Harvey, Illinois

Premises at 8 6 4 4 2 4 3 3

86442438

(Receiving, Marking, Storage and Processing Facility)

AMERICAN NATIONAL BANK AND TRUST COMPANY
OF CHICAGO, as Trustee under Trust Agreement
dated July 2, 1965 and known as Trust No. 21938,
Landlord,

TO

J. C. PENNEY COMPANY, INC.,

Tenant.

Lease

Dated: December 27, 1972

INDEX

3553586

all partners
all annexed
to Lease

Exhibit 1

INDEX (Continued)

LEASE OF RECEIVING, MARKING, STORAGE AND PROCESSING FACILITY

(Premises on the south side of 153rd Street between South Cooper and South Leavitt Streets and premises on the east side of South Cooper Street between 153rd and 154th Streets, Harvey, Cook County, Illinois)

PARTIES

THIS INDENTURE OF LEASE, dated as of December 27, 1972, by and between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a National Banking Association, Trustee under Trust Agreement dated July 2, 1965 and known as Trust No. 21938, with offices at 33 North LaSalle Street, Chicago, Ill. 60602, hereinafter called "Landlord", and J. C. PENNEY COMPANY, INC., a Delaware corporation, with offices at 1301 Avenue of the Americas, New York, New York 10019, hereinafter called "Tenant":

RENT RIDER, EXHIBITS TO LEASE AND DEFINITIONS

Attached to this lease and hereby made a part hereof are the following:

THE RENT RIDER - being a statement of the rent which is to be paid by Tenant hereunder, together with provisions pertaining to the payment of such rent.

EXHIBIT A - being a description of the tract of land hereby demised to Tenant on which the building to be constructed by Landlord for Tenant is to be situated. (The building is to be one story and sprinklered, containing 29,[illegible] square feet, measuring approximately 145 feet by 201 feet; said building is hereinafter sometimes referred to as the "Building").

EXHIBIT B - being a plot plan of the tract of land described in Exhibit A showing the location of the parking areas, Building and improvements (including those areas designated as future expansion areas of the Building and improvements) to be constructed thereon.

EXHIBIT C - being a list of all contracts, leases, tenancies, agreements, restrictions, violations, mortgages and other liens, encumbrances and defects in title of every nature whatsoever affecting, as of the date of the execution of this lease by Landlord the demised land or the rights granted Tenant in this lease with respect to the demised premises.

The foregoing Rider and Exhibits, for the purposes of identification, have been initialed by the parties hereto or their attorneys.

The following terms for purposes of this lease shall have the meanings hereinafter specified:

The term "demised land" shall mean the parcel of land described in Exhibit A hereto as Tract A prior to commencement of construction of the addition referred to in the article hereof captioned "FUTURE EXPANSION" and said term shall mean the parcels of land described in Exhibit A hereto as Tracts A and B upon commencement of construction of the addition referred to in the article hereof captioned "FUTURE EXPANSION" and at all times thereafter during the term of this lease. Said Tract A is outlined in red on Exhibit B hereto and said Tract B is outlined in green on Exhibit B hereto.

The term "demised premises" shall mean the demised land together with the improvements thereon (including but not limited to the Building) and the rights, easements and privileges thereto appertaining.

The term "mortgage" shall include a deed of trust.

The term "duly constituted authorities" shall include but not be limited to any and all governmental, public and quasi-public authorities as well as any and all insurance rating boards, industrial and trade regulating boards, groups, organizations and the like.

The first "lease year" referred to herein shall mean the period (i) beginning on the "commencement date" as hereinafter defined if the commencement date is the first day of a month and on the first day of the first month following the commencement date if such commencement date is a date other than the first day of a month and (ii) ending on the date twelve (12) months thereafter, and succeeding lease years shall commence and end on corresponding dates of subsequent years.

Any and all notes appearing on Exhibit B hereto are part of this lease and shall be deemed to constitute covenants of Landlord.

PREMISES

Landlord hereby demises and leases unto Tenant, and Tenant hereby leases from Landlord, for the consideration and upon the terms and conditions herein set forth, the demised premises.

TERM

TO HAVE AND TO HOLD the demised premises, together with all and singular the improvements, appurtenances, rights, privileges and easements thereunto belonging or in anywise appertaining, unto Tenant for a term commencing as of the date on which Tenant opens its building on the demised prem-

(next page 2A)

ises for business ("commencement date") as hereinafter provided and continuing thereafter to and including the date twenty-one (21) years from the first day of the first month immediately following such commencement date. When the date of commencement of the term has been determined, Landlord and Tenant shall enter into an agreement in recordable form setting forth such date.

ELIVERY OF REMISES

Physical possession of the demised premises improved as herein provided shall be delivered to Tenant by Landlord on or prior to a date which is one hundred twenty (120) days after the date this lease is executed by Tenant and a copy thereof delivered to Landlord, free and clear of all tenancies and occupancies, broom clean and in good order and condition. Landlord further covenants and agrees that the demised premises shall at the commencement of the term hereof, and during the entire term hereof conform to the laws, ordinances, rules, regulations and orders of all duly constituted authorities and shall be in a condition suitable for the operation of a facility for general storage purposes, including the receiving, marking, processing and storage of all merchandise sold in Tenant's retail stores, and for other related purposes as contemplated under this lease. Failure of Landlord to deliver actual possession of the demised premises within the period of time and in the condition provided in this lease shall give Tenant, in addition to such other rights and remedies as it may be accorded by law, the rights provided for in the articles of this lease captioned "UNPERFORMED COVENANTS OF LANDLORD MAY BE PERFORMED BY TENANT", "IMPROVEMENTS TO BE ERECTED BY LANDLORD" and "FAILURE TO DELIVER POSSESSION".

AILURE O ELIVER OSSESSION

In the event that Landlord fails to substantially complete the Building and/or improvements so that they are ready for Tenant's occupancy and shall not deliver possession thereof in accordance with the terms of this lease to Tenant on or before a date which is one hundred twenty (120) days after the date this lease is executed by Tenant and a copy thereof delivered to Landlord, Tenant may elect, with due allowance being made for events beyond Landlord's control such as strikes, governmental restrictions and acts of God, not exceeding an additional ninety (90) days duration, to terminate this lease.

ENT

Tenant shall pay Landlord the rent provided for on the Rent Rider attached to and forming part of this lease.

OVENANT OF TITLE, UTHORITY ND QUIET OSSESSION

Landlord represents and warrants that Landlord has or will have the full right and lawful authority to enter into and perform the Landlord's obligations under this lease for the full term aforesaid and for all extensions herein provided. Landlord further represents and warrants that Landlord is fully empowered to perform the Landlord's obligations under this lease and has good and marketable title to the demised premises in fee simple, free and clear of all contracts, leases, tenancies, agreements, restrictions, violations, mortgages or other liens, encumbrances or defects in title of any nature whatsoever affecting the demised premises, the premises which by reason of the exercise of an option herein contained may comprise part of the demised premises, or the rights granted Tenant in this lease except for the matters specifically set forth on Exhibit C hereto, if any.

Landlord also covenants and warrants that this lease is not and shall not be subject or subordinate to any mortgage except for such subordination as may be accomplished in accordance with the provisions of the article of this lease captioned "SUBORDINATION", and that a memorandum of

this lease shall be recorded ahead of any mortgage placed on the demised premises or any part thereof.

Landlord further covenants that if Tenant shall discharge the obligations herein set forth to be performed by Tenant, Tenant shall have and enjoy, during the term hereof, and all extensions herein provided, the quiet and undisturbed possession of the demised premises and all appurtenances appertaining thereto.

Landlord covenants and warrants that the demised premises are under the zoning jurisdiction of the City of Harvey and are zoned in conformity with applicable laws permitting the erection and operation on the demised premises of the facility referred to in this lease and the use thereof for the purposes set forth in the articles hereof captioned "DELIVERY OF PREMISES", "USE OF PREMISES" and "INSTALLATION OF ANTENNAE" and that the erection, operation and use of said building and improvements in accordance therewith does not violate any law, ordinance, order, rule or regulation of any governmental authority, including the United States, the State in which the premises are located and any subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them or any local authority which exercises jurisdiction over the demised premises or construction thereon, and that Tenant will not be disturbed in its use or occupancy of the Building and the improvements.

SE OF REMISES

The premises hereby demised may be used for the operation of a facility for general storage purposes (including but not limited to the receiving, marking processing and storage of all merchandise sold in Tenant's retail stores; for a product service center (which includes inspection, testing, maintenance and repair of miscellaneous appliances and equipment sold through Tenant's facilities); for related purposes as contemplated under this lease; and for other lawful purposes during the term of this lease. Landlord agrees that Tenant shall have the right to test-run lawn mowers and edger motors on the demised premises in connection with the repairing of same and that Tenant shall also have the right to store gasoline (and other fuels) on the demised premises in connection with the testing of lawn mowers.

NSTALLATION F ANTENNAE

Tenant shall have the right to install a radio antenna and/or a television antenna on the roof of the demised premises, each not to exceed 40 feet in height, and to remove same with the understanding that Tenant shall be responsible for repairing any damage to the demised premises resulting from such installation or removal.

