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STATE MS. - DESOTO CO.  
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**WARRANTY DEED**

WESTCO DEVELOPMENT #3, INC., a Delaware corporation,

GRANTOR(S)

TO

SKN, L.L.C., a Tennessee limited liability company

GRANTEE(S)

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable considerations, the receipt of all of which is hereby acknowledged, Westco Development #3, Inc., a Delaware corporation, does hereby sell, convey and warrant unto SKN, L.L.C., a Tennessee limited liability company, the land lying and being situated in the City of Southaven, DeSoto County, Mississippi, more particularly described as follows, to-wit:

SEE EXHIBIT "A" ATTACHED FOR LEGAL DESCRIPTION

The warranty in this Deed is subject to rights of way and easements for public roads and public utilities, subdivision and zoning regulations in effect in the City of Southaven, DeSoto County, Mississippi, and further subject to all applicable building restrictions and any restrictive covenants of record, including, but not limited to, the Permitted Exceptions set forth on the attached Exhibit "B" and the conditions, covenants, requirements, restrictions, reservations and easements set forth on Exhibit "C", both of which are attached hereto and made a part hereof for all purposes. The conditions, covenants, requirements, restrictions, reservations and easements set forth on Exhibit "C" shall constitute covenants running with the land which shall be binding upon the said party of the second part, its heirs, or successors and assigns, and any party who shall hereafter acquire fee simple title to the property described on Exhibit "A".

Possession is to be given with delivery of deed.

WITNESS the duly authorized signature of the Grantor, this the 25<sup>th</sup> day of August, 2000.

WESTCO DEVELOPMENT #3, INC.,  
a Delaware corporation

By:

Michael M. Caldwell  
Michael M. Caldwell

Its:

Executive Vice President

STATE OF TENNESSEE  
COUNTY OF SHELBY

PERSONALLY appeared before me, the undersigned authority in and for the said County and State, on this the 2nd day of August, 2000, within my jurisdiction, the within named Michael M. Caldwell, who acknowledged that he is the Executive Vice President of Westco Development #3, Inc., a Delaware corporation, and that for and on behalf of the said corporation, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.



My commission expires:

Aug. 29, 2001

Grantor's Address:

Westco Development #3, Inc.  
c/o Weston Retail Properties, Inc.  
P.O. Box 17847  
Memphis, TN 38187-0847  
901 - 681-4200

Grantee's Address:

SKN, L.L.C.  
9131 Riveredge  
Cordova, TN 38018  
901 - 869-6623

Prepared by: Martin Brown, ATTY  
6075 Poplar Avenue, Ste 222  
Memphis, TN 38119

EXHIBIT "A"

LEGAL DESCRIPTION

Property located in the northeast quarter of Section 31, Township 1 South, Range 7 West, Southaven, DeSoto County, Mississippi, more particularly described as follows:

Lot 3, First Revision to Final Plat of Southaven Commons, as recorded in Plat Book 72, Page 14 in the Office of the Chancery Clerk of DeSoto County, Mississippi, to which plat reference is hereby made for a more particular description of the Property.

Being a part of the same property conveyed to Grantor, by Warranty Deed of record in Book 214, Page 637 in the aforesaid Clerk's Office.

**EXHIBIT "B"****PERMITTED EXCEPTIONS**

1. The lien of City of Southaven and DeSoto County taxes for the year 2000 and for subsequent years, not yet due or payable.
2. Subdivision restrictions, building lines and easements of record in Plat Book 61, Page 6, and Plat Book 72, Page 14, in the Office of the Chancery Clerk of DeSoto County, Mississippi.
3. Covenants, conditions, restrictions, liens, easements and assessments of record in Declaration of Easements, Covenants, Conditions and Restrictions recorded in Book 332, Page 138, in the aforesaid Clerk's Office.
4. Title to all oil, gas and minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto.
5. Mississippi Power & Light Utility Easement of record in Book 150, Page 699, in the aforesaid Clerk's Office.
6. Right of way and easement granted to Mississippi Power & Light Company, by instrument recorded in Right of Way Deed Book 110, Page 368, in the aforesaid Clerk's Office.
7. Right of Way from Westco Development #3, Inc., to Mississippi Power and Light recorded in Book 240 at Page 399 in the aforesaid Clerk's Office.
8. Agreement by and between Walgreen Co., an Illinois corporation, and Albertson's, Inc., a Delaware corporation, of record in Book 83, Page 169 in the aforesaid Clerk's Office.
9. Any rights or claims of parties in possession, boundary lines disputes, overlaps, encroachments, discrepancies, conflicts, servitudes, unrecorded easements, shortages in area and boundaries, and any other matters not shown by the public records which would be disclosed by an accurate survey and inspection of the property.
10. Any part of the property which underlies public roads or rights-of-way.
11. All conditions easements, restrictions, and other matters of record in the aforesaid Clerk's Office.
12. Zoning ordinances or laws of any governmental authority.

