to Dillard to enter into this REA and the Supplemental Agreement, Developer covenants and agrees with Dillard that if Developer enters into any lease or other occupancy agreement with any future department store (other than Herberger's, Inc. or successors or assigns, as set forth in the definition of "Major" in Section 1.43) occupying in excess of 75,000 square feet of Floor Area at the Center ("Additional Major") or any lease or other occupancy agreement between Developer and any Major is entered into, amended or modified (other than amendments or modifications to leases or occupancy agreements existing as of the date hereof which do not affect or address operating covenants or which leases or occupancy agreements currently contain no operating covenants), and such lease or occupancy agreement shall contain no operating covenant or an operating covenant which shall not obligate such Additional Major or its successors to operate under such Additional Major's trade name, or such other name as a majority of its stores in the Comparison States are then being operated, a retail department store in the premises to be occupied by it at least until the tenth (10th) anniversary of the Scheduled Opening Date or such operating covenant shall be on terms more favorable to such Additional Major than is Dillard's Operating Covenant, as set forth in this Section 12.1, the terms of Dillard's Operating Covenant Period shall ipso facto be deemed amended so as to (i) shorten the duration of the Dillard Operating Covenant Period so as to be coterminous with that of such Additional

Major, (ii) give Dillard at least the rights and privileges granted such Additional Major or such Major, and (iii) relieve Dillard of any obligation that such Additional Major or such Major is not obligated to perform.

(e) A temporary cessation of business by Dillard or any other Major or Sears shall not be deemed a cessation of business for purposes of this Section 12.1 if such cessation (i) is occasioned by the making of repairs, alterations or renovations due to damage, destruction or condemnation of all or any part of the premises where such cessation of business occurs and such cessation is not longer than 18 months or (ii) is occasioned by the reconstruction, renovation or remodeling of the Dillard, Sears or such Major's Store Building and such cessation and is not longer than three (3) months in duration.

(f) Dillard's Operating Covenant set forth in this Section 12.1 shall not prohibit Dillard from leasing or subleasing portions of the Dillard Store Building, licensing departments or granting concessions to other parties; provided, however, at no time during the Dillard Operating Covenant Period shall Dillard so lease, sublease, license or concession in excess of thirty percent (30%) of the Floor Area of the Dillard Store Building.

(g) After the expiration or earlier termination of the Dillard Operating Covenant Period, no operating obligation or use restriction shall apply or be binding upon Dillard or the Dillard Parcel; provided, however, that should Dillard elect, in its sole and absolute discretion, to conduct any operation on the Dillard Parcel during the term of this REA, the Dillard Parcel will be used in a manner not prohibited by this REA and not inconsistent with the operations or uses then existing on the remainder of the Shopping Center Site, but if seventy percent (70%) of the Floor Area of the Mall Stores is being utilized for retail operations, then the Dillard Parcel will be utilized for a retail facility, if at all.

ARTICLE 13

GENERAL RESTRICTIONS AND COVENANTS

Section 13.1 Location of Buildings

Except to the extent permitted under Section 8.7 of this REA, no buildings or improvements, other than Common Area Improvements, shall be erected or expanded on the Shopping Center Site.

Section 13.2 Height Limitations

No building shall be constructed, expanded or maintained on the Shopping Center Site which exceeds the height limitations set forth in Exhibit D.

Section 13.3 Removal of Buildings

Neither the Mall Stores Building nor the Dillard Store Building shall be razed or removed from their respective Permissible Building Areas except as otherwise specifically permitted by this REA or as may be necessary prior to rebuilding or restoration following damage or destruction, or for a taking by Condemnation; provided, however, that, subject to Section 2.6, each Party is free to raze or remove any of its Improvements at any time after its respective Operating Covenant has terminated.

Section 13.4 Limitation on Detrimental Characteristics

(a) No use or operation will be made, conducted or permitted on any part of the Shopping Center Site which use or operation is clearly objectionable to the development or operation of the Center. Included among the uses or operations which are prohibited on the Shopping Center Site, because of their obvious interference with Developer's intent to maintain a balanced and diversified grouping of retail stores, merchandise and services, as well as their obvious detrimental effect upon the general appearance of the Center and conflict with the reasonable standards of appearance and maintenance required by this REA, are uses or operations which produce or are accompanied by characteristics, such as, but not limited to, the following:

(i) Any noise, litter, odor or other activity which may constitute a public or private nuisance;

(ii) Any unusual firing, explosion or other damaging or dangerous hazards;

(iii) Any assembly, manufacturing, distilling, refining, smelting, industrial, agriculture, drilling or mining operation;

(iv) Any dumping, disposal, incineration or reduction of garbage or refuse other than handling or reducing such waste if produced on the premises from authorized uses and if handled in a reasonably clean and sanitary manner.

(b) Developer acknowledges that it is in Developer's and Dillard's mutual best interests, and important to the maximum utilization of their respective Parcels, that the Center be maintained as an integrated and first-class regional enclosed mall shopping center, and Developer recognizes its responsibility to attain a combination of occupants which (i) represent a sound and balanced diversification of merchandise, (ii) are well qualified and willing to direct an intensive and continuous merchandising and promotional program, (iii) will be of strong financial condition and good repute, (iv) will efficiently utilize and not exceed the capacity of the Parking Area or any portion thereof, and (v) will fixture, decorate and maintain their respective store premises in a tasteful and decorous manner, having regard for the general standards of appearance prevailing in the Center. Developer shall use its diligent, good faith efforts to achieve a balanced and diversified mixture of retail stores, merchandise and service occupants in the Mall Stores and a balanced diversification of goods and services to maximize the merchandising of Occupants of the Mall Stores, assist in the application and enforcement of the reasonable standards of appearance, maintenance and housekeeping and promote the traffic and movement of people using the Center for shopping.

(c) Notwithstanding anything contrary in this REA: (i) no Floor Area fronting on the Dillard Court or the Dillard Mall may be used for the operation of a restaurant (except that the space on Exhibit B marked as space number 165 may be used for a restaurant), pet shop, health club, dry-cleaning facility (except as may be incidental to the operation of a ready-to-wear clothing sales facility) or entertainment facility primarily engaged in the business of the operation of coin-operated amusement devices, (ii) non-retail uses in the Mall Stores shall be limited to ten percent of the aggregate of the Floor Area in the Mall Stores (taken as a whole), exclusive of non-retail uses which are incidental to a primarily retail use and which are contained within the individual tenant unit served thereby (for example, and not by way of limitation, incidental administrative offices and storage), (iii) no Floor Area or other portion of

the Developer Parcel may be used for the operation of an automobile service facility (except that the space on Exhibit B marked as "Tires Plus" may be used for an automobile service facility), new or used car lot, pawn shop, outdoor circus or other entertainment (except for promotional activities sponsored by the advertising and promotion service utilized by Developer), outdoor meetings, bowling alley, "elephant train" or similar transportation device, flea market, any illegal activity, adult bookstore or theater, mortuary or a facility primarily for veterinary services (except as may be incidental to the operation of a pet shop), (iv) no Floor Area within 500 feet of the entrance of the Dillard Building onto the Enclosed Mall shall be used for the operation of a theater and (v) no promotional activities shall be conducted in the Enclosed Mall within the Dillard Court or the Dillard Mall.

Section 13.5 No Selling Outside of the Developer Complex and Major's Store Buildings

So as not to interfere with efficient automobile and pedestrian traffic flow between a Party's Store Building and all other areas in the Center, there shall be no selling activities conducted outside the Developer Complex and the Dillard Store Building, except as provided below or in any Lease in effect as of the date hereof (and any renewals or extensions thereof). No selling activity shall be conducted in the Enclosed Mall or in the Exterior Common Area except for activities sponsored by the advertising and promotion service utilized by Developer, and except for kiosks as provided in Section 13.8.

Section 13.6 Fences and Other Barriers

No fence, structure or other obstruction of any kind, except as permitted by Sections 2.2(b) and 9.3(a), or as may be otherwise specifically permitted herein or indicated on Exhibit B, and except for decorative features and customer conveniences as shown on the approved plans and for temporary enclosures necessary to protect the public from construction, restoration or repair sites, shall be placed, kept, permitted or maintained upon the Common Area without the prior written consent of the Parties.

Section 13.7 Signs

(a) The criteria for all signs to be installed within the Center are set forth in Exhibit E (the "Sign Criteria"), which Sign Criteria the Parties agree are reasonable. Except to the extent permitted under any Lease in effect as of the date hereof (and any renewals or extensions thereof), no Party shall install or permit the installation on its Parcel of any signs that do not conform to the Sign Criteria, unless it first secures the written consent of all Parties, or unless such signs are depicted on Exhibit B.

(b) Except to the extent permitted under any Lease in effect as of the date hereof (and any renewals or extensions thereof), no change or repair may be made to an initially completed sign if it will cause the sign not to comply with the Sign Criteria.

Section 13.8 Kiosks

Anything in this REA to the contrary notwithstanding, permanent kiosks may be erected in the Enclosed Mall under the conditions set forth in the Supplemental Agreement.

Section 13.9 Duration of Covenants

The restrictions described in this Article 13 shall be and remain in effect, in accordance with and subject to the terms and conditions hereof, from the date of this REA until the termination of this REA; provided, however, that (a) Dillard shall not be entitled to enforce the provisions of Sections 13.4(b), 13.4(c) and 13.8 if it is not Operating as an integrated single user department store in at least its Minimum Floor Area, and (b) Dillard shall not be entitled to enforce the provisions of Sections 13.5 and 13.7 with respect to the Enclosed Mall if it is not Operating as an integrated single user department store in at least its Minimum Floor Area with at least a main entrance (which has not been permanently closed) to the Enclosed Mall.

ARTICLE 14

TRANSFER OR CONVEYANCE OF PARCELS

Section 14.1 Transfers

(a) Except as hereinafter provided in Section 14.1(b), Dillard shall not transfer or convey fee title of all or any portion of its Parcel until Dillard has completed Construction of the Improvements required to be constructed by it in accordance with the terms of this REA and has opened such Improvements for business pursuant to Section 6.1, and any other transfer prior to such completion shall be void.

(b) The following transfers and conveyances by Dillard are permitted, prior to completion of Construction and opening for business:

(i) Dillard may enter into Mortgages, and the Mortgagees shall have the right to acquire Dillard's interest.

(ii) Dillard may transfer all or any part of its interest to any Affiliate.

(c) Dillard may transfer or convey all or any portion of its interest in the Dillard Parcel at any time after it has completed its Construction described in Section 14.1(a); provided, however, that any such transfer or conveyance shall be made subject to Dillard's Operating Covenant.

(d) Developer may transfer or convey all or any portion of its interest in the Developer Parcel at any time; provided, however, that any such transfer or conveyance shall be made subject to the Developer's Operating Covenant.

(e) Nothing set forth in this Article 14, is intended to restrict transfers of shares, partnership interests, membership interests or other interests in any Party by shareholders, partners, members or other interest holders of any Party which is a corporation, partnership, limited liability company or other juridical entity.

Section 14.2 Releases

(a) Except as expressly provided for in this Section 14.2 and subject in any event to the provisions of Section 23.12, no sale, transfer or conveyance by any Party of all or any part

of its Parcel or assignment of this REA shall be deemed to release such Party from any of its obligations with respect to its Parcel.

(b) If Dillard shall sell, transfer or convey all of its Parcel and assign its rights under this REA with respect to its Parcel, Dillard shall, subject to the provisions of the next sentence, be released from all further liability with respect to its Parcel thereafter accruing hereunder from and after the date upon which the grantee shall become liable for the terms, conditions, covenants and agreements in this REA thereafter to be kept, observed and performed by its respective grantor, but only on condition that: (i) a duly executed and acknowledged copy of the instrument by which the grantee shall have become liable for the obligations of its grantor shall be delivered to Developer; and (ii) at the time Dillard is to be released of all further liability hereunder, any and all amounts which shall then be due and payable by Dillard to Developer under this REA or the Supplemental Agreement shall be paid to Developer. Notwithstanding the foregoing, Dillard's obligation to construct and open its Improvements pursuant to Articles 3, 4, and 6 and to Operate under its Operating Covenant pursuant to Article 12 shall be and remain the personal covenant of the Party who originally signed this Agreement, as well as the personal covenant of any transferee of the signatory upon acquisition of a possessory interest in the Dillard Parcel; provided, however, that Dillard shall be released from all further obligations under this REA at any time if (x) such transfer of its interest follows the expiration or early termination of Dillard's Operating Covenant or (y) such transfer of its interest in its Parcel is to a Person who acquires at least a majority of the then-existing department stores owned and operated by Dillard or any affiliate of Dillard in the Comparison States if such acquiring Person by written instrument in recordable form expressly assumes all of Dillard's obligations hereunder.

(c) If Developer shall sell, transfer or convey the Developer Parcel to a Permitted Transferee, Developer shall be released from all further liability as Developer hereunder with respect to the Developer Parcel.

(d) Notwithstanding anything to the contrary contained in this REA, if any Party shall (i) convey its Parcel and assign its interest under this REA in connection with a sale and leaseback, sale and repurchase, or assignment of lease, lease and subleaseback, and it or an Affiliate of it shall simultaneously become vested with a leasehold estate or similar possessory interest in such Parcel by virtue of a lease or installment sale agreement made by the grantee, or lessee, as the case may be; or (ii) convey such Parcel by way of a Mortgage and it or its Affiliate shall retain its possessory interest in such Parcel, then in none of such events shall the Mortgagee be deemed to have assumed or be bound to perform any of such Party's obligations hereunder for so long as such Party or its Affiliate shall retain such possessory interest, or exercises any right or privilege pursuant thereto, and such obligations shall continue to remain those of such Party so long as such Party or its Affiliate retains such possessory interest, or exercises any right or privilege pursuant thereto, and performance by such Party or its Affiliate of any act required to be performed under this REA by it or fulfillment of any conditions of this REA by such Party or its Affiliate shall be deemed the performance of such act or the fulfillment of such condition by such Mortgagee and shall be acceptable to the Parties hereto with the same force and effect as if performed or fulfilled by such Mortgagee. At such time as the Party or its Affiliate who mortgaged such Parcel ceases to retain such possessory interest, such Mortgagee, a purchaser at a foreclosure sale, a grantee in lieu of foreclosure, and their respective successors and assigns, shall be deemed to have assumed and to be bound to perform such Party's obligations hereunder, except Dillard's Operating Covenant, subject to the provisions of Section 23.12. Nothing herein contained shall be construed as in any way

releasing or diminishing the obligations and liabilities of any Party hereto of any obligations hereunder.