UBLETTING ND SSIGNING

Tenant shall not assign this lease without the prior written consent of Landlord, which consent shall not be withheld unreasonably. Notwithstanding the foregoing, Tenant may assign this lease to any wholly owned subsidiary of Tenant or to any corporation which may be successor in interest of Tenant by reason of any merger or consolidation. Tenant shall have the right to sublet, at any time and from time to time, all or any part of the demised premises. No such assignment or subletting shall release Tenant

from its obligations hereunder except that in case of an assignment to a "Permitted Successor", as hereinafter defined, where such "Permitted Successor", by written instrument duly executed and acknowledged and delivered to Landlord, assumes and covenants and agrees with Landlord to pay the rent to be paid by Tenant hereunder, and to carry out and perform all the terms, covenants and conditions of thislease which, by the terms hereof, are to be carried out and performed by Tenant, Tenant shall be released and relieved from any and all further liability hereunder. A "Permitted Successor" is defined to be:

(a) Successor(s) by change of name;

(b) Successor(s) by dissolution, merger, consolidation or reorganization; provided, however, said successor(s) at the time of such succession have a net worth in excess of $10,000,000;

(c) Statutory Trustee(s) in the event named Tenant forfeits its charter;

(d) Successor in interest to substantially all of the assets of Tenant;

(e) Any corporate successor(s) whose stock is 50% or more owned by named Tenant, or any such corporate successor(s) which owns 50% or more of the stock of the named Tenant provided the stock of such affiliated company(ies) and the stock of Tenant named herein are both 50% or more owned by a parent corporation and further provided that such affiliated company has a net worth (at the time it becomes a corporate successor hereunder) in excess of $10,000,000. An affiliated company is defined to include but not be limited to a subsidiary of Tenant; and

(f) Any corporate successor(s) who at the time of such succession have a net worth in excess of $20,000,000.

CONTINUED POSSESSION OF TENANT

If Tenant continues to occupy the demised premises after the last day of any extension of the term hereof or after the last day of the term hereof if this lease is not extended, and Landlord elects to accept rent thereafter, a monthly tenancy terminable by either party on not less than one month's notice shall be created, which shall be upon the same terms and conditions, including rent, as those herein specified.

FIXTURES

Tenant may, at any time during the continuance of the term of this lease or within a reasonable time after the termination of the term hereof, remove from the demised premises all shelving, fixtures and other equipment which Tenant may have installed at its own expense in said premises or otherwise acquired. Tenant agrees to repair any damage which may be done to the demised premises resulting from the removal of said fixtures and equipment, but such obligation shall not extend to painting or redecorating the

demised premises. Tenant shall not be required to remove its trade fixtures from the demised premises at the end of the term of this lease, but if such fixtures are not removed within a reasonable time after the termination of the term hereof, they shall become the property of Landlord.

TILITIES

Tenant shall pay all charges for gas, electricity and water used on the demised premises during the term of this lease (excluding all fees payable by Landlord in connection with the articles hereof captioned "IMPROVEMENTS TO BE ERECTED BY LANDLORD", "ORDINANCES" and FUTURE EXPANSION"). Landlord will furnish and install at Landlord's expense all utility lines (including, without limitation, water, sanitary sewer, storm sewer, gas, electric and telephone) and sewers required to service the demised premises (including but not limited to water lines and sprinklers containing adequate pressure and quantity of water to meet the requirements of the Factory Mutual Engineering Division of Factory Mutual System) and to service any of Tenant's signs (shown on the final working plans and specifications) which are located within the demised land.

ORDINANCES

Landlord shall at Landlord's expense comply with all federal, state, county and city laws and ordinances and all rules, regulations and orders of any duly constituted authority, present or future, affecting the demised premises. Tenant shall comply with all such federal, state, county and municipal laws and ordinances and all rules, regulations and orders of any duly constituted authority, present or future, which affect the carrying on of Tenant's business, as distinguished from the premises herein demised, and which do not require the making of any changes, improvements, alterations or additions to the demised premises.

REPAIRS

Landlord shall be responsible for and keep all exterior and all structural (both interior and exterior) parts of the demised premises and the appurtenances thereto in good, safe, tenantable condition, sightly in appearance and in good order and repair. Landlord shall be liable for any damages sustained by Tenant resulting from the failure of Landlord to make repairs to the demised premises within a reasonable time after having been notified by Tenant of the need for such repairs. Landlord hereby agrees to hold Tenant harmless against all claims, damages or causes of action for damages, and related expenses, arising out of or brought on account of, injury to any person or persons or property, or loss of life, resulting from any failure on the part of Landlord to make repairs for which Landlord is responsible hereunder. This article shall not abrogate Landlord's responsibilities for repairs to all parts of the demised premises and the appurtenances thereto where the need for such repairs is attributable to Landlord's negligence or failure to make repairs for which Landlord is responsible under the terms of this lease or when such repairs are expressly made the responsibility of Landlord under another article of this lease including without limiting the generality of the foregoing, the articles hereof captioned "DAMAGE CLAUSE" and "CONDEMNATION". Provided it receives written notice from Tenant of the existence thereof prior

to the first day of the second (2nd) lease year of the term hereof, Landlord agrees to repair and restore any defects in, on or about the Building or the other improvements on the demised premises, whether structural or non-structural, exterior or interior. Landlord agrees that effective as of the first day of the second (2nd) lease year of the term hereof, all contractors' warranties given in connection with the construction of and/or installations made in and/or on the Building (including but not limited to air conditioning, heating, plumbing, electrical and other systems and/or all or portions of the demised premises) shall be assigned by Landlord to Tenant (except insofar as the exterior and structural (both interior and exterior) portions of the Building are concerned which remain Landlord's responsibility). The warranties referred to in the preceding sentence shall be for at least a period of time customary in the real estate and/or construction industry for buildings of the type similar to the Building in the general geographical area of the demised premises.

AMAGE LAUSE

If the demised premises or the appurtenances thereto shall, previous to the beginning of the term hereof or during the term hereof, be damaged or destroyed by fire or other casualty or any cause whatsoever, either in whole or in part, Landlord shall forthwith remove any resulting debris and repair and/or rebuild the damaged or destroyed structures and other improvements, including any improvements or betterments made by Landlord or Tenant, in accordance with the plan pursuant to which such property was constructed. Until such time as the demised premises are repaired, rebuilt and put in good and tenantable order, the rents hereby reserved, or a fair and just proportion thereof according to the nature and extent of the damage sustained, shall be abated, and if Tenant shall have paid rent in advance, Landlord shall immediately repay to Tenant an amount equal to that portion of rent so paid in advance, payment of which is abated. It is expressly provided, however, that if Landlord, for any reason whatsoever, fails to commence such restoration work within ninety (90) days from the date when such damage or destruction occurred or fails thereafter to proceed diligently to complete such repair work and/or rebuilding, Tenant, in addition to such other rights and remedies as may be accorded Tenant by law, shall have the right and option to terminate the term of this lease by giving Landlord written notice of Tenant's election so to do at any time prior to the completion of such repairs or rebuilding provided Landlord shall not then be actively undertaking such restoration work, and upon such notice being given, the term of this lease shall automatically terminate and end. Anything herein to the contrary notwithstanding, it is understood and agreed that (i) if the demised premises should be damaged or destroyed by fire or other cause to such an extent that the cost of restoration would exceed 50% of the amount it would have cost to replace the demised premises in their entirety at the time such damage or destruction took place, and (ii) if at the time of such damage or destruction, the term of this lease is scheduled to expire within a period of three years (it being understood, however, that Tenant's exercise of an option under the article hereof captioned "OPTION TO CANCEL"

shall not be considered for purposes of this sentence to be a date on which the term of this lease is scheduled to expire), either Landlord or Tenant shall have the right and option to terminate the term of this lease by giving the other party to this lease notice of such election within 30 days after such damage or destruction shall have taken place, and if such notice is given the term of this lease shall terminate as of the date Tenant vacates the demised premises, which date shall be no later than 60 days after the giving of such notice; provided, however, that Tenant shall have the right to nullify any such notice of termination given by Landlord if at the time such notice is given an option herein granted Tenant to extend the term of this lease for an additional period of five (5) years or more remains unexercised and Tenant shall exercise such option within 60 days after the receipt of such notice from Landlord, in which event Landlord's notice of such termination shall be of no force or reffect and Landlord shall perform the restoration and other work required of Landlord under the terms of this paragraph. It is further understood and agreed that if the demised premises shall be so destroyed or damaged by fire or any other cause to such an extent that the same cannot with reasonable efforts be restored to tenantable condition within one hundred twenty (120) days from the date of such destruction or damage, then Tenant may terminate the term of this lease as of the date of such destruction or damage by notice given to the Landlord not later than sixty (60) days subsequent to the date of such destruction or damage and the rent and other charges payable by Tenant hereunder shall abate as of such termination date.

INSURANCE

Tenant shall keep the Building insured against damage or destruction by fire and the perils commonly covered under the extended coverage endorsement to the extent of 80% of the full insurable value thereof exclusive of the cost of foundations, excavations and footings. Tenant shall be responsible for determining the amount of fire and extended coverage insurance to be maintained. The proceeds of such insurance in case of loss or damage shall be applied on account of the obligation of Landlord to repair and/or rebuild the demised premises pursuant to the article hereof captioned "DAMAGE CLAUSE" to the extent that such proceeds are required for such purpose. It is understood that Tenant may in whole or in part carry such insurance under a "blanket" policy or policies covering other properties of Tenant and its subsidiaries, controlling or affiliated corporations or of any assignee of this lease.

In order to effectuate the provision of the preceding paragraph, the insurance proceeds shall be deposited in (i) a bank or trust company satisfactory to Tenant or (ii) with a mortgagee of the Building provided same is satisfactory to Tenant (hereinafter in this article referred to as "the Trustee") to be held in trust and disbursed as follows:

(a) If restoration or repair of the demised premises is required under the terms of this lease, the Landlord shall submit to the Trustee a contract

with a reputable and solvent contractor (or contracts with such contractors) providing for such work to be performed, and if the amount of such contract (or contracts) exceeds the insurance proceeds received by the Trustee, Landlord shall deposit with the Trustee the amount of such excess to be used to pay the additional cost. Upon presentation to the Trustee of proper bills for labor used, services rendered or materials furnished in restoring the damaged improvements, waivers of contractors' and subcontractors' liens, and an architect's certificate approving payment of such bills, the Trustee shall as the work progresses pay the amount of such bills to the persons, firms or corporations rendering or furnishing such labor, services or materials; provided, however, that the Trustee may, and on instructions from the Tenant shall, withhold from each amount so to be paid by it 15% thereof until the restoration shall have been completed and proof shall have been furnished to the Trustee that upon the amounts so withheld being paid there shall remain no bills or liens for labor and material which have not been paid or satisfied. After completion of the restoration work, any balance of the proceeds of such insurance remaining after all such bills in connection with said work have been paid in full shall be released and paid over by the Trustee to the Landlord and Landlord shall pay all fees of and charges made by the Trustee for acting as Trustee hereunder.

