

Prepared by, recording requested by  
and when recorded return to:  
Michaels Stores, Inc.  
8000 Bent Branch Drive  
Irving, Texas 75063  
Attn: Director-Real Estate  
Administration  
901-537-1000

**MEMORANDUM OF SHOPPING CENTER LEASE**

Effective Date of Lease. October 10, 2006.

Name and Address of Landlord. CYPRESS REALTY HOLDING COMPANY-SOUTHAVEN I, LLC,  
a Mississippi limited liability company, having an office at c/o Cypress Realty Holdings Company, 700  
Colonial Road, Suite 100, Memphis, TN 38117.

Name and Address of Tenant. MICHAELS STORES, INC., a Delaware corporation, having an  
office at 8000 Bent Branch Drive, Irving, Texas 75063, Attention: Director of Real Estate.

Description of Premises. Approximately 21,300 (Dimensions 119' 8" frontage x 178')  
Leasable Square Feet and being a part of DeSoto Crossings Shopping Center (the "Shopping Center")  
located in the City of Southaven, County of DeSoto, State of Mississippi, and constructed on land  
described in Exhibit A attached hereto.

Term of Lease. Commencing on the "Completion Date" of the Lease (as such term is defined  
in the Lease) and ending on the last day of the one hundred twenty fifth (125th) full calendar month  
after the Rental Commencement Date (the "Expiration Date"); provided, however, if the Expiration Date  
falls during the period from and including the first day of October of any calendar year through and  
including the last day of January of the succeeding calendar year, the Expiration Date shall  
automatically be extended until the last day of February of said succeeding calendar year, unless

Wyatt See attached

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Tenant notifies Landlord in writing at least six (6) months prior to the last day of the one hundred twenty fifth (125th) full calendar month after the Rental Commencement Date that Tenant elects for the Expiration Date to occur on said last day of the one hundred twenty fifth (125th) full calendar month.

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

Restrictions on Construction. Landlord will not create out parcels or pad sites, in addition to the out parcels or pad sites shown on Exhibit B of the Lease. Landlord will not construct, or allow any other party to construct, other buildings or improvements in the parking areas or on any other area of the Shopping Center except for the area labeled "Future Build Area" on Exhibit B of the Lease and any such building within the Future Build Area shall be subject to the restrictions stated on Exhibit B of the Lease. No building or improvements constructed on any out parcel or pad site shown on Exhibit B shall exceed one story in height, or 25' in height, inclusive of architectural features. The roof line and parapet wall of any other premises in the Shopping Center (other than buildings or improvements constructed on any out parcel or pad site, which shall be subject to the height limitation set forth in the preceding sentence) shall not be higher than the height of the roof line and parapet wall of the Premises.

Exclusive. Section 16.4.1 of Exhibit C to the Lease provides as follows: "Neither Landlord nor any entity controlled by Landlord will use, lease (or permit the use, leasing or subleasing of) or sell any space in or portion of the Shopping Center, or any adjacent property, so long as such adjacent property is owned by Landlord or an Affiliate, as defined below, during the Lease Term, to any "craft store", store selling arts and crafts, art supplies, craft supplies, picture frames or picture framing services,