Section 14.3 Limitation of Liabilities of Mortgage Holders, Successors and Assigns

(a) Subject to Section 23.19 of this REA, each Mortgage shall be subordinate to this REA, and each Mortgage Holder shall take its interest subject to this REA, provided that notwithstanding anything to the contrary, nothing contained in this REA or any Supplemental Agreement shall be deemed to make any Mortgage Holder (or any trustee under a Mortgage which is a deed of trust) liable for the performance of any term, covenant or condition under this REA or any Supplemental Agreement to be performed by its Mortgagor or any Party prior to the Mortgage Holder becoming vested with title to a Mortgage Parcel by foreclosure of its Mortgage, deed in lieu of foreclosure or otherwise, or becoming a mortgagee in possession pursuant to rights under its Mortgage, and then only to the extent hereinafter set forth for a Foreclosure Purchaser.

(b) At such time as a Foreclosure Purchaser becomes vested with title to a Mortgage Parcel or becomes a mortgagee in possession of a Mortgage Parcel, the Foreclosure Purchaser shall take its interest subject to this REA, including the provisions of Section 23.12, and shall be liable for the performance of all covenants, terms and conditions thereafter to be performed respecting the Mortgage Parcel by the Party which was the Mortgagor and shall remain so liable so long as and ONLY so long as a mortgagee in possession or so long as and ONLY so long as such title is vested in it; and the Foreclosure Purchaser shall then be deemed to assume and be bound to perform all covenants, terms and conditions of such Party thereafter to be performed and shall remain so liable so long as and ONLY so long as the Foreclosure Purchaser shall remain vested with title to a Mortgage Parcel (although a mortgagee in possession as Foreclosure Purchaser shall be responsible for the performance of all covenants, terms and conditions of such Party thereafter to be performed, but only to the extent of its interest in the Mortgage Parcel). In no event, however, shall the Foreclosure Purchaser, or any of its successors and assigns, have any liability for damages or otherwise, for any act, breach or nonperformance under this REA or any Supplemental Agreement occurring on the part of any Person prior to the Foreclosure Purchaser becoming vested with title or becoming a mortgagee in possession, nor any breach, act, or nonperformance by any Party other than the Foreclosure Purchaser.

(c) In no event shall any Mortgage Holder, any trustee under a Mortgage which is a deed of trust, any Foreclosure Purchaser, or any successor or assigns thereof or any of their respective partners, shareholders, managers, owners, agents or employees have any personal liability for any obligations under this REA beyond their interest in the Center, unless any thereof shall otherwise have liability under the REA as one of the original Parties thereto or as a purchaser or other transferee assuming such liability as a Major or Developer and not as a Mortgage Holder or Foreclosure Purchaser.

(d) Nothing contained in this Section 14.3 shall be construed as in any way releasing or diminishing the obligations and liabilities of any of the original Parties to the REA respecting any of the obligations under the REA.

ARTICLE 15

INSURANCE

Section 15.1 Duty to Carry Fire and Extended Coverage Insurance

Each Party shall carry, or cause to be carried, at its own cost, a policy of fire and extended coverage insurance on its Improvements. Such insurance shall be carried by each Party from the date of this REA and shall continue as to each Party, so long as the Party is operating such Improvements on the Shopping Center Site.

Section 15.2 General Requirements for Fire and Extended Coverage Policies

Unless a Party shall qualify as a self-insurer and shall elect to self-insure as provided in Section 15.8, all policies carried under Section 15.1:

(a) shall be carried with financially responsible insurance companies with a policy holder's rating of at least A and a financial rating of at least X in Best's Key Rating Guide;

(b) shall be in an amount at least equal to ninety percent (90%) of the replacement cost (exclusive of cost of excavations, foundations and footings) of the improvements being insured;

(c) shall insure against loss or damage from causes that are from time to time included as covered risks under standard insurance industry practices within the classification of broad form fire and extended coverage, and specifically against the perils of fire, windstorm, hail, cyclone, tornado, riots, riot attending a strike, civil commotion, malicious mischief, vandalism, aircraft, vehicle, smoke damage and sprinkler leakage, earthquake and flood; and

(d) shall contain a provision that the policy may not be cancelled without at least thirty (30) days' prior written notice being given by the insurer to each of the other Parties.

Section 15.3 Use of Policy Proceeds

(a) Fire and extended coverage insurance proceeds paid to a Party by reason of damage to or destruction of its Improvements, shall, to the extent required by Article 9, be used by such Party to restore such damaged or destroyed Improvements.

(b) Any loss covered by insurance required pursuant to Section 15.1 of this REA shall be adjusted by the insured, and if the loss is in excess of One Million Dollars (\$1,000,000), in 1996 Dollars (as defined in Section 15.8), and the insured does not qualify as a self insurer (whether or not it is actually self-insuring) the insurance proceeds shall be deposited in a bank or financial institution which at the time of the casualty has a net worth of at least One Hundred Million Dollars, or which is otherwise reasonably satisfactory to each of the Parties hereto, or with the Mortgagee of such Party's Parcel (the "Depository"), to be held in trust and disbursed as the restorative work shall progress in amounts designated by certification by architects licensed to do business in the State of Iowa, showing the application of the amounts as payments for such repair, rebuilding and reconstruction. A Mortgagee shall only be entitled to receive the proceeds of insurance hereunder as Depository or otherwise if there is delivered to the Parties (i) evidence satisfactory to the Parties that the Mortgagee's net

worth is such that it does comply with the provisions of this Section 15.3 as to minimum net worth and (ii) it agrees that the proceeds shall be used for such restorative work required under Article 9. The insured shall pay to the Depository all fees for its services. Any excess money received from insurance remaining with the Depository after the completion of the work shall be paid to the insured, subject, however, to the terms of the Mortgage.

(c) If the loss does not exceed One Million Dollars (\$1,000,000.00), in 1996 Dollars, or if the insured qualifies as a self-insurer, the insurance proceeds shall be paid directly to the insured.

Section 15.4 Duty to Carry Liability Insurance

Each Party shall carry (or cause to be carried), at its sole cost, for the period specified in Section 15.1, comprehensive public liability insurance covering its Store Building, Truck Dock, and the landscaped area between its Store Building and the sidewalks adjacent to its Store Building. Developer shall also carry (or cause to be carried), for the period specified in Section 15.1, comprehensive public liability insurance covering all Common Areas within the Shopping Center Site except (a) for the landscaped areas between the Dillard Store Building and the sidewalks adjacent to the Dillard Store Building, and (b) that during such time as Dillard is maintaining the Exterior Common Area pursuant to the terms of Section 9.7, Dillard and not Developer, shall carry the comprehensive public liability insurance for such Exterior Common Area. Such insurance shall have limits of not less than \$5,000,000, in 1996 Dollars, for personal injury to or death of any one person, \$10,000,000, in 1996 Dollars, for personal injury to or death of any number of persons in any one accident, and \$1,000,000, in 1996 Dollars, for property damage.

Section 15.5 General Requirements for Liability Policies

All policies carried under Section 15.4:

(a) shall be carried with financially responsible insurance companies with a policy holder rating of at least A and a financial rating of at least X in Bests' Key Rating Guide:

(b) shall insure against claims for personal injury or death and property damage (occasioned by occurrences relating to the Developer Improvements and the Common Area, with respect to Developer, and the Dillard Store Building, with respect to Dillard);

(c) shall provide that the policy may not be cancelled or reduced in amount or coverage without at least thirty (30) days' prior written notice being given by the insurer to the other Party; and

(d) shall name the other Party and its Mortgagees as additional insureds.

Section 15.6 Indemnification by Parties

Each Party severally covenants to defend, and does hereby agree to indemnify and hold harmless, the other Party and its directors, officers, partners, agents and employees from and against all claims and all costs, expenses and liabilities (including reasonable attorneys' fees) incurred in connection with all claims, including any action or proceedings brought thereon, arising from or as a result of the death of, or any accident, injury, loss or damage whatsoever caused to, any Person, or to the property of any Person, as shall occur on the portion of the

Shopping Center Site which the indemnifying Party was required to insure under Section 15.4, including any resulting from any Construction by or on behalf of the indemnifying Party, including claims alleged to have arisen from, or been caused by, the negligence or intentional wrongdoing of the indemnified Party, its directors, officers, members, partners, licensees, concessionaires, agents, or employees or any licensee or concessionaire of the agents, servants or employees. The duty to defend shall remain with the indemnifying Party, except that if the indemnified Party shall be found to be negligent or to have caused the loss or damage by intentional wrongdoing, there shall be no duty to indemnify for other expenses and cost and instead any Party who was negligent or who caused the loss or damage by an intentional wrongdoing shall indemnify all of the other Parties to the extent the loss or damage was caused by such Party's negligence or intentional wrongdoing (and shall reimburse the indemnifying Party for the cost of defense). The indemnified Party shall give the indemnifying Party notice of any suit or proceeding as to which the indemnified Party is entitled to indemnification pursuant to this Section 15.6.

Section 15.7 Contractual Liability Insurance

Each Party shall maintain Contractual Liability Insurance insuring its obligations set forth in Article 2, and Section 15.6 with the same limits as provided in Section 15.4.

Section 15.8 Self-Insurance; Blanket Policies

(a) A Party may satisfy its obligations under Sections 15.1, 15.2, 15.4, 15.5, and 15.7, in whole or in part, by means of a blanket insurance policy.

(b) A Party may satisfy his obligations under Section 15.1, 15.2, 15.4, 15.5 and 15.7, in whole or in part, under a self-insurance program, but only if the Party self-insuring, or an Affiliate of the self-insuring Party which covers the Party under its self-insurance program, has a net worth according to its last published financial statement of at least Fifty Million Dollars (\$50,000,000), in 1996 Dollars. As used herein, "in 1996 Dollars" means that \$50,000,000 shall be increased or decreased each fifth year after December 31, 1996 in proportion to the increase or decrease in the Implicit Price Deflator of the Gross National Product of the United States, issued and published by the United States Department of Commerce (1972 = 100) or any successor index thereto, appropriately adjusted. Any Party may maintain an insurance policy under Sections 15.1 and 15.2 containing a provision for a deductible in the amount of One Hundred Thousand Dollars \$100,000 or less without regard to that Party's net worth. In order for a Party to have a deductible in excess of \$25,000 for the insurance policies under Sections 15.4, 15.5, and 15.7, such Party must meet the net worth requirements set forth above. Nothing set forth in this Section shall relieve a Party of its obligations under Section 15.6.

Section 15.9 Certificate of Insurance

Each Party shall, on the request of the other Party, promptly deliver to the requesting Party a certificate evidencing the former Party's compliance with the insurance coverage requirements of this Article. No Party shall be required during any given one hundred eighty (180) day period to honor more than one such request from the other Party.

Section 15.10 Waiver of Subrogation

Anything in this REA to the contrary notwithstanding, each Party hereby waives all rights of recovery and causes of action and releases each of the other Parties from any liabilities from all losses and damages occasioned to the property of each located within or upon or constituting a part of the Center, which losses and damages are covered under the policies required by this Article. The policies required by this Article shall provide for waivers of any right of subrogation that the insurer of such Party may acquire against each other Party with respect to any losses.

ARTICLE 16

CONDEMNATION

Section 16.1 Restoration of Store Buildings and Enclosed Mall Upon Condemnation

(a) If any part of any Party's Store Buildings or Enclosed Mall is taken by Condemnation, such Party shall reconstruct its Store Buildings and Enclosed Mall as nearly as possible to the same condition as existed immediately prior to such Condemnation in accordance with the requirements and subject to the conditions of this Article 16, except as provided in Sections 16.1(b) and 16.1(c). All reconstruction under this Article 16 shall include rebuilding and restoring the Store Buildings and Enclosed Mall to a complete architectural unit. Any rebuilding of any Store Building or of the Enclosed Mall shall be done in accordance with the provisions set forth in Articles 3, 4, 5, 6, and 7 hereof and shall be completed within eighteen (18) months after the Condemnation Date; provided, however, that nothing herein shall require any Store Building or the Enclosed Mall to be rebuilt to any greater extent than the Store Building or the Enclosed Mall that the Party is required to Operate pursuant to the terms of its Operating Covenant, as of the Condemnation Date.

(b) Notwithstanding the provisions of Section 16.1(a), if as a result of a Condemnation any portion of the Dillard Store Building shall be taken then Dillard shall so notify Developer and shall have the right and option (1) to terminate any then existing Operating Covenant, (2) to elect not to reconstruct or (3) to elect to reconstruct another facility that it would be permitted to operate in the absence of the Operating Covenant, in each case, by specifying such election in its notice.

(c) If as a result of a Condemnation any portion of the Mall Stores Building shall be taken and it shall not be physically or economically feasible to reconstruct the Mall Stores Building to a complete architectural unit containing not less than seventy-five percent (75%) of the Floor Area which the Mall Stores contained before such Condemnation, Developer shall so notify Dillard and Developer shall have the right and option to terminate its obligations under its then existing Operating Covenant, and either (i) to elect not to reconstruct, or (ii) to elect to reconstruct another facility that it would be permitted to operate in the absence of the Operating Covenant, in each case, by specifying such election in its notice.

(d) If any part of the Penney Store Building is taken by Condemnation, Developer shall not have any obligation to reconstruct the Penney Store Building except as may be required of Developer under the Lease between Developer and Penney.

Section 16.2 Restoration of Common Area Upon Condemnation

(a) If any part of the Common Area on a Party's Parcel is taken by Condemnation, such Party shall reconstruct or cause to be reconstructed the Common Area as nearly as possible to the same condition as existed immediately prior to such Condemnation in accordance with the requirements and subject to the conditions of this Article 16, except as provided in Sections 16.2(b), (c) and (d).