(b) If as a result of the damage or destruction the term of this lease is terminated pursuant to the provisions of the article hereof captioned "DAMAGE CLAUSE", there shall be released and paid over to Landlord such portion of the insurance proceeds payable on account of such damage or destruction as may be required to restore the demised premises to the condition existing immediately prior to such damage or destruction and the remainder of such proceeds shall be paid to Tenant.

The fire and extended coverage insurance shall be maintained for the protection of both Landlord and Tenant, and Landlord and Tenant shall be named as the insureds in all such policies of fire and extended coverage insurance. If the Landlord so requires, the said policies of insurance may be made payable to the holder of any mortgage on the demised premises as interest of such holder may appear pursuant to a standard mortgagee loss payable clause; provided, however, that the amount required to restore or repair the demised premises shall be retained by the Trustee and disbursed as provided elsewhere in this article captioned "INSURANCE".

Anything in this lease to the contrary notwithstanding, Tenant shall not be liable to Landlord or to any insurance

company insuring Landlord for any loss or damage to the demised premises, the appurtenances thereto or to any improvement located thereon, which was or could have been covered by fire and extended coverage insurance even though such loss or damage may have been occasioned by the negligence of Tenant, its agents or employees.

PAINTING AND DECORATING

Prior to delivery of physical possession of the demised premises to Tenant by Landlord, Landlord agrees to paint, at Landlord's sole cost and expense:

(i) All parts of the interior of the Building in the manner and in such colors as may be designated by Tenant; and

(ii) The exterior of the Building with two coats of latex paint in the manner and in such colors as may be designated by Tenant.

Such painting shall be done in a good workmanlike manner.

LANDLORD TO MAKE MORTGAGE PAYMENTS

Landlord shall make all payments required to be made under the terms of any mortgage which is now or hereafter a lien on the demised premises or any part thereof superior to this lease.

TAXES

Tenant shall be obligated under the provisions of this article to pay "real estate taxes" as are assessed against and are applicable to the demised premises and the improvements thereon for the period commencing on the date from and after which rent commences to accrue hereunder and ending on the date when the term of this lease expires (said period being hereinafter sometimes referred to as "the period of Tenant's tax responsibility"), and Landlord shall pay all other "Taxes" assessed against and/or applicable to the demised premises or any part thereof.

A. For the purpose of determining the amount of taxes to be paid by Landlord and Tenant for any tax fiscal year under the provisions of this lease, the following definitions shall apply:

(a) The term "real estate taxes" shall mean and include all real estate taxes which shall be assessed or levied against or upon the demised premises. The term "real estate taxes" shall not include or be deemed to include any special assessments (as hereinafter defined), income, gross income, franchise, corporate, capital levy, capital stock, excess profits, transfer revenue, devolution, estate, inheritance, gift or succession tax or taxes for which the Landlord may be liable and/or which may be levied or assessed against or become a lien upon the demised premises and the improvements thereon, the property of which the demised premises and the improvements thereon are a part, and/or any other tax, assessment, charge or

levy upon, or measured in whole or in part by the rent(s) payable hereunder.

(b) The term "special assessments" shall mean any assessment for public improvements and/or any special assessment which may be levied against the demised premises and/or the improvements thereon by reason of the construction or installation of any roads, acceleration or deceleration lanes, highway widening improvements, gutters, curbs, entrances, overpasses, traffic signals or other traffic control devices, sanitary sewers and drains, or other on-site and/or off-site improvements of any nature whatsoever. The said term shall be deemed to include assessment(s) and special tax(es) for local improvements.

(c) The term "Taxes" shall be deemed to include real estate taxes and special assessments for on-site and off-site improvements as said terms are hereinabove defined.

B. Landlord covenants and agrees that as of the commencement of the period of Tenant's tax responsibility, the demised premises shall constitute a separate tax lot for the assessment of taxes hereunder.

C. Landlord agrees that Landlord will not make any application to the taxing authorities which, if granted, would change the manner in which the demised premises and the improvements thereon are being or willbe assessed or which would have the effect of increasing the assessed valuation of the demised premises and the improvements thereon without first giving Tenant thirty (30) days advance notice of Landlord's intention to make such application and an opportunity to join in or oppose such application and participate in any hearings or conferences preliminary thereto or in connection therewith.

D. Landlord shall pay or cause to be paid (i) all real estate taxes assessed with respect to the demised premises for any tax fiscal year ending prior to the date of commencement of the period of Tenant's tax responsibility, (ii) in respect to any tax fiscal year occurring partially within and partially outside the period of Tenant's tax responsibility a pro rata share of such real estate taxes allocable to the portion of such tax fiscal year occuring outside said period, (iii) all special assessments.

E. Tenant shall pay or cause to be paid (i) all real estate taxes assessed with respect to the demised premises for any tax fiscal year occurring wholly within the period of Tenant's tax

responsibility and (ii) in respect to any tax fiscal year occurring partially within and partially outside the period of Tenant's tax responsibility a pro rata share of such real estate taxes allocable to the portion of such tax fiscal year occurring within said period.

F. Each party shall deliver to the other a photostatic copy or copies of a receipted tax bill or bills showing payment of Taxes for the tax fiscal year last past which such party is required to pay and discharge under the provisions of paragraphs D or E, as the case may be, within thirty (30) days after the other party shall have requested the same or within thirty (30) days after the close of such tax year, whichever is the later date.

G. Anything herein to the contrary notwithstanding, if either party hereto in good faith shall desire to contest the validity or amount of any tax, levy or assessment herein agreed to be paid by such party and shall notify the other party hereto in writing of such party's intention to contest the same, such party shall not be required to pay, discharge or remove such tax, levy, or assessment so long as such party shall, in good faith, at such party's own expense, contest the same or the validity thereof by appropriate proceedings. Such proceedings may be brought by Tenant in the name of Landlord if necessary (for which purpose Landlord hereby appoints Tenant as its attorney-in-fact), and pending such proceedings, Landlord shall not have the right to pay, remove or discharge any such tax, levy or assessment thereby contested, and such delay by Tenant in the paying the same until final determination of such disputed matter shall not be deemed a default in the conditions of this lease, provided Tenant shall at all times effectually stay or prevent any official or judicial sale of said property for such nonpayment under execution or otherwise and pay any final judgment enforcing the tax, levy or assessment so contested and thereafter promptly furnish Landlord evidence of satisfaction of such judgment.

H. Tenant shall, upon notice to Landlord, have the right either (i) to contest itself on behalf of Landlord any and all real estate taxes assessed or levied with respect to the demised premises and the improvements thereon during the period of Tenant's tax responsibility or (ii) to require Landlord to contest the amount of any and all such real estate taxes. Landlord agrees to cooperate in any such contest which may be undertaken by Tenant and to initiate such a contest if required to do so by Tenant and diligently prosecute the same. Any such proceedings, whether brought by Tenant or Landlord, shall be undertaken at the

at the expense of Tenant and by counsel selected by Tenant, and if Tenant deems it appropriate such measures shall be taken in the name of Tenant. If the result of any such contest shall be a reduction in the amount of the real estate taxes so contested, each refund or recovery from the taxing authorities with respect to such real estate taxes shall belong to Tenant unless Landlord shall promptly after receiving notice from Tenant of such refund or recovery reimburse Tenant for its proportionate share of all costs and expenses incurred by Tenant in such proceedings, in which case the refund or recovery shall be divided between Landlord and Tenant in such manner as will result in each of them having paid only such party's proportionate share of the contested taxes as so reduced.

If Landlord shall contest the amount of such real estate taxes without participation by Tenant in the cost and expenses of such proceedings, each refund or recovery arising therefrom shall belong to Landlord unless Tenant shall promptly after receiving notice from Landlord of such refund or recovery reimburse Landlord for its proportionate share of all costs and expenses incurred by Landlord in such proceedings, in which case the refund or recovery shall be divided between Landlord and Tenant in such manner as will result in each of them having paid only such party's proportionate share of the contested taxes as so reduced.

Landlord shall not, without the prior approval of Tenant, make, enter into or agree to any settlement, compromise or other disposition of any contest, or discontinue or withdraw from any contest or accept any refund, adjustment or credit with respect to any real estate taxes which Tenant shall have contested or required Landlord to contest.

Each party's proportionate share of the costs and expenses incurred in such proceedings shall be determined by multiplying such costs and expenses by a fraction having as its numerator such party's proportionate share of the contested real estate taxes as reduced by reason of such proceedings and as its denominator the entire amount of such real estate taxes as so reduced.

I. Anything in this lease to the contrary notwithstanding, the taxes payable hereunder by Tenant shall abate proportionately with any abatement which may occur in any rent payable hereunder by Tenant.

NPERFORMED OVENANTS F LANDLORD AY BE ERFORMED Y TENANT

If Landlord shall fail to perform any of the terms, provisions, covenants or conditions to be performed or complied with by Landlord pursuant to this lease, or if Landlord should fail to make any payment which Landlord agrees to make, and any such failure shall, if it relates to a matter which is not of an emergency nature, remain uncured for a period of thirty (30) days after Tenant shall have served upon Landlord notice of such failure, or for a period of forty-eight (48) hours after service of such notice if in Tenant's judgment reasonably exercised such failure relates to a matter which is of an emergency nature, then Tenant may at Tenant's option perform any such term, provision, covenant or condition or make any such payment, as Landlord's agent, and in Tenant's sole discretion as to the necessity therefor, and the full amount of the cost and expense entailed, or the payment so made, shall immediately be owing by Landlord to Tenant, and Tenant shall have the right to deduct the amount thereof, together with interest at the maximum legal rate thereon from the date of payment, without liability of forfeiture, from rents then due or thereafter coming due hereunder, and irrespective of who may own or have an interest in the demised premises at the time such deductions are made. Any such deduction shall not constitute a default in the payment of rent unless Tenant shall fail to pay the amount of such deduction to Landlord within 30 days after final adjudication that such amount is owing to Landlord. The option given in this article is for the sole protection of Tenant, and its existence shall not release Landlord from the obligation to perform the terms, provisions, covenants and conditions herein provided to be performed by Landlord or deprive Tenant of any legal rights which it may have by reason of any such default by Landlord.