EXHIBIT "C"CONDITIONS, COVENANTS, REQUIREMENTS,  
RESTRICTIONS, RESERVATIONS AND EASEMENTS

Westco Development #3, Inc., a Delaware corporation ("Seller"), as present owner of the Property (as herein defined), hereby declares, covenants, agrees and imposes upon the Property the following conditions, covenants, requirements, restrictions, reservations and easements, which shall constitute covenants running with the land and which shall be binding upon SKN, L.L.C., a Tennessee limited liability company ("Purchaser"), its heirs, or successors and assigns, and any party who shall hereafter acquire fee simple title to the Property. For purposes of this instrument, the "Property" shall mean the land which is described on Exhibit "A" hereinabove, together with all structures, buildings, improvements and fixtures located thereon or attached thereto. References herein to the Property shall also constitute references to the Building (as hereinafter defined) according to the context of this instrument.

1. **Use of Property.**

(a) Purchaser shall construct on the Property only one (1) single-story building (the "Building") and shall initially use the Property for a retail furniture store. Such use shall be in compliance with all applicable laws, rules, regulations and ordinances of every governmental body or agency whose authority extends to the Property or to any business conducted upon the Property. Seller and Purchaser further agree to the following restrictions on the Property:

(1) No portion of the Property shall be used as a drug store or a deep discount drug store principally devoted to the sale of health and beauty aids, including, but not limited to, operators such as Walgreen's, K&B, Drug Emporium, Phar-More, Ike's, Bud's Outlet or MOST stores.

(2) No portion of the Property shall be used as a food store or food department, or for the sale of groceries, meats, fish, produce, dairy products, bakery products or any of them for off-premises consumption.

(3) No portion of the Property shall be used for any unlawful use, auditorium, meeting hall, church or other place of public assembly, Bingo, lotto or off-track betting hall, repair, sale, lease or display of cars, trucks, boats, recreational vehicles, trailers, or mobile homes (new or used), animal clinic, medical clinic, health spa, karate gymnasium, exercise studio or similar business, car wash, so-called "head shops" or tattoo parlor, hotel, motel, sleeping apartments/lodging rooms or living quarters, any business or use that emits offensive odors, fumes, dust or vapors or any business or use which emits loud noise or sounds which are reasonably objectionable, massage parlor, adult bookstore, or store selling or exhibiting pornographic materials, pornographic adult theater, or the display of male or female dancers or so-called "strip tease" establishment, bar or tavern, arcade, carnival, pawn shop, ballroom, dance hall, bail bondsman, central laundry, dry cleaning plant, laundromat, or any dry cleaning business, lumberyard, blood bank, mortuary, funeral parlor, theater, bowling alley, nightclub, disco, skating rink or other similar activity, or any other non-retail business requiring extensive parking. No portion of the Property shall be used as a health club, fitness center or theater. No portion of the Property shall be used for a business which principally features sexually explicit products or drug-related paraphernalia.

(b) No fences, walls, or barricades will be erected along or adjacent to the common boundary lines between the Property and adjacent property within the retail shopping center known as "Southaven Commons" (the "Shopping Center"), of which the Property is a part, such as would burden or interfere with visibility to the Shopping Center or in any way prevent normal and reasonable pedestrian or vehicular traffic from freely passing across all access points between the Property and the Shopping Center.