(b) Notwithstanding the provisions of Section 16.2(a), if any Parking Area on a Party's Parcel shall be taken by Condemnation so that after such taking the parking ratio on such Parcel:

(i) shall be reduced to not less than ninety-five percent (95%) of the number of parking spaces required under Article 10, such Party shall have no obligation to restore or provide additional Parking Area by decking or otherwise except to the extent required by any applicable governmental authorities; but if any governmental authority requires the restoration, such Party shall, at its cost, restore or provide, by decking or otherwise, additional parking on such Parcel equal to such number of parking spaces (the "Code Required Number") as is required by such governmental authority; or

(ii) shall be reduced to less than ninety-five percent (95%) but not less than seventy percent (70%) of the number of parking spaces required under Article 10, such Party shall, at its cost, restore or provide, by decking or otherwise, additional parking on such Parcel equal to the Code Required Number; or

(iii) would, after such reconstruction as is feasible with such construction methods as may then be available, be reduced to less than seventy percent (70%) of the number of parking spaces required under Article 10, then such Party may terminate any then existing Operating Covenant in which event such Party must reconstruct such number of parking spaces as are feasible, at its election by notice given to the other Party; but if such Party does not so elect, it shall, at its cost, restore or provide, by decking or otherwise, additional parking on such Parcel equal to the Code Required Number, or the number of parking spaces as are feasible;

provided, however, that Developer shall have no obligation to restore or provide such additional parking in respect of a Condemnation of the Common Areas at any time that Dillard shall not be operating under the Dillard Operating Covenant.

(c) All construction of Common Areas as a result of a Condemnation during the Dillard Operating Covenant Period shall be in accordance with the provisions of this REA on the basis of plans mutually approved by the Parties, which approval shall not be unreasonably withheld or delayed, except the location of parking deck(s), which must be approved by the Parties, each in its sole and absolute discretion.

(d) In the event of the Condemnation of any portion of the Access Roads, the Parties will endeavor in good faith to assure reasonable access and, if necessary, to agree on a substitute for the portion(s) thereof Condemned.

Section 16.3 Additional Termination Rights; Developer's Right to Restore Parking on the Dillard Parcel

Any notice required by Sections 16.1(b) or (c) or 16.2(b) shall be given to the other Parties not later than one hundred twenty (120) days after the Condemnation Date and the termination permitted thereby shall be effective automatically on the sixtieth (60th) day after the giving of such notice. If Dillard has the right to elect to terminate this REA as to its Parcel and so elects, Developer shall, in addition to the rights set forth below, have the right to so elect to terminate this REA as to its Parcel by giving notice to Dillard within sixty (60) days after receipt of Dillard's notice of termination, and Developer's termination shall be effective sixty (60) days after the giving of such notice. If Developer has the right to elect to terminate this REA as to its Parcel and so elects, Dillard shall also have such right to so elect to terminate this REA as to its Parcel by giving notice to Developer within sixty (60) days after receipt of Developer's notice of termination, and any such election by Dillard shall be effective sixty (60) days after the giving of such notice. If Dillard has the right to elect to terminate this REA as to its Parcel and so elects, Developer shall have the right, at its election by notice given to Dillard, at Developer's cost (subject to Section 16.4), to restore or provide, by decking or otherwise, additional parking on the Shopping Center Site equal to the Code Required Number or the number of parking spaces as are feasible. Dillard shall cooperate with Developer in determining suitable portions of the Dillard Parcel for the construction of all or any portion of such additional parking. Any such election by Developer shall nullify Dillard's election to terminate this REA as to its Parcel. The easements granted pursuant to Sections 2.4, 2.5(ii) through (iv), 2.6 and 2.7 shall remain in existence following the termination of this REA to the extent set forth in such Sections.

Section 16.4 Waiver of Award

In the event that a Parcel or any part thereof is taken by Condemnation, each Party waives, in favor of the Party whose Parcel or any part thereof is taken by Condemnation, any value of the Condemnation award attributable to any easements a Party holds in the Parcel of such other Party; and no part of the Condemnation award shall be payable to the holder of the dominant tenement by virtue of such easement. However, a waiver under this Section shall not preclude the holder of any interest in another Parcel from claiming and collecting the severance and consequential damages to its own Parcel resulting from the taking of the condemned portion of the other Parcel, to the extent that it does not reduce the Condemnation award payable to the Party whose Parcel was taken by Condemnation. If Dillard receives a Condemnation award attributable to Parking Area or an Access Road, such award shall be paid to Developer if Developer reconstructs Parking Area on the Shopping Center Site pursuant to Developer's rights under Section 16.3 or provides a substitute Access Road under Section 16.2(d).

Section 16.5 No Termination of Easements and Licenses

No termination under this Article 16 by a Party of its obligations to restore, operate, and maintain as provided in this REA shall affect the existence of the easements granted under Article 2, except to the extent such easements burden the land taken by Condemnation.

Section 16.6 Instrument Evidencing Termination

Upon the request of a Party, all Parties shall sign an instrument in recordable form evidencing the termination of a Party's obligations pursuant to this Article 16.

Section 16.7 Use of Condemnation Award

Each Party shall use any Condemnation award paid to it to the extent needed to satisfy its restoration obligations under this Article 16. If the Condemnation award exceeds the amounts necessary for the restoration of the Improvements on its Parcel in accordance with this Article 16, then, subject to the provisions of Section 16.4, the remaining portion of the Condemnation award shall be retained by the Party whose Parcel was taken by Condemnation; provided however, that each Party shall in any event restore the Improvements on its Parcel to a safe and slightly condition.

ARTICLE 17

REAL ESTATE TAXES

Section 17.1 Payment of Taxes

Each Party shall pay (or cause to be paid) before delinquency all real estate taxes and assessments (collectively "Taxes") levied on its Parcel and the Improvements situated thereon.

Section 17.2 Contesting Taxes

Each Party may, at its own cost, by appropriate proceedings, contest the validity, applicability and/or the amount of any Taxes. Nothing in this Article requires a Party to pay any Taxes as long as it contests the validity, applicability or the amount thereof in good faith and so long as it does not allow the affected Parcel to be forfeited as a result of its non-payment.

Section 17.3 Failure to Pay Taxes

If a Party fails to comply with this Article, any other Party may pay the Taxes in question and shall be entitled to prompt reimbursement from the defaulting Party for the sums so expended with interest thereon in accordance with the terms of Section 23.7.

ARTICLE 18

EXCUSES FOR NON-PERFORMANCE

Notwithstanding anything contained in this REA, each Party shall be excused from performing any obligation under this REA, except any obligation to pay any sums of money, and any delay in the performance of any obligation under this REA shall be excused, if and so long as the performance of the obligation is prevented, delayed or otherwise hindered by acts of God, fire, earthquake, floods, explosion, unusually severe weather, war, riots, mob violence, inability to procure or a general shortage of labor, equipment, facilities, materials or supplies in the open market, lack of transportation, strikes, lockouts, actions of labor unions, Condemnation, court orders, laws or orders of governmental or military authorities, or any other cause, whether similar or dissimilar to the foregoing, not within the control of such Party (collectively, "Force Majeure") other than lack of or inability to procure monies to fulfill its commitments and obligations under this REA.

ARTICLE 19

DEFAULT

Section 19.1 Notice of Default

No Party shall be deemed to be in default of performance of any of its obligations hereunder unless a Party claiming such a default shall have given to the Party alleged to have been in default written notice thereof, setting forth with reasonable specificity the nature of the default, with a copy of such notice to the other Parties.

Section 19.2 Time To Cure

Unless otherwise specified in a particular Section of this REA which requires a Party to cure or commence to cure an alleged default within the time so specified in such Section, a Party shall have thirty (30) days after the giving of notice within which to cure a default. If such default cannot with the exercise of due diligence be cured within such thirty (30) days, such thirty (30) day period shall be extended for such additional time (up to, but not to exceed, ninety (90) days) as may be required to cure the default with due diligence, provided that the curing Party commences to cure the default promptly and within such thirty (30) day period and thereafter proceeds diligently to complete the cure of such default. No Party shall exercise any remedy provided in this REA, including any remedy of self-help (except in the case of an emergency) which may be contained herein, unless and until the applicable cure period has elapsed. During any cure period or other time period when a Party must wait before taking a particular action as provided under this REA, including any such period provided under Article 12, the Party which has failed to perform shall not be liable for damages to any other Party. The right of any Party to recover damages against another Party as the result of a default shall only accrue if the Party has failed to perform by the end of the cure period provided in this REA.

ARTICLE 20

NOTICES AND APPROVAL

Section 20.1 Notice to Parties

(a) Each notice, demand, request, consent, approval, disapproval, designation or other communication that a Party gives to any other Party shall be in writing and shall be given or made or communicated by United States registered or certified mail postage prepaid or by any overnight carrier or express mail service which provides receipts to indicate delivery, addressed in the case of Developer to:

The Equitable Life Assurance Society of the United States
5775 Peachtree Dunwoody Road
Suite 200-D
Atlanta, Georgia 30342
Attention: Retail Asset Management

with copies to:

Compass Retail, Inc.
5775 Peachtree Dunwoody Road
Suite 200-D
Atlanta, Georgia 30342
Attention: Counsel

and

Crossroads Center
124 Crossroads
Waterloo, Iowa 50702
Attention: General Manager

and

Bryan Cave LLP
One Metropolitan Square
211 N. Broadway, Suite 3600
St. Louis, Missouri 63102
Attention: Harold R. Burroughs, Esq.

and in the case of Dillard to:

Dillard Department Stores, Inc.
1600 Cantrell Road
Little Rock, Arkansas 72201
Attention: President

with a copy to:

Dillard Department Stores, Inc.
1600 Cantrell Road
Little Rock, Arkansas 72201
Attention: General Counsel

or to such other address or addresses as may from time to time be designated by a Party by notice similarly given at least ten (10) days in advance. No Party may designate more than four notice recipients in addition to its Mortgagee.

(b) Unless specifically stated to the contrary elsewhere in this REA, all notices, demands, requests, consents, approvals, disapprovals, designations and other communications shall be effective upon their being deposited or sent in the manner provided above; provided, however, that the time period in which a response to such notice must be given shall commence on the date of receipt by the addressee thereof as shown on the return receipt of the notice, or if no date is shown, three (3) days after the date of the postmark on such receipt. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given, shall be deemed to constitute receipt of the notice as of the date of such rejection, refusal or inability to deliver.

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Section 20.2 Form and Effect of Notice

(a) Every notice given to a Party must state (or must be accompanied by a cover letter that states):

(i) that it is a notice given pursuant to this REA; and

(ii) if applicable, that the failure to object to the notice within a period of time stated in the notice or cover letter will be deemed to be the equivalent of the recipient's approval of or consent to the subject matter of the notice.

(b) In no event shall a recipient's approval of or consent to the subject matter of a notice be deemed to have been given by its failure to object thereto if such notice (or the accompanying cover letter) did not fully comply with the requirements of Section

Section 20.3 Time and Form of Approvals

(a) Wherever, in this REA, approval of a Party is required, unless a different time limit is specifically provided herein for such approval or disapproval, such approval or disapproval shall be given in writing within thirty (30) days following the delivery of the item to be so approved or disapproved, or the approval or consent (except to the extent such approval or consent may be given or withheld within such Party's sole and absolute discretion) shall be conclusively deemed to have been given by such Party. Any disapproval which requires objective reasonableness shall specify with particularity the reasons therefor.

(b) The item to be so approved shall be clearly marked (or shall be accompanied by a cover letter which is clearly marked) "Request for Approval" and shall indicate the Section of this REA under which approval is required.

(c) Whenever a provision of this REA provides for a period of time for approval or disapproval which is less than the thirty (30) day period specified in this Section 20.3, such lesser time limit shall not be applicable unless the notice to the Party whose consent, approval or disapproval is required contains a specific statement of such lesser period of time within which such Party must act. Failure to specify such time shall not invalidate the notice but shall require the action of such Party to be taken within thirty (30) days.

Section 20.4 Notice and Right To Cure By Mortgagee

Except in instances requiring prompt action due to an emergency or due to material interference with the use and occupancy of any Parcel(s) or the enjoyment of the rights and privileges pertaining to any Parcel(s), in the event that any notice shall be given of the default of a Party, and such defaulting Party has failed to cure or commence to cure such default as provided in this REA, then and in that event, the holder of a Mortgage on the Parcel (and/or Improvements) of the Party to whom the notice is delivered (but only one such Mortgagee on any Parcel at any time, and in the event of conflicting notices or demands only the Mortgagee which shall have first filed its Mortgage of record), provided such Mortgagee shall have sent the Party serving the notice of default a notice informing such Party of the existence of such Mortgage and the name of the person and the address to which notices of default are to be sent, shall be entitled to receive, if applicable, notice by registered or certified U.S. mail, postage prepaid, or by overnight delivery service or express mail, stating that the defaulting Party has failed to cure such default and such Mortgagee shall have the same time period as

the defaulting Party after the receipt of said notice (but shall not be required) to cure any such default, or, if such default cannot be cured within such period, to diligently commence curing within such time and diligently cure within a reasonable time (not to exceed ninety (90) days) thereafter. The failure to deliver notice of default to a Mortgagee entitled to receive such notice as provided in this Section 20.4 shall create no liability upon the part of the Party failing to give such notice, nor shall it affect the validity of any notice of default as it respects any Party, but such failure shall make the notice of default invalid as it respects the interests of the Mortgagee and its Mortgage upon said Parcel (and/or Improvements).

ARTICLE 21

AMENDMENT

This REA may be amended or otherwise modified only in writing, signed and acknowledged by the Parties, and recorded in the Recorder of Deeds Office of Black Hawk County, Iowa. No amendment or other modification of this REA shall require any consent or approval on the part of any Person other than a Party and such Party's consent may be granted or withheld in its sole discretion.

ARTICLE 22

TERM OF REA

This REA shall terminate, except for the easements having a longer life as expressly provided in Article 2 and except where otherwise expressly provided in this REA, fifty (50) years from the Scheduled Opening Date (unless sooner terminated under the provisions of this REA); provided, however, that if fifty (50) years after the Scheduled Opening Date, Dillard and Developer are then Operating at least their Minimum Floor Areas for retail purposes in each of their Store Buildings, this REA shall not terminate and shall continue for an additional period of ten (10) years. At the end of such ten (10) year period, and thereafter at the end of each successive ten (10) year period if Dillard and Developer are each then Operating at least their Minimum Floor Areas for retail purposes in their respective Store Buildings, this REA shall not terminate and shall continue for an additional period of ten (10) years.