LD ATERIALS

Tenant may convert to Tenant's own use all old materials removed by Tenant when making alterations, changes, improvements and/or additions to the demised premises and in performing any term, provision, covenant or condition which Landlord is obligated to perform under the terms and conditions of this lease and which Landlord fails to perform.

LTERATIONS

Tenant shall have the right and privilege at all times during the continuance of this lease to make, at its own expense, such alterations, changes, improvements and additions to the demised premises as Tenant may desire provided such work when completed will not impair the structural integrity or soundness of any building and provided further that if any of Tenant's proposed work would substantially change the exterior appearance of any building or reduce the value of the premises by removing interior improvements Tenant shall, before undertaking such work, obtain Landlord's written consent to the performance thereof, it being understood that Landlord will not unreasonably withhold such consent. Any alterations, changes, improvements and additions made by Tenant shall immediately become the property of Landlord and shall be considered as part of the demised premises.

Tenant may require Landlord to construct at Landlord's own cost and expense within the boundaries of any property constituting part of the demised premises or reserved for the possible future expansion of the demised premises as shown on Exhibit B hereto an extension or addition to the Building in accordance with the article hereof captioned "FUTURE EXPANSION".

Landlord hereby constitutes and appoints Tenant Landlord's true and lawful attorney-in-fact in Landlord's name to apply for and secure from any governmental authority having jurisdiction thereover such building and other permits and licenses as may be necessary in connection with any work which Tenant is authorized to perform under the provisions of this article, and Landlord agrees upon request by Tenant to execute or join in the execution of any application for such permits and licences.

SIGNS

Tenant shall have the right to maintain on the Building signs or other advertising devices, electrical or non-electrical, either parallel to the Building or at any angle thereto, at or on either the front, back or sides thereof, and Tenant shall also have the right to maintain elsewhere on the demised land an illuminated pylon sign advertising the business to be conducted in the demised premises. Subject to the provisions of the articles hereof captioned "UTILITIES" and "IMPROVEMENTS TO BE ERECTED BY LANDLORD", all such signs and advertising devices shall be furnished and installed by Tenant at its expense. Tenant agrees to comply with any applicable laws and ordinances in erecting any such signs not shown on Tenant's preliminary plans and specifications which may be installed by it under the provisions of this article.

CONDEMNATION

A. If 10% or more of either the ground floor area or total floor area of the Building or 10% or more of any area over which the Building may be expanded laterally under the provisions of the article of this lease captioned "FUTURE EXPANSION" shall be taken in any proceeding by the public authorities by condemnation or otherwise, or be acquired for public or quasi-public purposes, or if the Building shall be divided into separate parts by reason of such taking, Tenant shall have the option of terminating the term of this lease by notifying Landlord of its election so to do on or before the date which is six months after Tenant shall have been deprived of possession of the condemned property, and upon such notice being given the term of this lease shall automatically terminate and end. In the event that less than 10% of the ground floor area or total floor area of said building shall be so taken or the Building shall be divided into separate parts and Tenant elects not to terminate the term of this lease, then Landlord shall restore

the Building to a complete unit as similar as is reasonably possible in design, character and quality to the Building as it existed before such taking. In the event of any such taking of all or part of the demised premises, any unearned rent shall be refunded to Tenant, and if the taking be partial, any rent thereafter payable hereunder shall be reduced in the same proportion that the amount of floor space in the demised premises is reduced by or as a consequence of such condemnation. If Landlord shall be obligated to perform restoration work under the provisions of this paragraph, so much of any rent payable by Tenant as is fairly allocable to the space which is to be restored shall abate until such restoration work shall have been completed. Any restoration work to be performed by Landlord pursuant to the terms of this paragraph shall be completed in accordance with the plans and specifications which shall have been approved in writing by Tenant, it being understood that such approval shall not be unreasonably withheld. In any such proceeding whereby all or part of the demised premises is taken, whether or not Tenant elects to terminate theterm of this lease, each party shall be free to make claim against the condemning authority for the amount of the actual provable damage done to each of them by such proceeding. If the condemning authority shall refuse to permit separate claims to be made, then and in that event, Landlord shall prosecute with counsel satisfactory to Tenant the claims of both Landlord and Tenant, and the proceeds of the award shall be divided between Landlord and Tenant in such manner as seems fair and equitable.

B. If 10% or more of the parking area within the demised premises shall be taken in any proceeding by the public authorities by condemnation or otherwise, or be acquired for public or quasi-public purposes, Tenant shall have the option of terminating the term of this lease by giving Landlord notice of its election so to do on or before the date which is six months after such area shall have become unavailable for Tenant's use and upon such notice being given, the term of this lease shall automatically terminate and end 30 days after the giving of such notice; provided,however, that such right on the part of Tenant to terminate this lease shall be nullified if not more than 20% of such parking area shall have been taken and Landlord shall (i) on or before the thirtieth (30th) day after the giving of such notice advise Tenant in writing of Landlord's intention to forthwith provide and furnish for parking a substitute parking area which substitute parking area shall be of comparable quality and equal in size to the area taken and contiguous to the remaining parking area; and (ii) within six months after so advising Tenant, actually provide such substitute parking area and enter into a written agreement modifying and amending this lease so as to provide for the inclusion of said substitute parking area as part of the parking area with respect to which Tenant is granted parking rights. If the term of this lease shall be terminated under the provisions of this paragraph B, any unearned rent shall be refunded to Tenant.

C. If any restoration or repair work is to be performed by Landlord pursuant to the terms of this article, the proceeds for the property taken shall be deposited in a bank or trust company satisfactory to Tenant (hereinafter in this article

referred to as "trustee") to be held in trust. The Landlord shall submit to the trustee a contract with a reputable and solvent contractor (or contracts with such contractors) providing for such work to be performed, and if the amount of such contract (or contracts) exceeds the proceeds received by the trustee, Landlord shall deposit with the trustee the amount of such excess to be used to pay the additional cost. Upon presentation to the trustee of proper bills for labor used, services rendered or materials furnished in restoring the damaged improvements, waivers of contractors' and sub-contractors' liens, and an architect's certificate approving payment of such bills, the trustee shall as the work progresses pay the amount of such bills to the persons, firms or corporations rendering or furnishing such labor, services or materials; provided, however, that the trustee may, and on instructions from the Tenant shall, withhold from each amount so to be paid by it 15% thereof until the restoration shall have been completed and proof shall have been furnished to the trustee that upon the amounts so withheld being paid there shall remain no bills or liens for labor and material which have not been paid or satisfied.

RESTRICTIONS AFFECTING TENANT

Landlord covenants and represents that except as indicated on Exhibit C hereto there are no restrictions upon the use or occupancy of the premises hereby demised to Tenant or the premises which, by reason of Tenant's exercise of an option granted it in this lease, may hereafter comprise part of the demised premises; and Landlord agrees that Landlord will not hereafter place or permit to be placed any such restriction upon any of said premises.

So long as Tenant occupies any space in the demised premises and notwithstanding the amendment, cancellation, termination or expiration of this lease, any agreement made in contravention of the provisions of this article shall be of no force or effect whatsoever against J. C. Penney Company, Inc., Tenant herein named.

TITLE OPINION

Not earlier than 60 days nor later than 90 days after the date on which a fully executed copy of this lease shall have been delivered to Landlord by Tenant, Landlord shall furnish Tenant, without expense to Tenant, an opinion of Landlord's counsel (which may be in the form of a supplemental opinion bringing down to date a prior opinion previously furnished Tenant by such counsel) or other evidence, satisfactory to Tenant, showing as of the date when such opinion or other evidence is furnished whether or not the then existing condition and state of the title to the demised premises is in accordance with the representations and warranties set forth in the article of this lease captioned "COVENANT OF TITLE, AUTHORITY AND QUIET POSSESSION" and whether or not there is any restriction upon the use or occupancy of the demised premises or any covenant or agreement which violates the provisions of the article of this lease captioned "RESTRICTIONS AFFECTING TENANT". Such opinion may be based upon an examination of a preliminary title binder issued by a responsible title company authorized to do business in the state where the demised premises are located. It is expressly understood and agreed by the parties hereto that if the title opinion or evidence so furnished Tenant, or other evidence procured by Tenant, shall reveal a condition

of title other than as represented in this lease or disclose any restriction upon the use or occupancy of the demised premises or any covenant or agreement which violates the provisions of the article of this lease captioned "RESTRICTIONS AFFECTING TENANT", or if Landlord shall fail to furnish Tenant said opinion within the period herein provided for, then and in any such event, in addition to such other remedies as may be accorded it by law, Tenant shall have the right and option at any time thereafter to cancel this lease by notifying Landlord of Tenant's election so to do, and upon the giving of such notice by Tenant to Landlord and Landlord's failure to cause any defect in title to be cured, or any restriction, covenant or agreement which violates the terms of this lease to be nullified, or to furnish Tenant said opinion, as the case may be, prior to the expiration of 60 days after the giving of such notice, this lease shall terminate and end as of the date 90 days after such notice shall have been given, and Tenant shall thereupon be released from and relieved of all obligations hereunder.

IMPROVEMENTS TO BE ERECTED BY LANDLORD

Landlord covenants and agrees to erect, make and complete the following described improvements on the demised premises in accordance with the provisions hereinafter set forth:

A. GENERAL DESCRIPTION OF THE WORK:

(1) The Building shall be erected within the area outlined in red on Exhibit B hereto. The Building shall contain 29,065 square feet and have approximate dimensions of 145 feet by 201 feet on one level. The Building shall be equipped with:

(a) combination heating and air conditioning systems where shown on the plans and specifications to be prepared in accordance with the provisions of paragraph C of this article;

(b) electrical systems and lighting fixtures throughout;

(c) plumbing systems and plumbing fixtures throughout;

(d) sprinkler systems throughout;

(e) security burglar alarm system; and

(f) fire and sprinkler alarm system.