(c) Dumpsters on the Property shall be located so as not to impede the visibility or interfere in normal and reasonable pedestrian or vehicular access across all access points between the Property and adjacent parcels of the Shopping Center. Dumpsters shall be screened on four (4) sides and shall include an enclosure gate and shall be adequately maintained so as not to be a nuisance.

(d) All roof equipment and HVAC equipment on the Property shall be screened on all four sides.

(e) Purchaser agrees that it shall not abandon or suffer the Property to become deserted or vacant and shall not cease operations in the Property without the express written consent of Seller, unless prevented from doing business therein by reason of applicable ordinances or other acts of governmental authorities or acts of God or conditions beyond the control of Purchaser.

(f) If the Property is damaged or destroyed by fire or other casualty, the Purchaser shall have the right to promptly repair and restore the same to substantially the same or better condition as existed prior to such damage or destruction. The Property shall be repaired and restored in conformity with plans approved by Seller, with only such changes as Seller shall have approved, and restoration must be completed within ninety (90) days of such occurrence. Such repair and restoration shall be in compliance with all codes. In the event that the Property is not repaired or restored within the aforescribed ninety (90) day period, Purchaser shall, at Purchaser's sole expense, raze the Building, remove all debris, and landscape the Property in order to restore the Property to a clean and neat condition. Thereafter, Purchaser shall maintain the Property in a clean and neat condition.

(g) Purchaser shall not violate any recorded restriction applicable to the Property.

## 2. Construction of Improvements.

(a) Purchaser shall deliver to Seller for approval Final Plans and Specifications (herein so called) of the Building and other related improvements including, but not limited to, signage, landscaping, parking, and driveways (collectively, "Improvements"), all of which Purchaser intends to be constructed on the Property. All Improvements shall be designed and constructed for the purposes of maintaining architectural continuity, quality of design and structural integrity with the remainder of the Shopping Center. Purchaser's Final Plans and Specifications shall be coordinated with the development of the Shopping Center so as to provide a similarity of design as well as the type and color of materials and to provide for cross-easements between the Property and the Shopping Center. Within a period of thirty (30) days from the date of receipt by Seller of Final Plans and Specifications, Seller shall either approve the same (which approval shall not be unreasonably withheld, delayed or conditioned and shall be conclusively presumed if Seller fails to specify its objections within an additional thirty (30) day period after notice from Purchaser to Seller that Seller has failed to either approve or disapprove the Final Plans and Specifications within the initial thirty (30) day period) or specify its objections thereto in detail by written notice delivered to Purchaser on or before the end of said thirty (30) day period. A good faith determination made by Seller that

the Final Plans and Specifications do not maintain architectural continuity, quality of design and structural integrity with the remainder of the Shopping Center or do not provide a similarity of design as well as the type and color of materials shall not be considered an unreasonable disapproval or objection. Seller hereby acknowledges that Purchaser has delivered to Seller plans entitled "Lot 3 Southaven Commons Richwell Furniture Company Southaven, Mississippi August, 2000", prepared by Smith Engineering Firm Inc., containing cover page and pages C1, C2, C3, C4, and A1 (all dated July 26, 2000), and A2 and A3 (both dated July 5, 2000), and SD1 dated May 18, 2000, and A7 dated July 31, 2000. Seller has conditionally approved the plans shown on pages C4, A2, and SD1, subject to the notes set forth thereon. Seller has approved the plans depicted on all of the other aforescribed pages thereof.

(b) Purchaser shall construct, or cause to be constructed, the Building which shall be a one-story building not exceeding 24 feet in height, in accordance with the Final Plans and Specifications approved by Seller. The building shall only be constructed within the permissible building area (the "Permissible Building Area"), as described in Section 3.3(b) of Declaration of Easements, Covenants, Conditions and Restrictions recorded in Book 332, Page 138 in the Office of the Chancery Clerk of DeSoto County, Mississippi (the "Declaration"). The term "Improvements" means the Building and all improvements constructed by Purchaser upon the Property, including all substitutions, additions and replacements.

(c) The Improvements shall be constructed on the Property in accordance with the Final Plans and Specifications (hereinafter collectively referred to as the "Building Plans"). The Building Plans shall be final once approved by Seller. Current and future Improvements and Building Plans shall not be changed, except for change orders which do not (i) change the configuration, location, design and appearance of the Improvements, (ii) cause the Improvements to fail to comply with any law, statute, ordinance, rule or regulation of any governmental body having jurisdiction thereof, or (iii) cause the Building to be located outside of the Permissible Building Area.