ARTICLE 23

MISCELLANEOUS

Section 23.1 Exhibits

Each reference in this REA to an Exhibit refers to the applicable Exhibit that is attached to this REA. All such Exhibits constitute a part of this REA and are hereby expressly made a part hereof.

Section 23.2 References to Articles and Sections

All references herein to a given Article or Section, refer to the Article or Section of this REA, unless otherwise stated.

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Section 23.3 Table of Contents and Captions

The table of contents and captions of this REA are inserted only as a matter of convenience and for reference. They do not define, limit or describe the scope or intent of this REA, and they shall not affect the interpretation of this REA.

Section 23.4 Locative Adverbs; the Term "And/Or"

Wherever the locative adverbs "herein," "hereunder," "hereto," "hereby," "hereinafter" and like words appear in this REA, they refer to this REA in its entirety and not to any specific Article or Section of this REA. The term "and/or" as used herein means one or both, or any one or ones or all, of the things or persons in connection with which the words are used.

Section 23.5 REA for Exclusive Benefit of Parties

Except as specifically set forth in Sections 14.2, 20.4 and 23.24, which are additionally for the benefit of Mortgagees, the provisions of this REA are for the exclusive benefit of the Parties, their successors and assigns, and not for the benefit of any third Person, and this REA shall not be deemed to have conferred any rights upon any third Person.

Section 23.6 Waiver of Default

A waiver of any default by a Party must be in writing and no such waiver shall be implied from any omission by a Party to take any action in respect of such default. No express written waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more written waivers of any default in the performance of any provision of this REA shall not be deemed to be a waiver of any subsequent default in the performance of the same provision or any other term or provision contained herein. The consent or approval by a Party to, or of any act or request by, another Party requiring consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar acts or requests. The rights and remedies given to a Party by this REA shall be deemed to be cumulative. No one of such rights or remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity which a Party might otherwise have by virtue of a default under this REA. The exercise of one such right or remedy by a Party shall not impair such Party's standing to exercise any other right or remedy.

Section 23.7 Payment on Default

If under this REA a Party is compelled or elects to pay any sum of money or do any acts that require the payment of money by reason of another Party's failure or inability to perform any of the provisions of this REA to be performed by such other Party, the defaulting Party shall promptly upon demand reimburse the paying Party for such sums, and all such sums shall bear interest at the rate of two percent (2%) per annum over the then existing prime rate of interest charged by The Boatmen's National Bank of St. Louis (or its successor) (but in no event exceeding the maximum rate per annum permitted by Iowa law) from the date of expenditure until the date of such reimbursement. Any other sums payable by any Party to any other Party under this REA that shall not be paid when due shall bear interest at the rate of two percent (2%) per annum over the then existing prime rate of interest charged by The Boatmen's National Bank of St. Louis (or its successor) from the due date of payment thereof.

Section 23.8 No Partnership, Joint Venture or Principal Agent Relationship

Neither anything in this REA nor any acts of the Parties shall be deemed by the Parties, or by any third Person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between or among any of the Parties.

Section 23.9 Successors

This REA shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties.

Section 23.10 Severability

If any provision of this REA shall to any extent be invalid or unenforceable, the remainder of this REA (or the application of such provision to Persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each provision of this REA, unless specifically conditioned upon such invalid or unenforceable provision, shall be valid and enforceable to the fullest extent permitted by law.

Section 23.11 Governing Laws

This REA shall be construed and governed in accordance with the laws of the State of Iowa.

Section 23.12 Limitation of Developer's Liability

(a) The term "Developer" shall mean only the Person who or which at the time in question holds Developer's interest in the Developer Parcel, it being intended that the covenants and obligations contained in this REA on the part of Developer shall be binding on Developer, its successors and assigns only during and in respect of their respective successive periods of owning or holding Developer's interest in the Developer Parcel.

(b) Notwithstanding anything to the contrary in this REA or the Supplemental Agreement (except Section 7.02 of the Supplemental Agreement), if Developer fails to perform any of its obligations under this REA or the Supplemental Agreement and Dillard recovers a money judgment against Developer, such judgment may be satisfied only out of (i) the proceeds produced upon execution of such judgment and levy thereon against Developer's interest in the Center and improvements thereon, (ii) the rents or other income from the Center received or receivable by Developer after the date of notice of a default by Developer under this REA and net of the amount of such rents or other income applied by or on behalf of Developer to debt service in connection with any Mortgage (excluding, however, for purposes of this Section 23.12(b), any Mortgage entered into in bad faith and without fair consideration after such date of notice of default by Developer under this REA) or applied by or on behalf of Developer to operating expenses of or capital improvements to the Center, (iii) the consideration received or receivable by Developer after the date of notice of default by Developer under this REA from any sale or other disposition (including any condemnation or conveyance in lieu thereof) of all or any part of Developer's interest in the Center net of all adjustments (provided such adjustments are commercially reasonable and typical in connection with sales of shopping center properties in the Comparison States) at the closing of such sale or other disposition and net of all amounts expended to discharge the lien of any such Mortgage

(or to discharge any other liens) in connection therewith (and net of all costs of any condemnation or conveyance in lieu thereof), (iv) if Developer's failure of performance is in respect of any covenant or obligation of Developer under Articles 8 or 16 of this REA, Developer's share of any condemnation award (net of all costs of condemnation) and the proceeds (net of amounts applied to any such Mortgage) payable from any casualty insurance required to be maintained by Developer in respect of the Center, provided, however, that Dillard hereby expressly disclaims any lien rights with respect to any such proceeds or award, and (v) amounts due and payable to Developer under this REA or the Supplemental Agreement by Dillard or any other Party after such date of notice of default by Developer under this REA. The foregoing provisions shall not relieve Developer from the performance of any of Developer's obligations under this REA or the Supplemental Agreement, but shall only limit Developer's liability in the case of the recovery of a judgment against it, nor shall the foregoing provisions limit or otherwise affect Dillard's right to obtain injunctive relief or specific performance or avail itself of any other right or remedy that this REA, the Supplemental Agreement or the law may accord Dillard.

(c) Notwithstanding anything to the contrary in this REA or the Supplemental Agreement, Developer and its partners shall remain fully liable to Dillard for the term of this REA to the same extent they otherwise would be liable absent such provisions limiting their liability (i) for fraud, material misrepresentation or any material omission having the effect of material misrepresentation by Developer or any of its partners, officers, agents or employees and (ii) for the misapplication by Developer or any of its partners, officers, agents or employees of (A) any proceeds paid under any insurance policies due to damage, loss or destruction to any portion of the Center or (B) any proceeds or awards resulting from any condemnation, taking by any governmental entity or transfer in lieu of such condemnation, of all or any part of the Center.

Section 23.13 Dedication

Nothing herein contained shall be deemed to be a gift or dedication of any part of the Shopping Center Site to the general public, or for the general public or for any public purpose whatsoever, it being the intention of the Parties this REA shall be strictly limited to and for the purposes herein expressed. A Party shall not dedicate any part of its Parcel for public purposes without the consent of the other Parties hereto. With the concurrence of all of the Parties, all or a part of the Common Area may be closed from time to time to such extent as may be sufficient in the opinion of the Parties' respective legal counsel to prevent a dedication thereof or the accrual of rights of any Person or of the public therein.

Section 23.14 Written Consent Required

Whenever a Party is requested to consent to any matter with respect to which its consent is required by this REA, such consent shall be given in writing, and, except as specifically provided to the contrary in this REA, shall not be unreasonably withheld or delayed.

Section 23.15 Covenants Run with the Land

It is intended that the covenants, easements, agreements, promises and duties of each Party as set forth in this REA and in the Supplemental Agreement shall be construed as covenants and not as conditions, and that, to the fullest extent legally possible, all such covenants shall run with the land or constitute equitable servitudes as between the Parcel of the

respective covenantor, as the servient tenement, and the Parcel of the respective covenantee, as the dominant tenement. Unless the context indicates otherwise, every covenant, easement, agreement and promise of each Party as set forth in this REA shall be deemed a covenant, easement, agreement and promise made for the joint and severable benefit of the other Parties, as owners of their respective Parcels; and every duty of each Party as set forth in this REA shall be deemed to run to and for the joint and severable benefit of the other Parties, as owners of their respective Parcels.

Section 23.16 Rules for Center

Each Party shall observe and shall use diligent efforts to cause its Permittees to observe such rules relating to the Center as may be adopted from time to time by the Parties.

Section 23.17 Default Shall Not Permit Termination of REA

No default under this REA shall entitle any Party to cancel, terminate or otherwise rescind this REA; provided, however, that this limitation shall not affect any other rights or remedies that the Parties may have by reason of any default under this REA.

Section 23.18 Right to Enjoin

In the event of any violation or threatened violation of any of the provisions of this REA by a Party or Occupant, any other Party shall have the right to apply to a court of competent jurisdiction for an injunction against such violation or threatened violation and for specific performance.

Section 23.19 Rights, Privileges, and Easements with Respect to Liens

This REA and the rights, privileges and easements of the Parties with respect to each other Party and all Parcels in the Center shall in all events be superior and senior to any lien placed upon any Parcel, including the lien of any Mortgages. Any amendments or modification hereof, whenever made, shall be deemed superior and senior to any and all liens, including the lien of Mortgages to the same extent as if the amendment or modification had been executed concurrently herewith; provided, however, that any Mortgagee, in its separate agreement with any Party may reserve the right to approve any such amendments or modifications notwithstanding that such separate agreement will not bind the other Parties.

Section 23.20 Certification of Floor Area

Upon the completion of any construction (whether it be initial or subsequent) on its Parcel, each Party shall cause its architect to certify upon request to the other Parties the number of square feet of constructed Floor Area on such Parcel. Notwithstanding anything contained in this REA, during the period of any damage, destruction, razing, rebuilding, repairing or replacement of any building in the Center, the Floor Area of the building shall be deemed to be the same Floor Area as the Floor Area of the building immediately before such period; and upon the completion of the razing, rebuilding, repairing or replacement of such building, the party shall again cause its architect to certify to the other Parties the number of square feet of Floor Area on such Parcel.

Section 23.21 Correction of Parcel Descriptions

It is recognized that by reason of construction errors the Store Building constructed on a Party's Parcel may not be constructed precisely within the Permissible Building Areas designated for each as shown on Exhibit B. If a subsequent A.L.T.A. "as built" survey discloses that any Store Building built on a Party's Parcel has not been constructed completely within the boundaries of its respective Parcel, then upon request of the encroaching Party, the other Party upon whose Parcel such improvements have been constructed shall either (a) grant an easement over that part of its Parcel required to reflect the use of its Parcel and thus correct the descriptions or (b) convey satisfactory title to the encroaching Party of the part of its Parcel being so used by the encroaching Party, provided the encroaching Party conveys to the other Party satisfactory title to an equivalent amount of acreage of its Parcel as is reasonably satisfactory to the other Party. Nothing herein contained shall in any manner be construed as diminishing or be deemed to constitute a waiver of any rights of a Party resulting from the other Party's failure to construct its improvements as herein required and this Section shall not relieve or excuse a Party from exercising all due diligence to construct its improvements within the Permissible Building Areas as shown on Exhibit B.

Section 23.22 Conformity to Law

(a) In the event that any Party receives a notice from any governmental agency or authority to the effect that the Party so notified is in violation of any governmental order, regulation or requirement in respect of the operation of any part of the Shopping Center Site, the Party so receiving such notice shall promptly transmit a copy thereof to the other Parties.

(b) Each Party, at its sole expense, shall promptly comply or cause compliance with all laws and governmental orders, regulations or requirements (the "Laws") which may at any time be applicable to its Parcel, subject to the right, after prior notice to the other Parties, to contest by appropriate legal or administrative proceedings diligently conducted in good faith, in the name of itself and the other Parties, if necessary, the validity or application of any Laws and to delay compliance therewith until a final decision has been rendered in such proceedings and appeal therefrom is no longer possible, provided that such delay shall not render the Shopping Center Site or any part thereof liable to forfeiture, involuntary sale or loss, result in involuntary closing of the business conducted thereon or subject the other Parties to criminal liability.

(c) If compliance with any Laws would prevent the full performance hereunder by the Party to whose part of the Shopping Center Site such Laws apply, and such Party does not contest the applicability or validity of such Laws, any of the other Parties may contest the Laws at its expense. During the pendency of such contest, the Party whose part of the Shopping Center Site is affected shall delay compliance with the Laws unless such delay should render the Shopping Center Site or any part thereof liable to forfeiture, involuntary sale or loss, result in involuntary closing of the businesses conducted thereon or subject the non-contesting Party or any Occupant of its part of the Shopping Center Site to criminal liability.

(d) The Party undertaking proceedings described above in Section 23.22(b) and/or (c) shall at its own expense post any bond or security required by law, and if such security or proceeding does not act as a supersedeas preventing the imposition of all civil and criminal liability upon the Shopping Center Site, or any part thereof, and the Parties hereto, such Party shall furnish to the other Parties security sufficient in amount to discharge all such liabilities or possible liabilities plus all costs and expenses connected therewith.

(e) Each non-contesting Party shall cooperate to the fullest extent necessary with any contesting Party in any proceeding undertaken pursuant to this Section 23.22, and shall take any action necessary to allow the contesting Party to proceed, at the expense, however, of the contesting Party and after first having obtained the consent of such expense by the contesting Party.

(f) This Section 23.22 shall not, however, apply to a Condemnation, or any tax contest, both of which are covered separately in this REA.

Section 23.23 Counterparts

This REA may be signed in several counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. The signature of a Party to any counterpart may be removed and attached to any other counterpart. Any counterpart to which is attached the signatures of all Parties shall constitute an original of this REA.

Section 23.24 Estoppel Certificate

Each Party hereby severally covenants that within thirty (30) days after written request of any other Party (but not more than twice during any calendar year), it will issue to such other Party's prospective Mortgagee or prospective purchasers of ten percent (10%) or more of an interest in the Party, an estoppel certificate stating: (a) whether to its knowledge there is any default under the REA, specifying the nature thereof; (b) whether the REA has been assigned, modified or amended in any way (and if it has, then stating the nature thereof); and (c) that the REA as of that date is in full force and effect. Such statements shall not subject the Party furnishing it to any liability, notwithstanding the negligent or otherwise inadvertent failure of such Party to disclose correct and/or relevant information. However, the Party furnishing the certificate shall not be permitted to assert or enforce any claim against the Person to whom it is delivered (or against such Person's property) which is inconsistent with the statements contained in the certificate, except to the extent that the Person against whom the claim would otherwise be asserted or enforced had actual knowledge of facts to the contrary at the time the Person acted in reliance on the statement. Any Party who is requested to give an estoppel under this Section 23.24 may require, as a condition of its obligation to give the estoppel, that the Party on whose behalf the original request was made give a similar estoppel to the Party who was originally requested to give an estoppel.