All such equipment shall conform to Tenant's specifications. The Building shall include such other details, appurtenances, building features, building fixtures and equipment as may be shown on the final working plans and specifications therefor, and the exterior walls of the Building shall be erected to the height specified on said plans and specifications.

(2) Landlord agrees, at Landlord's sole cost and expense, to provide, grade and surface the areas designated on Exhibit B hereto as parking areas, sidewalks and driveways, and also to provide adequate water drainage and lighting (said lighting being attached to the building on the demised premises) systems therefor. Said parking areas shall be striped and adequate directional markers shall be furnished. It is expressly understood and agreed that at all times during the term of this lease there shall be maintained within the demised premises, notwithstanding the erection of new structures or the enlargement of existing structures therein, parking spaces for an absolute minimum of thirty-five (35) passenger automobiles of average American size initially and twenty-nine (29) passenger automobiles of average American size after future expansion as referred to in the article hereof captioned "FUTURE EXPANSION". Landlord covenants to comply at all times with the aforesaid parking area requirements. Anything herein to the contrary notwithstanding, if landlord's failure to comply with the foregoing parking area requirements shall be caused by a condemnation proceeding the rights and obligations of Landlord and Tenant shall be determined pursuant to the provisions of the article of this lease captioned "CONDEMNATION".

All sidewalks on the demised premises and/or adjacent thereto shall be of concrete construction and said parking areas shall be paved with concrete or by installing a suitable base surfaced with a bituminous or asphaltic wearing surface. Such work shall be done in a good workmanlike manner, shall comply with all requirements of law and shall be completed prior to the delivery of the demised premises to Tenant.

Landlord agrees that a means of ready ingress and egress to and from the surrounding streets and highways will be created (as shown on Exhibit B hereto) for access to and from the demised premises by Tenant, its agents, servants, employees, customers and invitees. Landlord further agrees that such access will be available at all times during the term of this lease between the demised premises and Cooper Street in both northerly and southerly directions.

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Landlord agrees to initially provide at Landlord's cost and expense, adequate lighting for the areas reserved for parking. The illumination furnished for said parking area shall provide a minimum intensity at ground level of not less than one and a half foot candles throughout.

In any case where construction and maintenance of any of the roads, acceleration lanes, deceleration lanes, entrances or other roadway improvements shown on Exhibit B hereto or the widening of existing streets to the width shown on said Exhibit is dependent upon Landlord's dedicating to a governmental agency land owned by Landlord, Landlord agrees to make such dedication in time to permit such construction work to start without delay.

Landlord covenants and agrees that the driveways and roadways and loading areas on and/or about the demised premises shall be of such construction and size as shall permit the heaviest trucks, tractor-trailer combinations and the like permitted to be operated on the Interestate Highway System of the United States (at any time) to be operated thereon and to be able to make turns into and out of the said driveways and/or roadways without creating any traffic hazard.

(3) Except as otherwise expressly provided for herein and/or in the plans and specifications referred to in paragraph C of this article, Tenant at its expense shall furnish and install in the demised premises Tenant's trade fixtures.

(4) Tenant shall have the option, if it so desires, to install a security burglar alarm and/or fire and sprinkler alarm system (s) on the demised premises, in which event, Landlord agrees to reimburse Tenant from time to time (within thirty (30) days after receipt of billing from Tenant) for any and all costs and expenses of purchasing the equipment and constructing and installing said systems in the demised premises; provided, however, that Landlord shall not be obligated to so reimburse to Tenant a total amount in excess of $4,000.00.

B. PHYSICAL REQUIREMENTS OF SITE, LAWS, ETC.:

Said improvements shall be designed, constructed, made and completed to meet all physical requirements of the site and to overcome all conditions relative to soil and water, and to comply with all laws, ordinances, rules, regulations and orders of any duly constituted authority applicable thereto. It is further agreed that Landlord shall procure all building and other permits required. Anything herein contained to the contrary notwithstanding, if Landlord shall not be permitted by any applicable laws, ordinances, rules, regulations or orders to construct improvements having the dimensions and number of floors herein provided for, Tenant may at its option either accept improvements of such dimensions as may be so permitted or cancel this lease by giving Landlord written notice of Tenant's election to cancel the same.

C. PLANS AND SPECIFICATIONS:

Said improvements shall be constructed and completed in accordance with final working plans and specifications to be prepared in the following manner:

1. Landlord acknowledges that Tenant has prepared and furnished Landlord preliminary plans and specifications and applicable J. C. Penney Company standard details exclusive of those pertaining to interior partitions and to the electrical systems to be installed in the demised premises.

2. Landlord will haveits architect prepare and submit to Tenant for its approval working drawings and specifications as he proposes they be constructed to conform with the preliminary plans and specifications and with building code and other legal requirements. With such drawings, Landlord shall submit to Tenant Landlord's design proposals, color samples and specifications of materials proposed to be used for the exteriors of said building.

3. Tenant will then notify Landlord's architect as to whether it approves of the said working drawings and specifications, and if it does not fully approve of them, the respects in which they are not found to be acceptable.

4. Tenant will, on the basis of the said working drawings and specifications, proceed with the preparation of its final fixture plans. Upon their completion, Tenant will furnish Landlord's architect with such plans showing all interior partitions and will thereafter furnish him with Tenant's electrical plans.

5. Landlord's architect, upon receiving Tenant's comments relating to the working drawings and specifications, will proceed with the preparation of final working drawings and specifications including electrical plans. Landlord will forward the completed final working drawings and specifications to Tenant for approval in order that Tenant may satisfy itself that the proposed improvements will meet its requirements. Landlord will not commence construction work until Tenant shall have notified Landlord that it approves of said final working drawings and specifications. It is understood that Tenant shall not unreasonably withhold its approval of such final working drawings and specifications. Such approval, if given, shall not relieve Landlord of the responsibility of constructing structurally sound improvements free from defects or of the obligations assumed by Landlord under the article of this lease captioned "REPAIRS".

It is the intention of the parties hereto that both the interior and exterior of the improvements provided for in this article, including all facilities, building fixtures and building equipment, shall conform to Tenant's requirements in all details with the same force and effect as if Tenant were preparing final working plans and specifications therefor which did not require the approval of Landlord. Each party

hereto shall perform its obligations under this paragraph C as soon as reasonably possible; provided, however, that Tenant shall not be required to commence preparation of its final fixture plans and/or electrical plans until Landlord shall have furnished Tenant a copy of the commitment or other evidence which Landlord is required to submit to Tenant under the provisions of paragraph D of this article.

D. ABILITY TO FINANCE:

Landlord shall on or before a date which is sixty (60) days after the date this lease is executed by Tenant and a copy thereof delivered to Landlord ("evidence date") furnish Tenant a copy of a commitment issued by a responsible lending institution for a long term mortgage loan to finance construction of the improvements to be erected by Landlord as herein provided or such other evidence as Tenant may reasonably require showing that Landlord will have the means of paying for such work. The date set forth in any such commitment for disbursement of such loan shall be at least 30 months after the date on which Tenant shall have acknowledged its execution of this lease. If Landlord shall fail to furnish Tenant a copy of such a commitment or other evidence satisfactory to Tenant of Landlord's ability to pay for such work on or before said evidence date, Tenant shall have the right at any time thereafter until it is furnished such copy or other evidence to cancel and terminate this lease by notifying Landlord in writing of Tenant's election so to do, and upon the giving of such notice by Tenant to Landlord, this lease shall terminate and end, and Tenant shall thereupon be released from and relieved of all further obligations hereunder.

E. TENANT'S RIGHT TO CHANGE PLANS AND SPECIFICATIONS:

Tenant shall have the right at any time or times either prior to or during the progress of the work to eliminate any item or detail contained in said final working plans and specifications and/or to add other items or details not shown on said final working plans and specifications, in which event Landlord shall make such changes, and if Landlord fails to do so, Tenant shall have the right, as Landlord's agent, to issue change orders covering such changes to the contractor or contractors doing the work; provided, however, that any net increase (i.e. total increases after offsetting total decreases) in the total cost of said improvements due to such changes (excluding any changes resulting from the failure of Landlord's architect and/or contractor to erect structurally sound improvements suitable for use as contemplated in this lease and complying with the laws, ordinances, rules, regulations and orders of all duly constituted authorities having jurisdiction and any changes arising from the necessity of making substitutions in materials) shall be paid for by Tenant upon completion of the work and presentation of the waivers of lien approved by Tenant.

F. COST OF THE WORK:

Landlord agrees to pay the cost of said improvements in accordance with the contracts covering the same and to pay the fees of architects and engineers (other than Tenant's regular employees or any outside architects or engineers engaged by Tenant) in planning and supervising the work, it being agreed that Tenant will make no charge for the preliminary plans and specifications which are to be prepared and furnished by Tenant to Landlord.

G. CONTRACTS:

All contracts for the construction of said buildings and improvements shall be made by and in the name of and be carried out by Landlord.

H. COMPLETION OF WORK:

Landlord agrees to proceed with due diligence to construct and complete said improvements as soon hereafter as reasonably possible, subject to delays caused by strikes, acts of God, governmental restrictions or shortages of materials or labor arising by reason of war or other national emergency, or any other cause beyond Landlord's control (it being agreed that inability or failure to finance said work shall not be considered a cause beyond Landlord's control). Landlord will notify Tenant of the date (hereinafter sometimes called the "scheduled completion date") on which said improvements are scheduled to be fully completed and the demised premises ready to be delivered to Tenant for its occupancy free and clear of all tenants and occupants. With the objective of insuring that the demised premises will be fully completed and in condition to be delivered to Tenant on such scheduled completion date, Landlord agrees to use Landlord's best efforts, and to give Landlord's architect appropriate instructions, to cause the various items of work to be expeditiously completed.