framed art, artificial flowers and/or plants, artificial floral and/or plant arrangements, wedding or party goods (except apparel), scrapbooking/memory book store, or a store selling scrapbooking/memory book supplies, accessories, and/or decorations or other papercrafting (e.g. making greeting cards, gift bags, tags, and other related or similar items) supplies, accessories and/or decorations associated with the foregoing, or providing classes on any of the foregoing or any combination of the foregoing categories, or any store with similar merchandise mix as Tenant. For the purposes of this Section 16, the term "Affiliate" shall mean (i) any surviving corporation in the event of a merger, consolidation or acquisition of Landlord, (ii) Landlord's parent corporation, (iii) any subsidiary of or company or entity under common ownership or control with Landlord, or (iv) any entity which may acquire fifty percent (50%) or more of the common stock or assets of Landlord. This Section 16.4.1 shall not apply (i) to any lessee for which the sale of a product or service covered by the exclusive granted to Tenant hereunder is merely incidental to such lessee's primary use, unless the total space which such lessee devotes to the products or services which violate the exclusive contained in this Section 16.4.1 exceeds the lesser of one thousand (1,000) Leasable Square Feet (inclusive of allocable aisle space and linear shelf space) or ten percent (10%) of such lessee's Leasable Square Feet; and further provided, in no event shall this exception for incidental use apply to picture framing services, it being the intention that no other lessee or occupant of the Shopping Center shall be permitted to offer custom picture framing services not even on an incidental basis, or (ii) to any lessee whose lease was fully executed on the Effective Date hereof and is identified on Exhibit I as an "Existing Lease Not Subject to Tenant's Exclusive;" provided, however, that this exception shall not apply if (a) Landlord permits or agrees to an expansion of the premises for any such permitted use which violates Tenant's exclusive, or (b) Landlord permits or agrees to the change of a permitted use by any such lessee or its successors or assigns if Landlord has the right pursuant to such lease to prohibit such change of use, or (c) Landlord permits or agrees to an assignment or sublease of such existing lease if Landlord may avoid the granting of such permission, or (d) Landlord has the right, by virtue of the provisions of the existing lease, to cause said

lessee to honor the exclusive granted to Tenant by giving said existing lessee notice of this exclusive or otherwise.

In the event Tenant at any time ceases to operate a business in the Premises for a period of three (3) months or more (for reasons other than remodeling, closures due to Casualty, or other Uncontrollable Events), or in the event Tenant changes its use such that for a period of six (6) months it does not sell or offer the products or services covered by this exclusive, then in either event Tenant shall no longer have an exclusive on those products or services protected by this Section 16.4.1 but not sold or offered by Tenant. In the event Tenant re-commences the sale of any of the previously discontinued products or services, and gives Landlord written notice of such recommencement, then the exclusive granted to Tenant hereunder with respect to said products or services shall again be effective as of the date of such notice to Landlord, but any lessee whose lease was fully executed during the interim period of time during which Tenant's exclusive on said products or services was not effective, shall be deemed to be operating under an Existing Lease Not Subject to Tenant's Exclusive.

If Landlord enters into a lease with Ross Stores ("Ross") for space in the Shopping Center prior to the date Tenant opens its store in the Shopping Center, then for so long as this Lease with Tenant is in effect and for so long as Tenant uses its premises as an "arts and crafts store", the exclusive granted to Tenant herein shall not apply to Ross except that Ross and Ross' assignees and sublessees shall not use its premises as an "arts and crafts store", and no portion of the Ross premises may be devoted to performing picture framing services. The term "arts and crafts store" means a store whose primary use is the sale of arts and crafts, art supplies, craft supplies, picture frames, framed art, artificial flowers and/or plants, artificial floral and/or plant arrangements, wedding or party goods (except apparel). Tenant hereby represents and warrants to Landlord that the foregoing provision pertaining to Ross is consistent with the agreement Tenant has entered into with Ross with respect

to the application of each party's respective exclusive for the Shopping Center against the other party."

Liens. Tenant shall promptly pay for all materials supplied and work done in respect of the Premises so as to ensure that no lien is registered against any portion of the Shopping Center or in Landlord or Tenant's interest therein. If a lien is registered or filed, Tenant shall pay, discharge or otherwise secure said lien or bond pursuant to Tennessee statutory procedure, at its expense within thirty (30) days of the notice thereof failing in which Landlord may at its option discharge the lien by paying the amount claimed to be due in court or directly to the lien claimant in the amount so paid and all reasonable expenses of Landlord, including legal fees (on a solicitor and client basis) shall be paid by Tenant to Landlord as additional rent.