IN WITNESS WHEREOF, each Party has caused its duly authorized officers to sign and seal this REA as of the day and year first above written.

DEVELOPER

THE EQUITABLE LIFE ASSURANCE SOCIETY OF
THE UNITED STATES

By: 

Gerard M. Matelski
Investment Officer

DILLARD DEPARTMENT STORES, INC., a Delaware
corporation

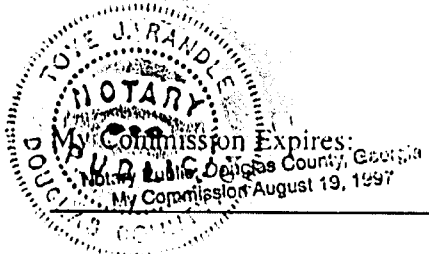
By: 

James E. Darr, Jr.
Senior Vice President

STATE OF Georgia)
)
COUNTY OF Fulton) SS

On this 17th day of December A.D. 1996, before me, a Notary Public in and for said county, personally appeared Gerard M. Matelski, to me personally known, who being by me duly sworn (or affirmed) did say that he is an Investment Officer of The Equitable Life Assurance Society of the United States, that the seal affixed to said instrument is the seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and the said Investment Officer acknowledged the execution of said instrument to be the free act and deed of said corporation by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Toy J. Randle
Notary Public

STATE OF ARKANSAS)
)
COUNTY OF Lenoire) SS
)
COUNTY OF PULASKI)

On this 12 day of Dec. A.D. 1996, before me, a Notary Public in and for said county, personally appeared James E. Darr, Jr., to me personally known, who being by me duly sworn (or affirmed) did say that he is Senior Vice President of Dillard Department Stores, Inc., that the seal affixed to said instrument is the seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and the said James E. Darr, Jr. acknowledged the execution of said instrument to be the free act and deed of said corporation by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Selina L. Dowden
Notary Public

My Commission Expires:

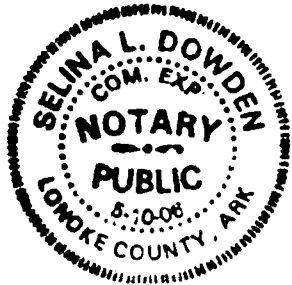


EXHIBIT A-1
DEVELOPER PARCEL

Lot Nos. 1, 2 and 4 in Crossroads Plat No. 7, Waterloo, Black Hawk County, Iowa.

EXHIBIT A-2

DILLARD PARCEL

Lot No. 3 in Crossroads Plat No. 7, Waterloo, Black Hawk County, Iowa.

91527

A-2/1

BOOK 0013 PAGE 971

EXHIBIT A-3

SEARS PARCEL

A parcel of land located in the NE Fractional 1/4 of Section 2-88-13, Waterloo, Black Hawk County, Iowa, described as follows:

Commencing at the intersection of the Southwesterly right-of-way line of U.S. Highway 218 with the East line of said Section 2-88-13, said right-of-way line being 60.00 feet normally distant Southwesterly from the center line of U.S. Highway 218; thence N. 35°20'W. along said Southwesterly right-of-way line a distance of 494.43 feet; thence S. 54°40'W. a distance of 425.00 feet to the point of beginning; thence N. 35°20'W. a distance of 558.57 feet; thence Westerly along a curve concave Southerly having a radius of 179.87 feet a distance of 301.59 feet; thence S. 48°36'W. a distance of 560.26 feet; thence S. 35°20'E. a distance of 758.22 feet; thence N. 54°40'E. a distance of 156.00 feet; thence S. 35°20'E. a distance of 5.00 feet; thence N. 54°40'E. a distance of 600.00 feet; thence N. 35°20'W. a distance of 85.00 feet to the point of beginning.

The Southwesterly right-of-way line of U.S. Highway 218 is assumed to bear N. 35°20'W, and said Southwesterly right-of-way line intersects the East line of said Section 2-88-13 at a point 799.77 feet North of the Southeast corner of the N 1/2 of the SE 1/4 of said Section 2-88-13.

EXHIBIT A-4
SHOPPING CENTER SITE

Lot Nos. 1, 2, 3 and 4 in Crossroads Plat No. 7, Waterloo, Black Hawk County, Iowa.

91527

A-4/1

0013 973

EXHIBIT A-5

COMBINED SHOPPING CENTER SITE

Lot Nos. 1, 2, 3 and 4 in Crossroads Plat No. 7, Waterloo, Black Hawk County, Iowa, together with the following additional land described by metes and bounds as follows:

A parcel of land located in the NE Fractional 1/4 of Section 2-88-13, Waterloo, Black Hawk County, Iowa, described as follows:

Commencing at the intersection of the Southwesterly right-of-way line of U.S. Highway 218 with the East line of said Section 2-88-13, said right-of-way line being 60.00 feet normally distant Southwesterly from the center line of U.S. Highway 218; thence N. 35°20'W. along said Southwesterly right-of-way line a distance of 494.43 feet; thence S. 54°40'W. a distance of 425.00 feet to the point of beginning; thence N. 35°20'W. a distance of 558.57 feet; thence Westerly along a curve concave Southerly having a radius of 179.87 feet a distance of 301.59 feet; thence S. 48°36'W. a distance of 560.26 feet; thence S. 35°20'E. a distance of 758.22 feet; thence N. 54°40'E. a distance of 156.00 feet; thence S. 35°20'E. a distance of 5.00 feet; thence N. 54°40'E. a distance of 600.00 feet; thence N. 35°20'W. a distance of 85.00 feet to the point of beginning.

The Southwesterly right-of-way line of U.S. Highway 218 is assumed to bear N. 35°20'W, and said Southwesterly right-of-way line intersects the East line of said Section 2-88-13 at a point 799.77 feet North of the Southeast corner of the N 1/2 of the SE 1/4 of said Section 2-88-13.

EXHIBIT A-6

OUT PARCELS

OUT-PARCEL C

A parcel of land located in the NE Fractional $\frac{1}{4}$ and the SE $\frac{1}{4}$ of Section 2-88-13, Waterloo, Black Hawk County, Iowa, described as follows:

Commencing at the intersection of the Southwesterly right-of-way line of U.S. Highway 218 with the East line of said Section 2-88-13, said right-of-way line 60.00 feet normally distant Southwesterly from the center line of U.S. Highway 218; thence N. $35^{\circ} 20'$ W. along said Southwesterly right-of-way line a distance of 494.43 feet; thence S. $54^{\circ} 40'$ W. a distance of 425.00 feet; thence S. $35^{\circ} 20'$ E. a distance of 442.31 feet; thence Southeasterly along a curve concave Southwesterly having a radius of 470.96 feet a distance of 290.43 feet; thence South a distance of 370.45 feet; thence Southwesterly along a curve concave Northwesterly having a radius of 561.06 feet a distance of 535.32 feet; thence S. $54^{\circ} 40'$ W. a distance of 246.41 feet; thence Southwesterly along a curve concave Northwesterly having a radius of 470.96 feet a distance of 290.43 feet; thence West a distance of 285.03 feet to the point of beginning; thence North a distance of 173.25 feet; thence Northwesterly along a curve concave Southwesterly having a radius of 313.97 feet a distance of 193.62 feet; thence N. $35^{\circ} 20'$ W. a distance of 28.98 feet; thence S. $54^{\circ} 40'$ W. a distance of 513.13 feet; thence Southeasterly along a curve concave Northeasterly having a radius of 700.00 feet a distance of 341.60 feet; thence East a distance of 165.00 feet to the point of beginning.

The Southwesterly right-of-way line of U.S. Highway 218 is assumed to bear N. $35^{\circ} 20'$ W. and said Southwesterly right-of-way line intersects the East line of said Section 2-88-13 at a point 799.77 feet North of the Southeast corner of the N $\frac{1}{2}$ of the SE $\frac{1}{4}$ of said Section 2-88-13.

OUT-PARCEL D

A parcel of land located in the NE Fractional $\frac{1}{4}$ and the SE $\frac{1}{4}$ of Section 2-88-13, Waterloo, Black Hawk County, Iowa, described as follows:

Commencing at the intersection of the Southwesterly right-of-way line of U.S. Highway 218 with the East line of said Section 2-88-13, said right-of-way line 60.00 feet normally distant Southwesterly from the center line of U.S. Highway 218; thence N. $35^{\circ} 20'$ W. along said Southwesterly right-of-way line a distance of 494.43 feet; thence S. $54^{\circ} 40'$ W. a distance of 425.00 feet; thence S. $35^{\circ} 20'$ E. a distance of 442.31 feet; thence Southeasterly along a curve concave Southwesterly having a radius of 470.96 feet a distance of 290.43 feet; thence South a distance of 370.45 feet; thence Southwesterly along a curve concave Northwesterly having a radius of 561.06 feet a distance of 535.32 feet; thence S. $54^{\circ} 40'$ W. a distance of 246.41 feet; thence Southwesterly along a curve concave Northwesterly having a radius of 470.96 feet a distance of 93.79 feet to the point of beginning; thence N. $35^{\circ} 20'$ W. A distance of 400.68 feet; thence N. $88^{\circ} 00' 10''$ W. a distance of 319.06 feet; thence S. $35^{\circ} 20'$ E. a distance of 28.98 feet; thence Southeasterly along a curve concave Southwesterly having a radius of 313.97 feet a distance of 193.62 feet; thence South a distance of 173.25 feet; thence East a distance of 285.03 feet; thence Northeasterly along a curve concave Northwesterly having a radius of 470.96 feet a distance of 196.64 feet to the point of beginning.

The Southwesterly right-of-way line of U.S. Highway 218 is assumed to bear N. $35^{\circ} 20'$ W. and said Southwesterly right-of-way line intersects the East line of said Section 2-88-13 at a point 799.77 feet North of the Southeast corner of the N $\frac{1}{2}$ of the SE $\frac{1}{4}$ of said Section 2-88-13.

OUT-PARCEL E

A parcel of land located in the NE Fractional 1/4 and the SE 1/4 of Section 2-88-13, Waterloo, Black Hawk County, Iowa, described as follows:

Commencing at the intersection of the Southwesterly right-of-way line of U. S. Highway 218 with the East line of said Section 2-88-13, said right-of-way line 60.00 feet normally distant Southwesterly from the center line of U.S. Highway 218; thence N 35° 20' W along said Southwesterly right-of-way line a distance of 494.43 feet; thence S 54° 40' W a distance of 425.00 feet; thence S 35° 20' E a distance of 442.31 feet; thence Southeasterly along a curve concave Southwesterly having a radius of 470.96 feet a distance of 290.43 feet; thence South a distance of 370.45 feet; thence Southwesterly along a curve concave Northwesterly having a radius of 561.06 feet a distance of 535.32 feet; thence S 54° 40' W a distance of 39.58 feet to the point of beginning; thence N 35° 20' W a distance of 410.00 feet; thence S 54° 40' W a distance of 300.00 feet; thence S 35° 20' E a distance of 400.68 feet; thence Northwesterly along a curve concave Northwesterly having a radius of 470.96 feet a distance of 93.79 feet; thence N 54° 40' E a distance of 206.83 feet to the point of beginning.

The Southwesterly right-of-way line of U.S. Highway 218 is assumed to bear N 35° 20' W and said Southwesterly right-of-way line intersects the East line of said Section 2-88-13 at a point 799.77 feet North of the Southeast corner of the N 1/2 of the SE 1/4 of said Section 2-88-13.

OUT-PARCEL F

A parcel of land located in the NE Fractional 1/4 and the SE 1/4 of Section 2-88-13, Waterloo, Black Hawk County, Iowa, described as follows:

Commencing at the intersection of the Southwesterly right-of-way line of U.S. Highway 218 with the East line of said Section 2-88-13, said right-of-way line 60.00 feet normally distant Southwesterly from the center line of U.S. Highway 218; thence N. 35° 20' W. along said Southwesterly right-of-way line a distance of 494.43 feet; thence S. 54° 40' W. a distance of 425.00 feet; thence S. 35° 20' E. a distance of 442.31 feet; thence Southeasterly along a curve concave Southwesterly having a radius of 470.96 feet a distance of 290.43 feet; thence South a distance of 370.45 feet; thence Southwesterly along a curve concave Northwesterly having a radius of 561.06 feet a distance of 110.22 feet to the point of beginning; thence N. 77° 52' 32" W. a distance of 177.05 feet; thence S. 12° 07' 28" W. a distance of 180.00 feet; thence S. 77° 52' 32" E. a distance of 150.26 feet; thence Northeasterly along a curve concave Northwesterly having a radius of 561.06 feet a distance of 182.78 feet to the point of beginning.

The Southwesterly right-of-way line of U.S. Highway 218 is assumed to bear N. 35° 20' W. and said Southwesterly right-of-way line intersects the East line of said Section 2-88-13 at a point 799.77 feet North of the Southeast corner of the N. 1/2 of the SE 1/4 of said Section 2-88-13.

OUT-PARCEL G

A parcel of land located in the NE Fractional $\frac{1}{4}$ and the SE $\frac{1}{4}$ of Section 2-88-13, Waterloo, Black Hawk County, Iowa, described as follows:

Commencing at the intersection of the Southwesterly right-of-way line of U.S. Highway 218 with the East line of said Section 2-88-13, said right-of-way line 60.00 feet normally distant Southwesterly from the center line of U.S. Highway 218; thence N. $35^{\circ} 20'$ W. along said Southwesterly right-of-way line a distance of 494.43 feet; thence S. $54^{\circ} 40'$ W. a distance of 425.00 feet; thence S. $35^{\circ} 20'$ E. a distance of 442.31 feet; thence Southeasterly along a curve concave Southwesterly having a radius of 470.96 feet a distance of 103.57 feet to the point of beginning; thence S. $54^{\circ} 40'$ W. a distance of 321.21 feet; thence South a distance of 128.70 feet; thence S. $54^{\circ} 40'$ W. a distance of 100.00 feet; thence South a distance of 23.14 feet, thence S. $77^{\circ} 52' 32''$ E. a distance of 342.92 feet; thence East a distance of 44.96 feet; thence North a distance of 285.45 feet; thence Northwesterly along a curve concave Southwesterly having a radius of 470.96 feet a distance of 186.86 feet to the point of beginning.