When the work of constructing said improvements shall have progressed to a point where Tenant can do so without unreasonably interfering with the work, Tenant shall have access to the premises for the purpose of installing its trade fixtures and preparing the premises for Tenant's occupancy, it being recognized that Tenant shall not be obligated to commence making such installations and preparations until Landlord shall have completed the roadway leading to the premises and the loading docks and the turnaround adjacent thereto, the stock room, the office area, the vertical transportation facilities and such other facilities and parts of said building as are needed in order for such work to progress efficiently. It is further agreed that Tenant shall have the right to make such inspections and tests during the progress of the work as Tenant deems advisable. When said work has been fully or substantially completed and the demised premises are ready for Tenant's occupancy, actual possession of the demised premises shall

be delivered to Tenant free and clear of all tenants and occupants. If Landlord fails to commence construction of said improvements by a date which is forty-five (45) days after the date this lease is executed by Tenant and a copy thereof delivered by Tenant to Landlord or fails thereafter to proceed diligently with such construction work, or if for any reason whatsoever.(including any cause within or beyond Landlord's control) Landlord fails to substantially complete said improvements so that they are ready for Tenant's occupancy and deliver actual possession thereof to Tenant free and clear of all tenants and occupants in accordance with the provisions of the article hereof captioned "FAILURE TO DELIVER POSSESSION", Tenant shall have the right, at its option, at any time prior to taking possession of the premises, to cancel this lease by giving Landlord notice of Tenant's election to cancel the same, and upon the giving of such notice this lease shall thereupon terminate and end and Tenant shall be released and discharged from further liability or responsibility hereunder. Such right of termination shall not, however, be exclusive of any other rights or remedies Tenant may have by reason of any such default by Landlord.

OPENING

Tenant agrees that it will, subject to delays arising by reason of causes beyond its control, proceed to open its building for business as soon as reasonably possible after the later of (i) the date on which actual possession of the demised premises shall have been delivered to Tenant free and clear of all tenants and occupants and with the Building and the improvements fully or substantially completed and ready for occupancy by Tenant, and (ii) the date on which a final Certificate of Occupancy and all other certificates and permits necessary for the intended use and occupancy of the demised premises by Tenant, have been issued by the appropriate duly constituted authorities and copies thereof delivered to Tenant.

If the Building and improvements to be constructed by Landlord hereunder are not fully completed when Tenant shall open its said building for business, Landlord covenants and agrees to complete the same as soon thereafter as reasonably possible.

FLOOR LOAD

Landlord represents and warrants that the floors in the demised premises are of sufficient strength to carry a live load of not less than two hundred fifty (250) pounds per square foot.

FUTURE EXPANSION

Tenant shall have the right and option effective at any time and from time to time after the end of the fifth (5th) lease year and prior to the commencement of the twelfth (12th) lease year of the term of this lease to require Landlord to expand the Building by erecting a horizontal addition to the Building covering up to an

additional eleven thousand eight hundred eight (11,808) square feet of floor area by erecting within the location shown therefor on Exhibit B an addition containing such number of square feet of floor area as Tenant may specify and to make such other changes and alterations in and to the original structure as required for construction of the expansion as an integral part of Tenant's Building as operated in the demised premises prior to the construction of said addition for uses generally compatible with the uses of the demised premises prior to the construction of said addition(s).

(It is understood, however, that Tenant, at its sole option, in lieu of Landlord, may at its expense, perform such expansion work, either as a whole or in increments, at any time or times during the term of the lease, as the same may be extended, as hereinafter provided). If Tenant elects to exercise said option referred to in the first sentence of this article, it shall do so by giving Landlord written notice of such election. Landlord covenants and agrees that if Tenant gives such notice, Landlord will perform such work in accordance with the following provisions:

1. Said work shall include the following in addition to such other details, appurtenances, building fixtures and equipment as may be shown on the final working plans and specifications therefor:

   (a) The extension and increase in the capacity of all air conditioning, heating, sprinkler, electrical, plumbing and alarm systems and other services to serve said addition, together with such alterations and changes in and to the original structure as may be necessary for the accomplishment of such work; and

   (b) The alteration of various existing areas within the Building in accordance with Tenant's requirements; and

   (c) The preparation of additional parking (to the same caliber as the parking initially furnished to Tenant) on Tracts A and B as shown on Exhibits A and B hereto.

2. Landlord shall procure all building and other permits required for said work. Said new addition and alterations shall, when completed, comply with all laws, ordinances, rules, regulations and orders of any duly constituted authority applicable thereto and be in a condition ready for Tenant's occupancy and suitable for Tenant's use as an integral part of Tenant's facility in the demised premises.

3. Said work shall be performed in accordance with final working plans and specifications to be prepared and approved in the same manner as those provided for in paragraph C of the article of this lease captioned "IMPROVEMENTS TO BE ERECTED BY LANDLORD", except, however, that if Tenant disapproves of the final working drawings and specifications for such work and the parties hereto are unable to resolve their differences through negotiations, the matter or matters in dispute shall be determined by arbitrators selected and acting pursuant to the rules of the American Arbitration Association. Said final working plans and specifications shall be based upon preliminary plans and specifications and standard details for such work to be prepared by Tenant, which shall, insofar as reasonably practical, be consistent with the preliminary data delivered to Landlord by Tenant at or about the time of the execution of this lease.

4. Landlord shall pay the cost of said work in accordance with the contract or contracts covering the same and shall pay the fees of architects and engineers (other than Tenant's regular employees or any outside architects or engineers engaged by Tenant) in planning and supervising the work, it being agreed that Tenant will make no charge for the preliminary

plans and specifications which are to be prepared and furnished by Tenant to Landlord. Tenant shall, at its expense, furnish and install in said new addition Tenant's trade fixtures. It is understood that all lighting fixtures for the demised premises shall be furnished and installed by Landlord at Landlord's expense.

5. All contracts for said work shall be made by and in the name of, and be carried out by Landlord. Such contracts shall be approved in writing by Tenant before being entered into by Landlord. Tenant shall approve or disapprove any contract submitted to Tenant for approval within 30 days after receipt thereof. If the amount of any contract submitted to Tenant for approval is in Tenant's opinion too high, Tenant shall have the right, within 30 days after Tenant notifies Landlord of its disapproval of such contract, to obtain competitive bids for the work provided for in such contract and to direct Landlord to enter into a contract for such work with such bidder as Tenant may select. If Landlord shall in good faith disapprove of the general contractor selected by Tenant, Landlord shall promptly notify Tenant of such fact, whereupon the parties shall have 60 days to reconcile their differences, failing which arbitrators selected and acting pursuant to the rules of the American Arbitration Association shall determine the matter.

6. Landlord shall, upon receipt of such notice from Tenant exercising such option, proceed with due diligence to perform and complete said work as soon thereafter as reasonably possible, subject to delays caused by strikes, acts of God, governmental restrictions, shortages of materials or labor arising by reason of war or other national emergency or any other cause beyond Landlord's control (it being agreed that inability or failure to finance said work shall not be considered a cause beyond Landlord's control). Tenant shall have the right to make such inspections and tests during the progress of the work as Tenant deems desirable.

Said addition and all other changes, alterations, improvements and repairs hereinbefore provided for shall, upon completion, become part of the demised premises covered by this lease and shall thereafter be held and enjoyed by Tenant upon and subject to all of the terms and conditions of this lease. Tenant agrees that it will, subject to delays arising by reason of causes beyond its control, proceed to open said addition for business as soon as reasonably possible following completion of said expansion work.

It is understood that upon commencement of construction of the addition pursuant to this article captioned "FUTURE EXPANSION" there shall also be included, in the demised land, Tract B as described on Exhibit A hereto, and which is shown as "Parking for 22 Cars (Phase 2)" on Exhibit B hereto.

OPTIONS TO EXTEND

Tenant shall have three (3) successive options to extend the term of this lease from the date upon which it would otherwise expire upon the same terms and conditions as those herein specified for three (3) separate additional periods of five (5) years each. If Tenant elects to exercise any of said options, it shall do so by giving Landlord written notice of such election at least six (6) months before the beginning of the additional period for which the term hereof is to be extended by the exercise of such option. If Tenant gives such notice, the term of this 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.

OPTIONS TO CANCEL

A. Tenant shall have the right and option to terminate the term of this lease effective on any date prior to the last day of the tenth (10th) lease year of the term hereof, upon the giving of not less than sixty (60) days notice to Landlord of the date on which Tenant elects to terminate same in the event that (i) Tenant shall disconinue business in its main store building situated in the Dixie Square Shopping Center in the City of Harvey, Cook County, Illinois ("Store") which is presently operated by Tenant; or (ii) Tenant assigns the lease for the Store; or (iii) Tenant sublets more than fifty (50%) per cent of the floor area of the Store. In the event Tenant so terminates this lease, Tenant shall pay to Landlord a sum equal to the then (such effective date) remaining unamortized principal portion of the "Base Amount" (as said term is hereinafter defined in Paragraph E of this Article).

B. Tenant shall have the right and option to terminate the term of this lease effective on any date on or after the last day of the tenth (10th) lease year of the term hereof and prior to the last day of the initial term hereof, upon the giving of not less than six (6) months notice to Landlord of the date on which Tenant elects to terminate same. In the event Tenant so terminates this lease, Tenant shall pay to Landlord a sum equal to one-half (½) of the then (such effective date) remaining unamortized principal portion of the "Base Amount".

C. Tenant shall have the right and option to terminate the term of this lease (if extended pursuant to the article hereof captioned "OPTIONS TO EXTEND") on any date after the last day of the initial term hereof, upon the giving of not less than sixty (60) days notice to Landlord of the date on which Tenant elects to terminate same.

D. Upon termination of the term of this lease, as aforesaid, and upon payment of the sums referred to in Paragraphs A or B of this article, as the case may be, Tenant shall be relieved from all further liability and responsibility hereunder.