(d) Purchaser agrees that it shall promptly commence and with due diligence and best efforts, proceed to construct the Improvements in accordance with the requirements of this paragraph on or before seventy-five (75) days after closing the purchase of the Property. The construction work on the Improvements shall be done by a contractor to be selected by the Purchaser (herein referred to as the "Contractor"), approved by Seller (which approval shall not be unreasonably withheld) and shall be done in a good and workmanlike manner and in compliance with all applicable laws, orders and regulations of federal, state, county and municipal authorities. All construction traffic and construction materials shall be restricted to the Property. Throughout construction Purchaser shall be responsible for keeping the Property in a neat and orderly condition with all construction debris and other trash to be promptly removed.

3. **Signs.** Subject to all applicable laws, restrictions and regulations, Purchaser shall have the right, at Purchaser's sole expense, to erect a suitable sign on the exterior front of the Building. The size, design, composition, location and manner of installation of all signs and lettering on the Property shall be subject to approval of Seller for the purposes of maintaining architectural continuity, quality of design and structural integrity. No signs or other objects shall be erected by Purchaser, which are attached to the roof of the Building, and no signs shall be attached to the Building or canopy at right angles suspended by guy wires, but shall be attached flush to the Building or canopy in a safe and secure manner. All such signs erected shall only advertise Purchaser's business, and no other advertising shall be permitted on the Property without specific prior written consent of Seller. Purchaser shall not paint any signs directly on the walls of the Building.

4. **Alterations, Repairs and Maintenance.** Purchaser shall maintain the Property in a manner

consistent with a first class retail shopping center. Purchaser may make non-structural alterations to the interior of the Building without prior written consent of Seller; provided, however, no other alterations or physical additions to the Improvements shall be made without prior written consent of Seller, which consent shall not be unreasonably withheld. All alterations shall be at the sole cost and expense of Purchaser. Purchaser acknowledges that Seller shall not be responsible to make any repairs or replacements or perform any maintenance with respect to the Property. However, if Purchaser fails to maintain and repair the Property (including landscaping) according to the standards which Seller deems necessary to maintain the Property to first class standards, Seller may, at its option, make any such repairs or replacements (including landscaping) which Seller deems necessary. Purchaser shall reimburse Seller within thirty (30) days from receipt of invoice for these repairs or replacements.

**5. Easements.**

Seller hereby declares, creates, imposes and reserves unto itself, its successors and assigns, perpetual, non-exclusive easements for ingress and egress and a no-build area over, upon and across the easternmost sixty five feet (65') of the Property. Said easements shall be for the use and benefit of Seller, its successors and assigns, and their respective tenants, agents and invitees, and all future owners of fee simple title to Lot 2, First Revision to Final Plat of Southaven Commons as shown on plat of record in Plat Book 72, Page 14 in the Office of the Chancery Clerk of DeSoto County, Mississippi. Said easements shall be perpetual and shall constitute covenants running with the land which shall be binding upon Purchaser, its successors and assigns, and any party who shall hereafter acquire fee simple title to the Property. For purposes of this easement "ingress and egress" shall mean the passage of motor vehicles and pedestrians and "no-build area" shall mean an area of land within which no Building shall be erected.

**6. Miscellaneous Provisions.**

Any notice, request or other communication hereunder shall be in writing and shall be deemed to have been duly given if delivered in person (including delivery by recognized national overnight courier service) or sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed as follows:

To Seller:	Westco Development #3, Inc. c/o Weston Retail Properties, Inc. P. O. Box 17847 Memphis, TN 38187-0847
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To Purchaser:	SKN, L.L.C. 9131 Riveredge Cordova, Tennessee 38018
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The addresses for purposes of this paragraph may be changed by giving notice in the manner provided herein. Notices, requests or other communications hereunder which are delivered in person shall be effective upon delivery; and notices, requests or other communications hereunder which are given by certified mail shall be effective upon actual receipt or refusal by addressee.