The Southwesterly right-of-way line of U.S. Highway 218 is assumed to bear N. $35^{\circ} 20'$ W. and said Southwesterly right-of-way line intersects the East line of said Section 2-88-13 at a point 799.77 feet North of the Southeast corner of the N $\frac{1}{2}$ of the SE $\frac{1}{4}$ of said Section 2-88-13.

EXHIBIT A-7

SEARS MAINTENANCE AREA

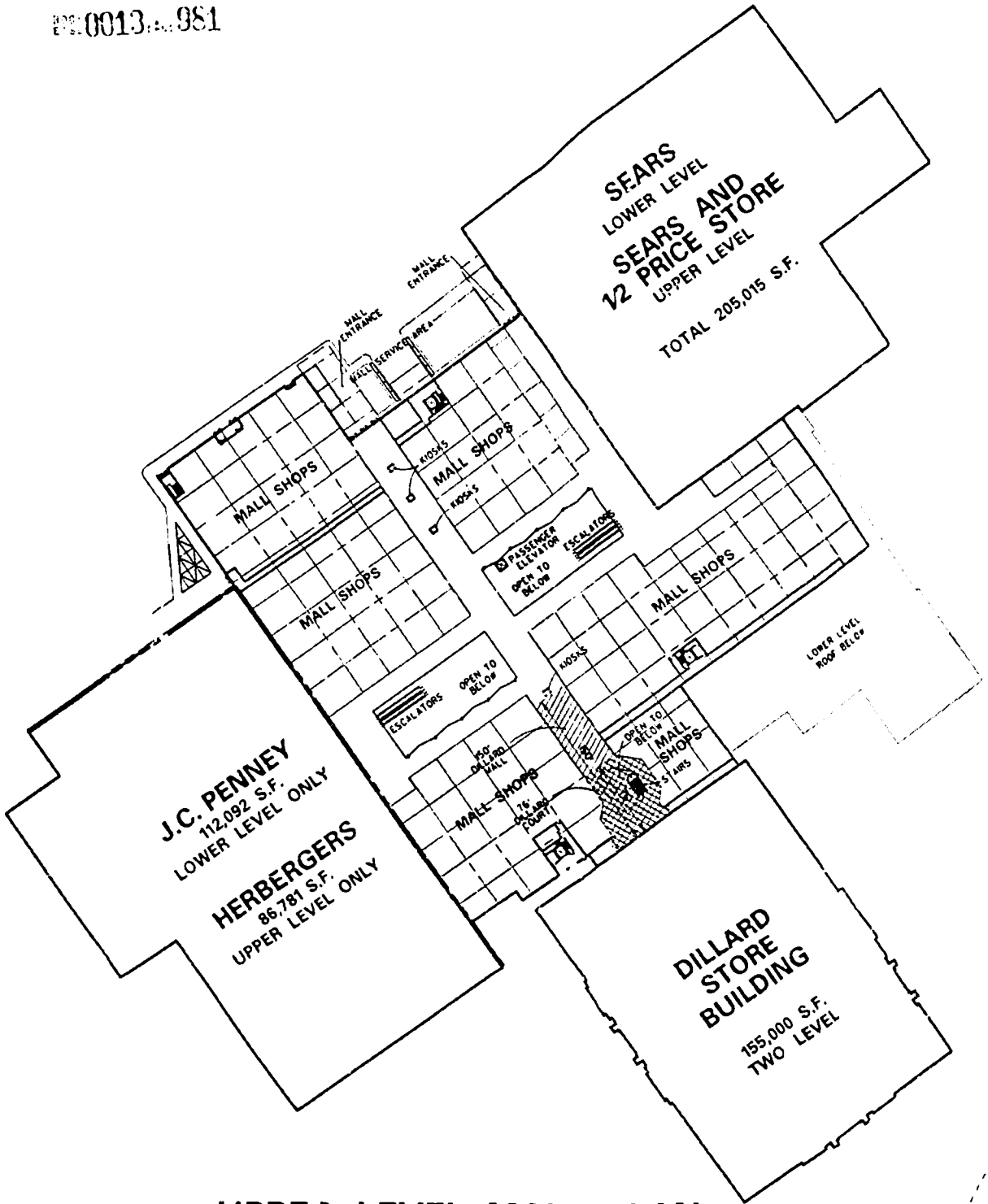
The enclosed mall area shown on Schedule A to the Sears Lease.

91527

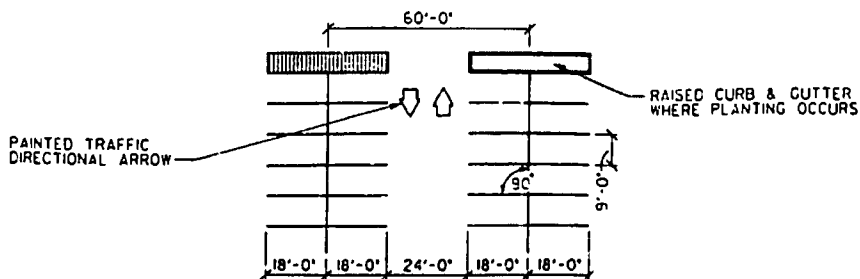
A-7/1

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0013.981

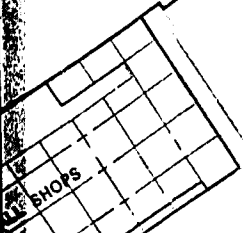


UPPER LEVEL MALL PLAN



0013-982

SEARS
UPPER LEVEL
AND
RICE STORE
UPPER LEVEL
TOTAL 205,015 S.F.



LOWER LEVEL
ROOF BELOW

MILLARD
STORE
BUILDING
155,000 S.F.
TWO LEVEL

GUTTER
OCCURS

PYLON
SIGN

TIRES
PLUS

PENNEYS ST.
PUBLIC

CROSSROADS BLVD.
PUBLIC

SEARS ST.
PUBLIC

\$22-85'
\$48-36'-00"

MONUMENT
SIGN

FUTURE
PARKING

Future
(87')

790
60 deg.
parking layout

FUTURE CROSSROADS
CENTER PYLON SIGN

UPPER LEVEL
MALL ENTRANCE

UPPER LEVEL
MALL ENTRANCE

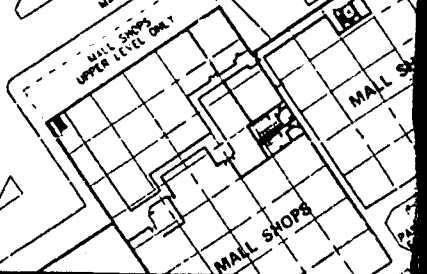
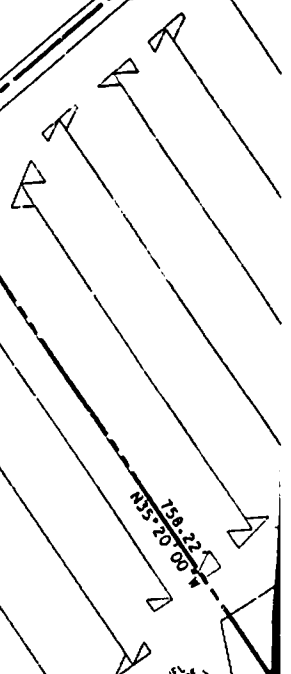
MALL SHOPS
UPPER LEVEL ONLY

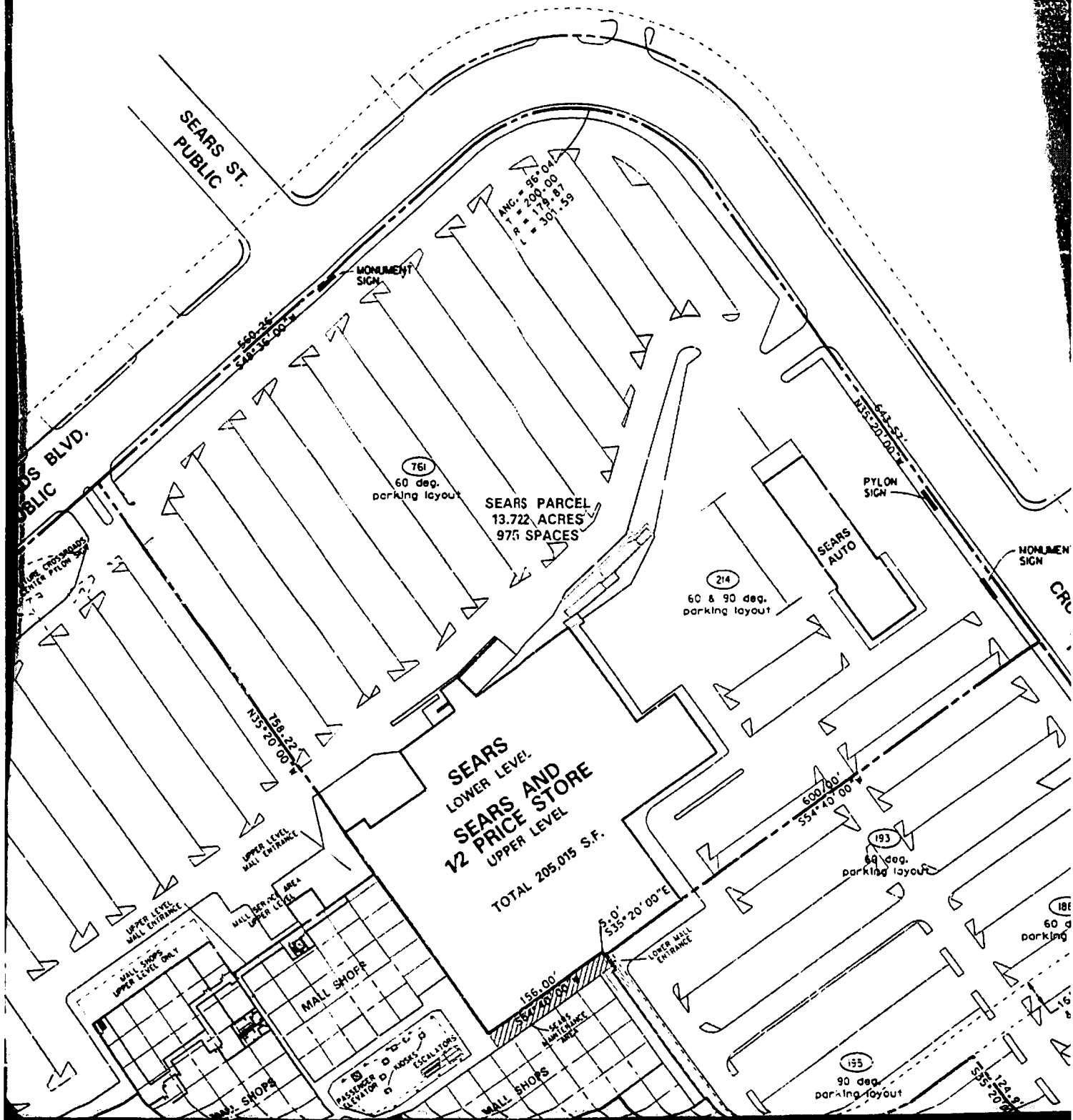
MALL DEPT. STORE
UPPER LEVEL

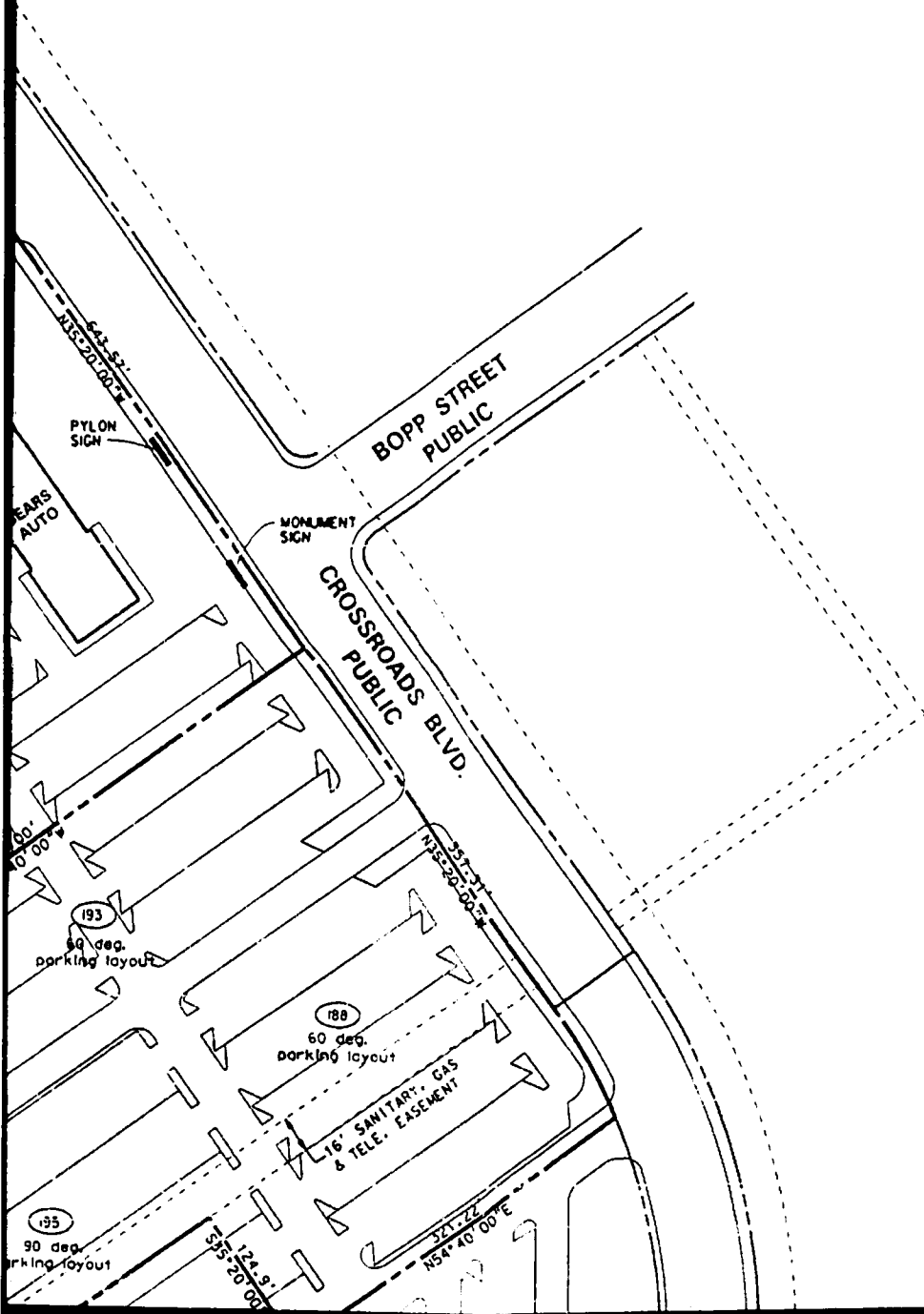
MALL SHOPS

650-25'
CROSSROADS

128-22'
N35-20-00"