E. The term "Base amount" shall, for purposes of Paragraphs A and B of this article, be deemed to be an original loan (i) in an original principal amount of $375,000.00 as of the commencement date of this lease plus, (ii) in the event Tenant has exercised its option to require Landlord to expand the demised premises pursuant to the article hereof captioned "FUTURE EXPANSION" and Landlord has so expanded the demised premises in accordance with said article, an amount equal to the Cost of Construction as defined in the Rent Rider commencing as to (i) on the first day of the first month following the commencement date and continuing thereafter to and including the date twenty-one (21) years from the said first day of the first month and as to (ii) commencing on the first day of the first month following the date on which such addition is substantially completed and ready for Tenant's use and continuing thereafter to and including the date twenty-one (21) years from the first day of the first month following the commencement date of the lease. The interest rate to be applied in order to compute the remaining unamortized principal portion of the Base Amount shall be at an annual rate of eight and 50/100 (8½%) per cent. For purposes of this Paragraph E, the loan shall be assumed to be repaid in equal monthly installments as to (i) and/or (ii) as the case may be.

SUBORDINATION This lease is subject and subordinate to any first mortgage and all renewals, modifications, consolidations, replacements and extensions thereof, which may hereafter affect the demised premises or any part thereof provided that any such mortgage shall be made in connection with a loan from an insurance company, savings bank or trust company, and provided further that as a condition of such subordination such mortgage shall contain a covenant binding upon the holder thereof to the effect that as long as Tenant shall not be in default under this lease, or, if Tenant is in such default, as long as Tenant's time to cure such default shall not have expired, the term of this lease shall not be terminated or modified in any respect whatsoever nor the rights of Tenant hereunder or its occupancy of the demised premises be affected in any way should such mortgage be foreclosed or any other action be instituted in connection with such mortgage, and that Tenant shall not be named as a defendant in any foreclosure action or proceedings which may be instituted by the holder of such mortgage.

DEFAULT CLAUSE A. If the rent above referred to or any part thereof shall be unpaid on the date of payment by the terms hereof, and remain so for a period of 30 days after Landlord shall have given to Tenant notice in writing of such default, then and in such case it shall and may be lawful for Landlord, at Landlord's option, by summary proceedings or by any other appropriate legal action or proceedings to terminate the term of this lease and to enter into the demised premises or any part thereof and expel Tenant or any person or persons occupying the demised premises

and so to repossess and enjoy the demised premises as in Landlord's former estate. Should the term of this lease at any time be terminated under the terms and conditions hereof, or in any other way, Tenant hereby covenants and agrees to surrender and deliver up the demised premises peaceably to Landlord immediately upon the termination of the term hereof. Landlord agrees that in no event shall the nonpayment of rent be the basis of a forfeiture of this lease or otherwise result in the eviction of Tenant or the termination of the term of this lease unless said written notice shall have been served on Tenant as hereinbefore provided and Tenant shall have failed to cure such default within said 30-day period after the service of said notice.

B. It is mutually agreed that if Tenant shall be in default in performing any of the terms or provisions of this lease other than the provision requiring the payment of rent and Landlord shall give to Tenant notice in writing of such default and if Tenant shall fail to cure such default within 30 days after service of such notice, or if the default is of such character as to require more than 30 days to cure and Tenant shall fail to use reasonable diligence in curing such default after service of such notice, then and in any such event Landlord may cure such default for the account of and at the cost and expense of Tenant, and the full amount so expended by Landlord shall immediately be owing by Tenant to Landlord. Landlord agrees that in no event shall such default be the basis of a forfeiture of this lease or otherwise result in the eviction of Tenant or the termination of the term of this lease.

LEASE NOT TO BE RECORDED

The parties hereto have executed and delivered a memorandum of this lease for recording purposes with the expectation that such memorandum is in recordable form. If in the opinion of Tenant's counsel such memorandum will not afford Tenant the protection of the recording statutes, the parties hereto agree to take whatever action may in the opinion of Tenant's counsel be necessary to obtain such protection for Tenant. Landlord agrees that Landlord will not record this lease unless Tenant shall have consented in writing to Landlord's so doing.

TRANSFER OF TITLE

Landlord shall promptly notify Tenant in writing of any change in the ownership of the demised premises, giving the name and address of the new owner and instructions regarding the payment of rent. In the event of any change in or transfer of title of Landlord in and to the demised premises or any part thereof, whether voluntary or involuntary, or by act of Landlord or by operation of law, Tenant shall be under no obligation to pay rents thereafter accruing until Tenant shall have been notified in writing of such change in title and given satisfactory proof thereof, and the withholding of rents in the meantime shall not be deemed a default upon the part of Tenant.

If during the term hereof, Landlord's interest in this lease shall be acquired by more than one person, firm, corporation or other entity, whether by conveyance, operation of law or otherwise, Landlord shall by notice to Tenant signed by all of the then lessors hereunder appoint one such lessor to whom rent may be paid by Tenant and upon whom all notices which

Tenant may give hereunder may be served. Until such appointment shall be made Tenant shall be authorized from time to time to select any one of such lessors and to pay all rent coming due hereunder to, and serve all notices upon, the lessor so selected until such time as such appointment shall have been made as aforesaid. The service of any notice upon and the payment of any rent to the appointed or selected lessor as herein provided shall constitute service of notice upon, and payment of rent to Landlord.

NOTICES

Whenever any notice is required or permitted hereunder, such notice shall be in writing. All notices by Landlord to Tenant shall be sent to Tenant by registered or certified mail, in duplicate, one copy to the demised premises and the other copy to 1301 Avenue of the Americas, NewYork, New York, 10019, marked for the attention of Tenant's Real Estate Department, or to such other addresses as Tenant may later designate in writing. Until Tenant receives other instructions from Landlord, all notices by Tenant to Landlord shall be deemed to have been duly given if sent by registered or certified mail to any one of the parties named herein as Landlord c/o Meyer C. Weiner Company, 823 Commerce Drive, Oak Brook, Illinois 60521. Landlord shall promptly notify Tenant in writing of any change in the address of Landlord. Any written notice sent by registered or certified mail shall be deemed to have been served as of the date it is mailed in accordance with the foregoing provisions. Notwithstanding anything to the contrary herein, Tenant may give Landlord telegraphic notice of the exercise of any option herein granted Tenant or of the need of emergency repairs.

WAIVER OF PERFORMANCE BY EITHER PARTY

One or more waivers of any covenant, term or condition of this lease by either party shall not be construed as a waiver of a subsequent breach of the same or any other covenant, term or condition; nor shall any delay or omission by either party to seek a remedy for any breach of this lease or to exercise a right accruing to such party by reason of such breach be deemed a waiver by such party of its remedies or rights with respect to such breach. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any similar act.

INTERPRETATION OF THE WORD "LANDLORD"

If more than one party is designated as Landlord in the article of this lease captioned "PARTIES", all of the parties so designated shall be deemed to be landlords hereunder and their obligations in such capacity shall be joint and several obligations.

CAPTIONS

Captions throughout this instrument are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this lease.

SEPARABILITY

If any term, covenant, provision or condition of this lease, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this lease, or the application of such term, covenant, provision or condition to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, provision and condition of this lease shall be valid and enforceable to the fullest extent permitted by law.

NO PARTNERSHIP

Nothing in this lease shall be construed to make the parties hereto partners or joint venturers or members of a joint enterprise, or except as otherwise specifically provided herein render either of said parties liable for the debts or obligations of the other party.

LEASE BINDING ON HEIRS, ETC.

All covenants, agreements, provisions and conditions of this lease shall be binding upon and inure to the benefit of the parties hereto and their heirs, devisees, executors, administrators, successors in interest and assigns and grantees of Landlord, and shall be deemed to run with the land. This lease shall not be binding upon Tenant until a fully executed copy thereof shall have been delivered by Tenant to any one of the parties named herein as Landlord or to Landlord's duly authorized agent or representative, or until Tenant shall have notified in writing any one of the parties named herein as Landlord or Landlord's duly authorized agent or representative of Tenant's acceptance thereof. No modification of this lease shall be binding unless evidence by an agreement in writing signed by Landlord and signed in Tenant's name by one of Tenant's duly authorized officers.

IN WITNESS WHEREOF, Landlord and Tenant have caused this indenture to be duly executed and sealed as of the day and year first above written.

Witnesses (as to Landlord)

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under Trust Agreement dated July 2, 1965 and known as Trust No. 21938

BY _____
Vice President

ATTEST: Ronald Bean
ASSISTANT Secretary

J. C. PENNEY COMPANY, INC.

BY _____
Vice President

ATTEST:
Assistant Secretary

Witnesses (as to Tenant)

APPROVED ATTORNEY

3553586

86442438

For value received, the undersigned, as one of the principal beneficiaries of Landlord with full power of direction hereby guarantees to the above Tenant the faithful and timely performance by the above Landlord of all the covenants and agreements to be performed by it. It is understood that this guarantee shall terminate one year after the commencement of the term of this lease.

Meyer C. Weiner S.

MEYER C. WEINER

RENT RIDER

A. For the period commencing on the "commencement date" as said term is defined in this lease, Tenant shall pay Landlord an annual fixed rent for the demised premises equal to the sum of the following:

(i) For the Building as initially constructed, the sum of THIRTY-NINE THOUSAND EIGHT HUNDRED NINETEEN AND 05/100 ($39,819.05) DOLLARS.

(ii) For any addition to the Building constructed pursuant to the article of this lease captioned "FUTURE EXPANSION", an annual amount, beginning with the first day of the first month following the date on which such addition is substantially completed and ready for Tenant's use, equal to ten and 8/10 (10.8%) per cent of the actual Cost of Construction (as hereinafter defined) of such addition.

B. Said sum or sums shall be payable in equal monthly installments, monthly on or before the tenth day of each month during the period for which payable. If such rent shall be payable for a fraction of a month, the amount payable shall be a pro rata share of a full month's rent.

C. Anything in this lease to the contrary notwithstanding, Tenant, at Tenant's sole discretion, may perform in lieu of Landlord, the work the Landlord has agreed to perform under the article of this lease captioned "FUTURE EXPANSION" all at Tenant's sole cost and expense. In the event that Tenant shall so elect to perform such work at its sole cost and expense, the preceding paragraph A(ii) shall not be applicable.