It is understood and agreed that if Tenant shall make repairs or improvements to the Premises, Tenant shall, in making such repairs or improvements act solely for its own benefit and not as an agent of Landlord and that Landlord's interest in the Premises, the building of which the Premises are a part and the Shopping Center or the overall development of which the Premises are a part shall not be subject to any mechanic's, furnisher's or materialmen's liens. Tenant will save and hold Landlord harmless from any and all loss, costs, or expense, including reasonable attorney's fees, based on or arising out of asserted claims or liens against the leasehold estate or against the rights, title and interest of Landlord in the Premises or under the terms of this Lease.

This instrument is intended to be only a Memorandum of Lease in respect to the Lease, to which Lease reference is made for the full agreement between the parties. This Memorandum is not intended to modify any term, provision or condition of the Lease and to the extent of any conflict between this Memorandum and the Lease, the Lease will control.

EXECUTED this 10 day of October, 2006.

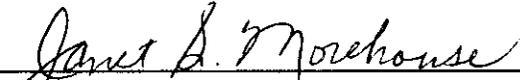
**TENANT**

MICHAELS STORES, INC.,  
a Delaware corporation

By:   
Name: Douglas B. Sullivan  
Title: Executive Vice President-Development

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**ATTEST**

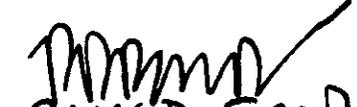
By:   
Name: Janet S. Morehouse  
Title: Assistant Secretary

Date of Execution By Tenant:

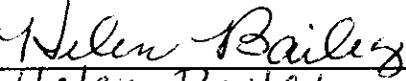
Oct 9, 2006

**LANDLORD**

CYPRESS REALTY HOLDING COMPANY-SOUTHAVEN I, LLC,  
a Mississippi limited liability company

By:   
Name: Prince D. Ford  
Title: MANAGER

**ATTEST**

By:   
Name: Helen Bailey  
Title: Executive Assistant

Date of Execution By Landlord:

October 10, 2006

ACKNOWLEDGMENTS

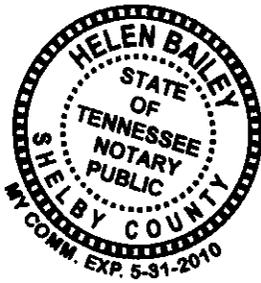
LANDLORD

STATE OF TENNESSEE §

COUNTY OF Shelby §

BEFORE ME, the undersigned authority, on this day personally appeared Price Ford Manager of Cypress Realty Holdings Company, Southaven I, LLC at Memphis, LLC, who acknowledged that he/she was duly authorized to execute this agreement on behalf of said Company.

GIVEN under my hand and seal of office this 10 day of October, 2006.



Helen Bailey  
Notary Public in and for the  
State of Tennessee  
Helen Bailey  
Notary's Printed Name  
My Commission Expires: 5-31-10

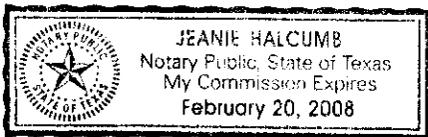
TENANT

STATE OF TEXAS §

COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Douglas B. Sullivan, Executive Vice President-Development of MICHAELS STORES, INC., a Delaware corporation, who acknowledged that he was duly authorized to execute this agreement on behalf of said corporation.

GIVEN under my hand and seal of office this 9 day of October, 2006.



Jeanie Halcumb  
Notary Public in and for the  
State of Texas  
\_\_\_\_\_  
Notary's Printed Name  
My Commission Expires: \_\_\_\_\_

Exhibit A  
Legal Description of the Shopping Center

Parcel 2:

Description of part of the Sheryl Deann Garner Davis and Mimi Michelle Garner Cavagnaro property recorded in Book 266, Page 491 and part of the Ray E. Garner and wife, Jamin M. Garner property recorded in Book 231, Page 768 located in Southwest Quarter of Section 31, Township 1 South, Range 7 West, Southaven, DeSoto County, Mississippi:

Beginning at set 1/2" rebar with plastic cap at the intersection of the east line of Airways Boulevard (106 R.O.W.) and the south line of Lot 7G, Briargate Commercial Subdivision, 5<sup>th</sup> Revision recorded in Plat Book 78, Page 2, said point being located 2662.08 north and 54.08 feet east of a found rebar at the commonly accepted southwest corner of Section 31, Township 1 South, Range 7 West; thence north 89 degrees 58 minutes 23 seconds east with the south line of said Lot 7G recorded in Plat Book 78, Page 2 and the south line of Lot 7B of said subdivision recorded in Plat Book 78, Page 2, 963.14 feet to a found iron pipe in the west line of Lot 2, Elmore Subdivision recorded in Plat Book 22, Page 38; thence south 00 degrees 28 minutes 43 seconds east with the west line of said Lot 2 recorded in Plat Book 22, Page 38, passing a found iron pipe at 725.39 feet and on for a total distance of 729.07 feet to a set 1/2" rebar with plastic cap in the south line of said Lot 2 recorded in Plat Book 22, Page 38; thence south 89 degrees 48 minutes 35 seconds east with the south line of said Lot 2 recorded in Plat Book 22, Page 38, 149.67 feet to a set 1/2" rebar with plastic cap in the west line of the United States of America property recorded in Book 201, Page 481; thence south 00 degrees 28 minutes 43 seconds east across the Ray E. Garner and wife, Jamin M. Garner property recorded in Book 231, Page 768 and the Sheryl Deann Garner Davis and Mimi Michelle Garner Cavagnaro property recorded in Book 266, Page 491, 672.44 feet to a set 1/2" rebar with plastic cap in the north line of a Proposed Road (80' R.O.W.); thence northwestwardly across said property recorded in Book 231, Page 768 and said property recorded in Book 266, Page 491 and with the north line of said Proposed Road the following calls: along a curve to the left having a radius of 990.00 feet, a delta angle of 58 degrees 10 minutes 00 seconds, a chord bearing of north 60 degrees 57 minutes 50 seconds west, a chord distance of 962.44 feet and an arc distance of 1005.05 feet to a point of tangency; south 89 degrees 57 minutes 10 seconds west, 203.57 feet; north 45 degrees 06 minutes 29 seconds west, 39.56 feet to a point in the east line of said Airways Boulevard; thence north 00 degrees 09 minutes 54 seconds west with the east line of said Airways Boulevard, 827.74 feet to the point of beginning and containing 22.583 acres of land more or less.

## Parcel 3:

Description of part of Lot 2, Elmore Subdivision recorded in Plat Book 22, Page 38 located in the Southwest Quarter of Section 31, Township 1 South, Range 7 West, Southaven, DeSoto County, Mississippi:

Beginning at a found iron pipe at the intersection of the south line Lot 7B, Briargate Subdivision recorded in Plat Book 78, Page 2 and an east line of the Ray E. Garner and wife, Jamin M. Garner property recorded in Book 231, Page 768 and being located 2662.08 feet north and 1017.22 feet east of a found rebar at the commonly accepted southwest corner of Section 31, Township 1 South, Range 7 West; thence south 89 degrees 48 minutes 35 seconds east with the south line of said Lot 7B recorded in Plat Book 78, Page 2, 149.67 feet to a set 1/2" rebar with plastic cap; thence south 00 degrees 28 minutes 43 seconds east across Lot 2, Elmore Subdivision recorded in Plat Book 22, Page 38 and with the west line of the United States of America property recorded in Book 201, Page 481, 729.06 feet to a set 1/2" rebar with plastic cap in a north line of said property recorded in Book 231, Page 768; thence north 89 degrees 48 minutes 35 seconds west with a north line of said property recorded in Book 231, Page 768, 149.67 feet to a set 1/2" rebar with plastic cap in an east line of said property recorded in Book 231, Page 768; thence north 00 degrees 28 minutes 43 seconds west with an east line of said property recorded in Book 231, Page 768, passing a found iron pipe at 3.68 feet and on for a total distance of 729.07 feet to the point of beginning and containing 2.505 acres of land more or less.