PROJ 0013
DATE 0985

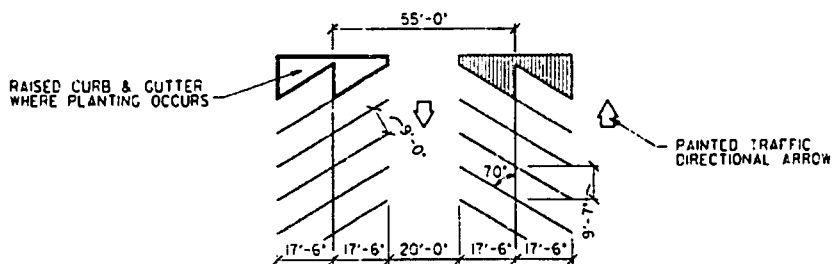
**ENTER
A**

Joseph L. Cassiere, II, Architect

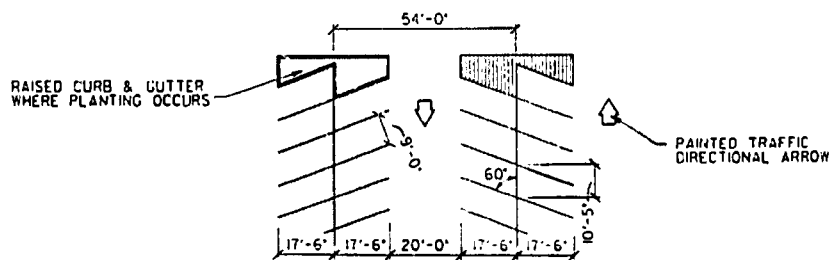
Washington Plaza, Suite 400
300 Washington Street
Monroe, Louisiana 71201

Architecture +

TYPICAL 90° PARKING SPACING



TYPICAL 70° PARKING SPACING



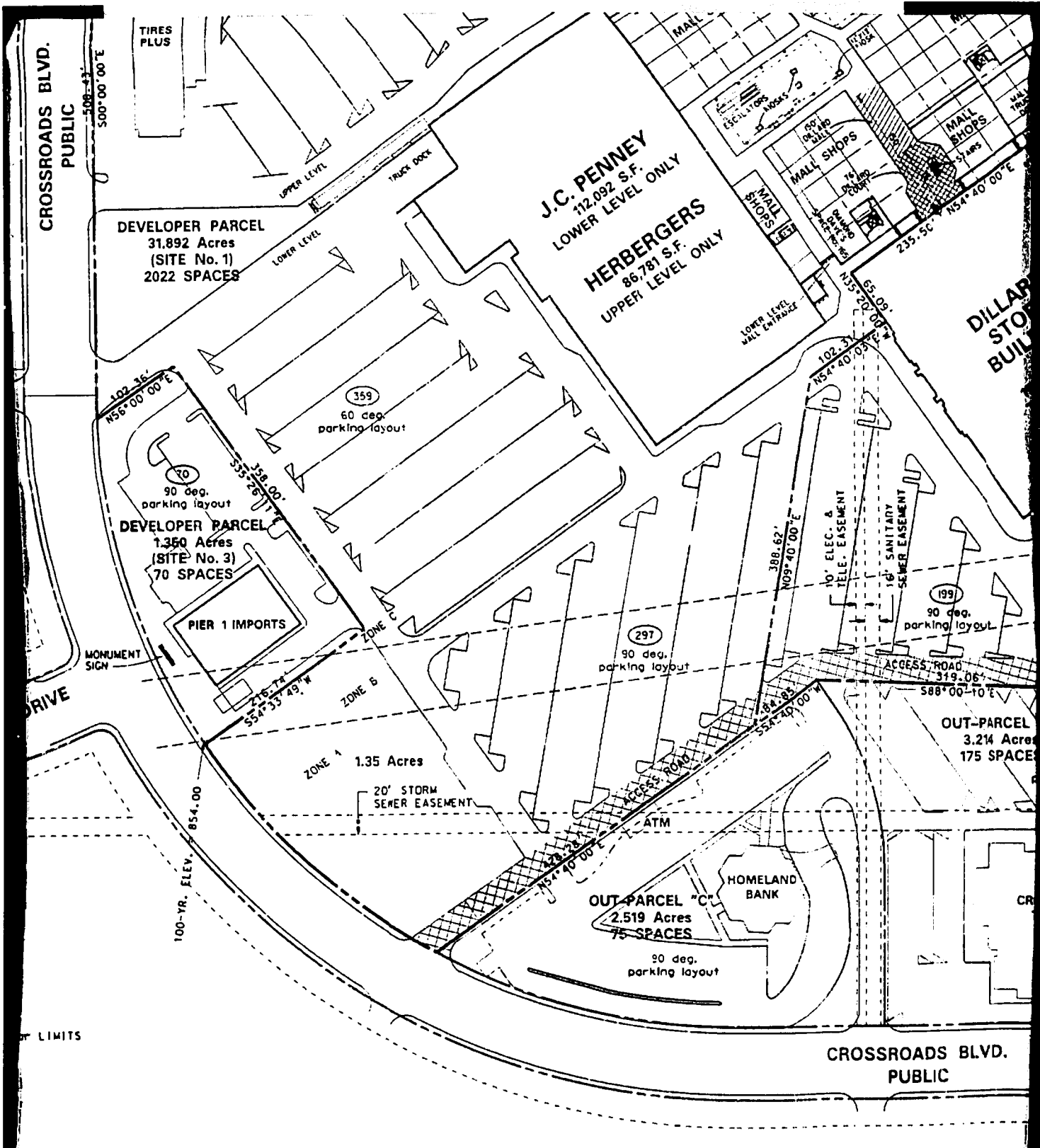
TYPICAL 60° PARKING SPACING

CROSSROADS BLVD.

FLAMMANG DRIVE
PUBLIC

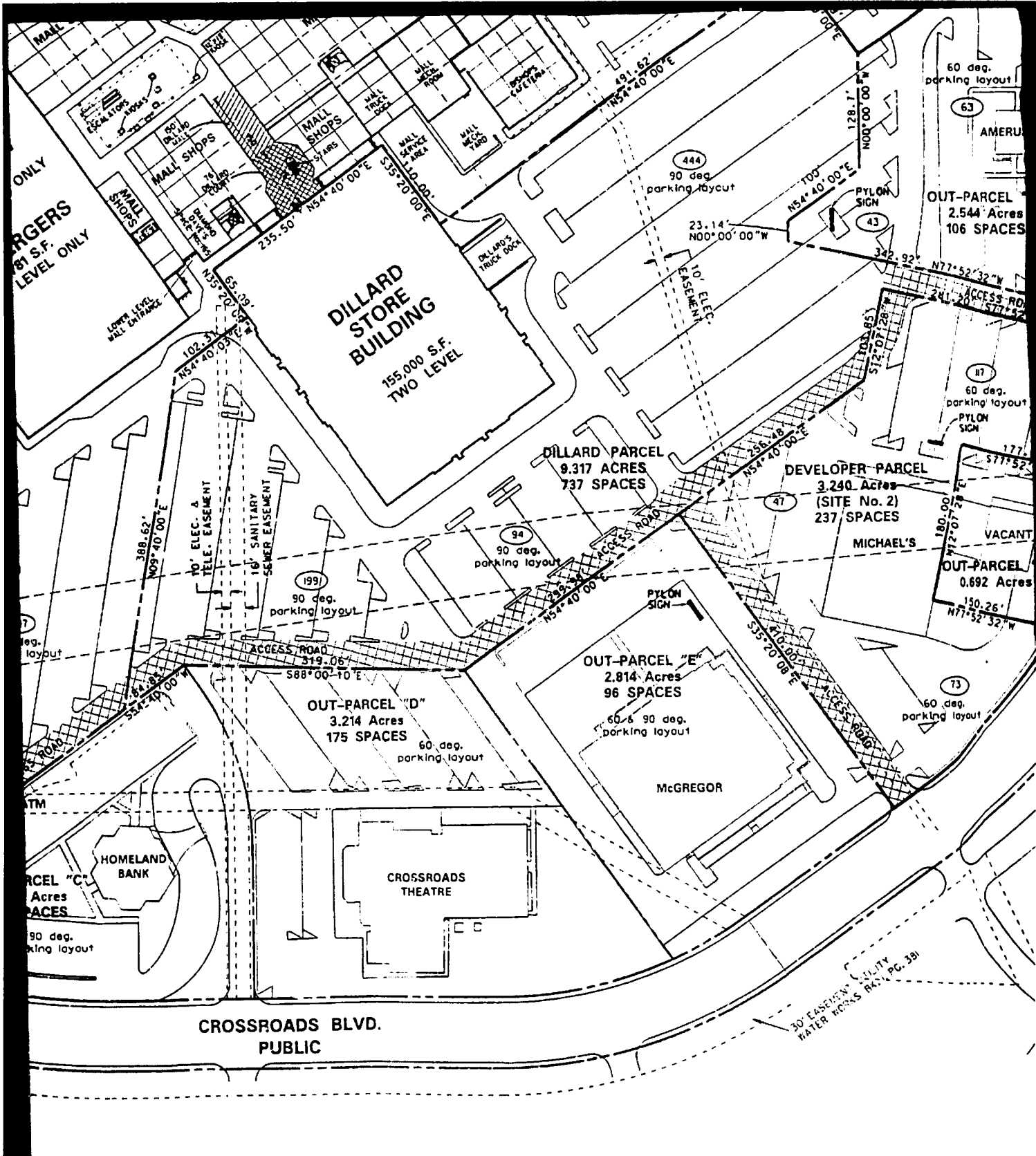
FLOOD ZONE DATA:
 ZONE "A" - AREA WITHIN THE 100 Year FLOOD LIMIT
 ZONE "B" - AREA BETWEEN THE 100 Year AND 500 Year LIMIT
 ZONE "C" - AREA ABOVE THE 500 Year LIMIT

MALL FINISH FLOOR ELEVATIONS:
 LOWER LEVEL ELEVATION = 896-0
 UPPER LEVEL ELEVATION = 073-0



PLOT PLAN - LOWER LEVEL

SCALE: 1" = 100'-0"



LOT PLAN - LOWER LEVEL MALL PLAN

Scale: 1" = 100'-0"

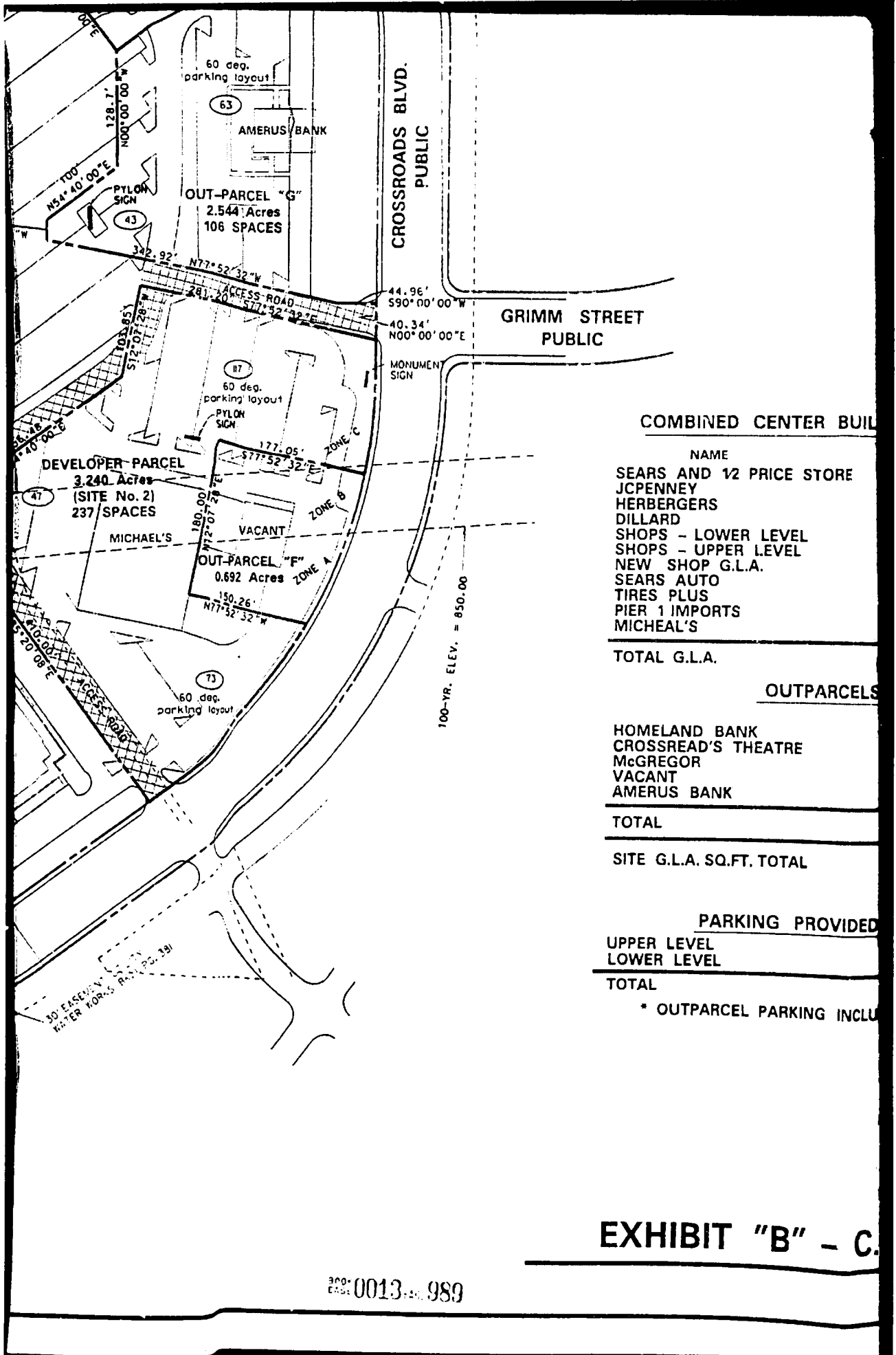


EXHIBIT "B" - C.

GRIMM STREET
PUBLIC

EXHIBITS for:
**CROSSROADS CEN
WATERLOO, IOWA**

COMBINED CENTER BUILDING AREAS

NAME	SQ.FT.
SEARS AND 12 PRICE STORE	205,015
JCPENNEY	112,092
HERBERGERS	86,781
DILLARD	155,000
SHOPS - LOWER LEVEL	117,048
SHOPS - UPPER LEVEL	117,737
NEW SHOP G.L.A.	11,674
SEARS AUTO	12,262
TIRES PLUS	10,566
PIER 1 IMPORTS	9,120
MICHEAL'S	19,440
TOTAL G.L.A.	856,735

OUTPARCELS

HOMELAND BANK	9,050
CROSSREAD'S THEATRE	20,971
McGREGJR	30,400
VACANT	3,575
AMERUS BANK	3,923
TOTAL	67,919
SITE G.L.A. SQ.FT. TOTAL	924,654

PARKING PROVIDED

UPPER LEVEL	1551 SPACES
LOWER LEVEL	2942 SPACES *
TOTAL	4493 SPACES *

* OUTPARCEL PARKING INCLUDED

EXHIBIT "B" - C.O.R.E.A.

0013 990

Job No. 95096

Date AUGUST, 1996

Revisions

No. Date

	ISSUED 8-5-96
1	REVISED 8-8-96
2	REVISED 11-26-96

Sheet 1

**PLOT
PLAN**

Of 1

Drawn by

Checked by

EXHIBIT C
CROSSROADS CENTER

INTENTIONALLY OMITTED.

EXHIBIT E

CROSSROADS CENTER

SIGN CRITERIA

Subject in all respects to the rights of any tenant under any Lease in effect as of the date hereof (and any extensions or renewals thereof), all signs in the Center which are not otherwise approved as part of the Developer Improvements shall conform at all times to the criteria set forth in this Exhibit E, Part A. In addition, signs for Mall Store Occupants shall, in the Manager's reasonable judgment, comply with the provisions of this Exhibit E, Parts B and C, and signs for the Majors shall comply with the provisions of this Exhibit E, Part D. The provisions of this Exhibit shall not apply, however, to Improvements on the Sears Parcel or the Out-Parcels.

Developer shall appoint a Person to administer and interpret these criteria. Developer hereby appoints Compass Retail, Inc. (the "Manager").

A. GENERAL SPECIFICATIONS

1. No flashing, blinking, moving, flickering, animated or audible signs will be permitted.
2. No exterior pylon or pole signs will be permitted, except for those free standing signs (and replacements of the same) existing on October 15, 1996 and the proposed 42 foot pylon sign shown on Exhibit B. The locations of such signs shall be as shown on Exhibit B. No monument signs will be permitted except those which identify the Center and which shall be located as shown on Exhibit B.
3. No signs will be permitted on canopy roofs or building roofs.
4. No sign may project above the parapet or top of the wall upon which it is mounted.
5. No sign will exceed a maximum brightness of 200 foot lamberts.
6. No signs will be permitted on the exterior of the Store Buildings, except as permitted by this Exhibit E, except for those exterior signs which exist on October 15, 1996, or which are permitted by Leases in effect as of such date, and except for Center identification signs on exterior walls or canopies over entrances to the Enclosed Mall.
7. No painted lettering will be permitted, except as approved by the Manager.
8. No billboards will be permitted.
9. No paper signs, stickers utilized as signs, or any other signs of a temporary character or purpose will be permitted, except for temporary construction signs.
10. All electrical signs shall bear the UL label and their installation must comply with all local building and electrical codes.

11. No exposed conduit, ballast boxes or raceways will be permitted.
12. All cabinets, conductors, transformers and other equipment shall be concealed.

B. INTERIOR SIGNS FOR MALL STORE OCCUPANTS.

1. No Mall Store Occupant's signs shall be allowed on the neutral band or neutral frames or be allowed to project more than six (6) inches beyond the Mall Store, except for pendant and blade signs not located within 50 feet of a Dillard Store Building entrance.
2. Only one sign or other graphic treatment shall be allowed at each elevation of each Mall Store; provided, however, that nothing contained herein shall prohibit safety bonds. When a Mall Store has two or more elevations (based on location in the Enclosed Mall), or one elevation in excess of sixty (60) linear feet, a second sign may be permitted by the Manager.
3. No advertisement, notice or lettering other than store names, numbers and addresses shall be exhibited, inscribed, painted or affixed on any part of any storefront of any Mall Store.
4. The maximum area of lettering and logo used on each storefront sign for a Mall Store shall be limited in length to two-thirds (2/3) of each storefront facade unless otherwise approved by the Manager and shall in no case exceed a length of thirty (30) feet. The maximum height of the letters of the Mall Store signs shall be limited to twenty-four (24) inches in height.
5. Where illuminated signs are used, the following restrictions shall apply:
 - (a) Individual dimensional or metal back-lit (halo- effect) letters shall not exceed a maximum height of twenty-four (24) inches. Each letter shall be at least one (1) inch thick and shall be projected from an opaque signing surface.
 - (b) Internally illuminated channel letters with opaque metal sides and translucent plastic faces shall not exceed a maximum height of twenty-four (24) inches.
6. Where non-illuminated signs are used, the following restrictions shall apply:
 - (a) Individual dimensional letters shall not exceed a maximum height of twenty-four (24) inches. Each letter applied directly to glass or other signing surface shall be at least one (1) inch thick.
 - (b) Letters formed from thin metal plate or similar materials shall be pin-mounted at least two (2) inches from signing surface.
 - (c) Letters or logos painted or etched directly to the inside face of glass storefronts shall not exceed a maximum height of twenty-four (24) inches.

Notwithstanding the foregoing, the interior signs existing as of October 15, 1996 are hereby approved.

C. EXTERIOR SIGNS FOR MALL STORE OCCUPANTS.

1. Except as otherwise approved by the Manager, the exterior wall mounted signs for Mall Store Occupants shall use lettering which does not exceed five (5) feet in height for upper case letters and three (3) feet six (6) inches in height for lower case letters.
2. All exterior signs, bolts, fastenings and clips shall be of hot dipped galvanized iron, stainless steel, aluminum, brass or bronze.
3. All exterior letters or signs exposed to the weather shall be mounted so as to permit proper dirt and water drainage.
4. No labels will be permitted on the exposed surface of signs, except those required by local ordinance, which shall be applied in an inconspicuous location.
5. No exterior signs on the Mall Stores Building shall be permitted for Mall Store Occupants except for (a) those exterior signs which exist on October 15, 1996, (b) those exterior signs which are permitted by Leases in effect as of such date, (c) exterior signs for Occupants with exterior public entrances, and (d) exterior signs for Occupants with exterior non-public entrances (which signs for such non-public entrances shall be uniform in application, with lettering not to exceed 12 inches in height, and shall be placed only on the exterior doors). Where more than one Occupant uses the same door, each name and store number may be applied.

Notwithstanding the foregoing, the exterior signs existing as of October 15, 1996 are hereby approved.

D. MAJORS' SIGNS.

1. Each Major will be permitted its typical building signs used in substantially all of its department stores.
2. Each Major's signs in the Enclosed Mall shall be affixed to the facade of such Major's Store Building. Pylons, or signing attached to the floor or restricting traffic in any way, will not be permitted.

Notwithstanding the foregoing provisions of this Exhibit, Penney's existing signs, and any signs installed subsequently by or on behalf of Penney which are consistent with the provisions of D and E above, are hereby approved.

EXHIBIT F
CROSSROADS CENTER

PENNEY OPERATING COVENANT

Penney shall have four successive options to extend the term of its lease, each for a separate additional period of five years, from the date upon which such term would otherwise expire. Each such extension shall be upon and subject to the same terms, covenants and conditions as those herein specified except that Penney may not again exercise any previously exercised option under the lease. If Penney elects to exercise any of said options, it shall do so by giving Developer notice of such election at least six months before the beginning of the additional period for which the term of the lease is to be extended by the exercise of such option. If Penney gives such notice, the term of the lease shall be automatically extended for the additional period of years covered by the option so exercised without execution of an extension or renewal lease.

In the event Penney shall exercise any or all of such options to extend the term of the lease, Penney shall be required to operate a retail department store in the demised premises during the entire term of each such option period under a name consisting of, or in which there appears, the word "Penney" or "J.C. Penney," or under the name under which a majority of Penney's retail department stores are then being operated.

Effective as of _____ [the Deletion Date], Penney covenants and agrees that it will for a period of five (5) years continually operate in the demised premises a retail department store under a name consisting of, or in which there appears, the word "Penney" or "J.C. Penney" or under the name under which a majority of Penney's retail department stores are then being operated.

Anything herein to the contrary notwithstanding, the foregoing operating covenant of Penney may be terminated by Penney on 30 days prior written notice to Developer if, at any time during the five (5) year period referred to in the immediately preceding paragraph, there are not occupants of at least sixty-five percent (65%) of the floor area of the mall store buildings operating and open for business with the public, and such condition continues for a continuous period of one (1) year after the giving of notice by Penney to Developer of the existence of such condition.

A temporary cessation of business by Penney or by any occupant of floor area in the mall store buildings shall not be deemed a cessation of business for purposes of the lease if such cessation:

- (1) is occasioned by the making of repairs, alterations, or renovations due to damage or destruction of the premises where such cessation of business occurs; or
- (2) is caused by unavoidable delay; or
- (3) is not longer than three months in duration.

It is not intended that the foregoing operating covenant of Penney should in any way serve to regulate the manner or hours of operation of business in the demised premises nor prohibit Penney from leasing or subleasing portions of the demised premises, licensing departments or granting concessions to other parties.

EXHIBIT G

CROSSROADS CENTER

DEVELOPER IMPROVEMENTS

SITE IMPROVEMENTS

- Pad preparation and related site work for new Dillard department store.
- Parking lot modifications to accommodate the new Dillard department store and to improve traffic circulation.

RENOVATION

- Entrances
 - Upgrade existing exterior entrances
- Common mall area corridors
 - New floor finishes on the upper level.
 - Replace existing handrail.
 - Replace acoustical ceiling tiles.
 - Upgrade fire alarm system and electrical circuitry.
 - Repaint all common area surfaces.
- Center Court
 - Remove existing food court.
 - Install new flooring.
 - Modify high roof structures and add new skylights, reroof effected area.
 - Relocate existing escalators.
 - Add new passenger elevator in center court.
 - Repaint all center court surfaces.

EXPANSION

- Mall expansion connector to new Dillard department store.
- New common area court at new Dillard department store.

EXHIBIT H

CROSSROADS CENTER

DILLARD PAD DEVELOPMENT CRITERIA

1. Developer, at its sole cost, shall bring separately metered temporary electrical and water service to the Dillard Store Building site and Dillard shall pay for all utility consumption. Temporary electricity shall be 3.5 amps per 1,000 square feet in the Dillard Store Building and water line shall be one and one-half inches. Permanent electrical and water service shall be provided at least 20 weeks before the Scheduled Opening Date.
2. Developer, at its sole cost, shall provide and maintain temporary all-weather haul roads to the Dillard Store Building site or other suitable means of ingress and egress as mutually agreed upon for the duration of construction.
3. Developer, at its sole cost, shall install all utility lines, of sufficient size and/or capacity to serve the Dillard Store Building contemplated hereby, independent of Developer or any third party, to a point within five feet of the final Dillard Store Building exterior building line determined by Dillard.
4. Dillard, at Developer's sole cost shall grade and prepare the entire Dillard Store Building pad and Dillard Parcel, including (i) clearing, (ii) grubbing, (iii) removal of trees, shrubs and stumps, (iv) removal of top soil and other organic or undesirable materials, including expansive soil or other soil not suitable for slab-on-grade construction, (v) filling with non-expansive materials having a plasticity index of 20 or less or soil stabilization utilizing lime or soil cement for spread footings and slab-on-grade construction, (vi) cutting and (vii) compaction of fill, including compaction tests by a recognized testing laboratory approved by Dillard. All fills extending beyond 15 feet outside of the final Dillard Store Building exterior building line shall be compacted as stated in the geotechnic investigation to be furnished to Dillard by Developer, but in no case less than 95 percent ASTM Specification D-1557-70 (modified proctor) density from four feet below finished floor elevation to a grade eight inches below finished floor elevation. All fill, if needed, below four feet below finished floor elevation shall be compacted to no less than 90 percent of such modified proctor density.
5. The maximum differential settlement of the Dillard Store Building site shall be limited to one-half inch within a distance of 28 feet and a maximum total footing settlement of one-half inch. The maximum differential swell shall be limited to one-half inch within a distance of 28 feet and maximum total footing swell of one-half inch. Laboratory compaction tests and field density tests shall be made by a qualified consulting soils engineer or testing laboratory approved by Dillard, and all test data and inspection reports shall be furnished to Dillard for its review and approval.

Misc ✓
 Ease ✓
INDEX *cd*
MARGIN
PROOF
COMPARE

12173

BLACK HAWK COUNTY IOWA: SS
 Filed for record DEC 26, 1996 at
1:45 PM and recorded in Book 13
 of Ease Page 891.

Christina Sess Recorder
 Fee 1-540.00
 BEECHER RATHERT ROBERTS & FIELD