D. The term "Cost of Construction" as used in paragraph A(ii) of this Rent Rider shall be the aggregate of:

(1) All sums paid pursuant to contracts approved in writing by Tenant for labor and materials used in constructing any addition to the stockroom building pursuant to the article of this lease captioned "FUTURE EXPANSION".

(2) Premiums on course of construction insurance policies based on not more than the actual cost of such construction work and which Landlord will maintain in connection with the demised premises during the course of construction, provided such insurance shall not have been procured by anyone else; cost of any completion bond required by Landlord's lending institution, such completion bond to cover such construction work only; an interim loan fee which may or might be charged by the interim lender for making the interim

loan to finance construction of such addition or additions, which interim loan fee shall not, for the purpose of determining such cost, exceed one percent of the principal amount of said interim loan for such construction; and interest on said interim loan actually charged by said interim lender provided that, for the purpose of determining such Cost of Construction, the annual interest rate on said interim loan shall be at the best available rate as herein above provided and further that in no event shall such interest be computed for a period of more than one (1) year.

(3) Architect and design fees and mechanical, electrical and other engineering fees of Landlord's architect. Such fees shall not exceed the then prevailing rates for similar work.

E. Landlord agrees that it will permanently maintain records showing such Cost of Construction in accordance with generally accepted accounting principles and practices following completion of such addition. Tenant shall have the right to make periodic audits of Landlord's books and records relating to such Cost of Construction at any time and from time to time during the course of construction and may make a final audit of such cost at any time following the completion of such construction work. Immediately upon completion of such addition or additions, Landlord shall prepare and deliver to Tenant a statement sworn to by Landlord setting forth in reasonable detail the items comprising the Cost of Construction and other such information as Tenant may reasonably require in establishing to its satisfaction the amount of such cost.

F. Until it receives other instructions in writing from Landlord, Tenant shall pay all rents and any other sums due Landlord under this lease by check payable to the order of Meyer C. Weiner Company, 823 Commerce Drive, Oak Brook, Illinois 60521.

****

Attached to and forming part of lease dated as of December 27, 1972, by and between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under Trust Agreement dated July 2, 1965 and known as Trust No. 21938, as Landlord and J. C. PENNEY COMPANY, INC., as Tenant, covering certain premises situated in the City of Harvey, Cook County, Illinois, more particularly described in Exhibit A annexed hereto and made a part hereof.

Initialed for Identification for Landlord

Initialed for Identification For Tenant

86142438

STATE OF Illinois
COUNTY OF Cook } ss.:

On this the 27 day of July, 19 73, before me, a Notary Public duly authorized in and for the said County in the State aforesaid to take acknowledgments, personally appeared M. Kirkeby
residing at
to me known and known to me to be President of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, one of the corporations described in the foregoing instrument, and acknowledged that as such officer, being authorized so to do, he executed the foregoing instrument on behalf of said corporation by subscribing the name of such corporation by himself as such officer and caused the corporate seal of said corporation to be affixed thereto, as his free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:
5-27-77

Josephine M. Chelson
Notary Public

STATE OF NEW YORK
COUNTY OF NEW YORK } ss.:

On this the 20 day of Aug, 19 73, before me, a Notary Public duly authorized in and for the said County in the State aforesaid to take acknowledgments, personally appeared Foster E. Sears
residing at 34-05 80th St. Jackson Hgts., NY
to me known and known to me to be a Vice President of J. C. PENNEY COMPANY, INC., one of the corporations described in the foregoing instrument, and acknowledged that as such officer, being authorized so to do, he executed the foregoing instrument on behalf of said corporation by subscribing the name of said corporation by himself as such officer and caused the corporate seal of said corporation to be affixed thereto, as his free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

ELOISE C. MARTONE
NOTARY PUBLIC, State of New York
No. 03-7745210
Cert. filed in New York County
Qualified in Bronx County
Term Expires March 30, 1974

Eloise C Martone
Notary Public

3553586

STATE OF Illinois
COUNTY OF Cook } ss.:

On this the 27th day of July, 1973, before me, a Notary Public duly authorized in and for the said County in the State aforesaid to take acknowledgments, personally appeared MEYER C. WEINER

known to me to be the person(s) who subscribed to the foregoing instrument and acknowledged having executed the same as a free and voluntary act for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:
9-5-73

Notary Public

EXHIBIT A

DESCRIPTION OF THE DEMISED PREMISES

The tract of land referred to in this lease as the demised land is situated in the City of Harvey, County of Cook and State of Illinois and is more particularly described as follows:

TRACT A

Lots 1 thru 6, all inclusive, together with the east half of the vacated alley adjacent thereto and lots 21 thru 30, all inclusive, together with the west half of the vacated alley adjacent thereto in Block 4, in Syndicate Addition to Harvey, a Subdivision of Lot 1 in the Subdivision of that part east of Vincennes Road, being in the east half of the Northwest ¼ of Section 18, Township 36 North, Range 14 east of the Third Principal Meridian in Cook County, Illinois.

TRACT B

Lots 21, 22 and 23 in Block 3 in Syndicate Addition to Harvey, a Subdivision of Lot 1 in the Subdivision of that part East of Vincennes Road, being in the East ½ of the Northwest ¼ of Section 18, Township 36 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

29-18-112-001 (30) LOTS
002 (29)
003 (28)
004 (27)
005 (26)
006 (25)
007 (24)
008 (23)
009 (22)
010 (21)
011 (1)
012 (2)
013 (3)
014 (4)
015 (5)
016 (6)
(TRACT A)

TRACT B
29-18-113-010 (21) LOTS
009 (22)
008 (23)

* * * * * * *

Attached to and forming part of lease dated as of December 27, 1972, by and between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO as Trustee under Trust Agreement dated July 2, 1965 and known as Trust No. 21938, as Landlord, and J. C. PENNEY COMPANY, INC., as Tenant, covering certain premises situated on 153rd Street and on South Cooper Street, Harvey, Illinois.

Initialed for identification for Landlord
By .....

Initialed for identification for Tenant
By .....

3553586

86442438

EXHIBIT B

PLAT OF DEMISED PREMISES

* * * * * * *

Attached to and forming part of lease dated as of December 27, 1972, by , and between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO as Trustee under Trust Agreement dated July 2, 1965 and known as Trust No. 21938, as Landlord, and J. C. PENNEY COMPANY, INC., as Tenant, covering certain premises situated on 153rd Street and on South Cooper Street, Harvey, Illinois.

Initialed for identification for Landlord

By.....

Initialed for identification for Tenant

By.....

12-1-83

AFFIDAVIT REGARDING LEASE

We, RADFORD W. ROSEBROUGH, ERNEST C. HOYER, AVIVA S. HOYER, LAWRENCE M. HERMAN, JANE F. HERMAN, are the general partners of J.C.P. LEASE, LTD., a California general partnership. On behalf of that partnership, we hereby declare as follows:

1. Certain real property was leased to J. C. PENNEY COMPANY, INC. via a Lease dated December 27, 1972. A true copy of that Lease is attached hereto as Exhibit 1 and it is incorporated herein by this reference. Said Lease (Exhibit 1) was never amended. The legal description of the demised premises appears as Exhibit A to that Lease. A Memorandum of said Lease was recorded in the office of the Recorder of Deeds for Cook County, Illinois, on September 20, 1973, as Document No. 22484504.

2. Pursuant to Paragraph B on page 27 of that Lease, J. C. PENNEY COMPANY, INC. had the option to terminate the Lease under certain terms and conditions.

3. On March 27, 1984, J. C. PENNEY COMPANY, INC. exercised its option to terminate the Lease. A true copy of that letter exercising this option is attached hereto as Exhibit 2 and is incorporated herein by this reference.

4. On June 30, 1984, J.C.P. LEASE, LTD. and J. C. PENNEY COMPANY, INC. entered into a Termination Agreement formalizing the termination of the Lease. A true copy of the Termination Agreement is attached hereto as Exhibit 3 and is incorporated herein by this reference. Under this termination, the Lease to J. C. PENNEY COMPANY, INC. was terminated effective as of June 30, 1984. At that point, all rights of J. C. PENNEY COMPANY, INC. in the subject premises terminated.

IN WITNESS WHEREOF we, RADFORD W. ROSEBROUGH, ERNEST C. HOYER and AVIVA S. HOYER, have affixed our signatures to this Affidavit this 24th day of September 1986.

RADFORD W. ROSEBROUGH,
General Partner
J.C.P. LEASE, LTD.

ERNEST C. HOYER,
General Partner
J.C.P. LEASE, LTD.

AVIVA S. HOYER,
General Partner
J.C.P. LEASE, LTD.

Subscribed and sworn to this 24th day of September 1986.
of AVIVA S. HOYER

OFFICIAL SEAL
HAROLD JONAS COHN
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires OCT 18, 1987

Notary Public

Subscribed and sworn to this 24th day of September 1986
of ERNEST C. HOYER and RADFORD W. ROSEBROUGH

Notary Public

OFFICIAL SEAL
CAROLYN A FAREKIAN
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JAN 17, 1987

3553586

1986 SEP 29 AM 11: 14

HARRY (BUS) YOURELL
REGISTRAR OF TITLES

3553586

TITLE INS. CO. 1/08/15

INTERCOUNTY

DEPT-01 RECORDING $57.00
T#1111 TRAN 0001 09/29/86 11:56:00
#1997 # C *-86-442438
COOK COUNTY RECORDER

-86-442438

3553586

IN WITNESS WHEREOF we, RADFORD W. ROSEBROUGH, LAWRENCE M. HERMAN and JANE F. HERMAN, have affixed our signatures to this Affidavit this 25th day of September 1986.

Lawrence M. Herman

LAWRENCE M. HERMAN,
General Partner
J.C.P. LEASE, LTD.

Jane F. Herman

JANE F. HERMAN,
General Partner
J.C.P. LEASE, LTD.

Radford W. Rosebrough

RADFORD W. ROSEBROUGH,
General Partner
J.C.P. LEASE, LTD.

Subscribed and sworn to this 25th day of September 1986.
as to LAWRENCE M. HERMAN and JANE F. HERMAN.

Carolyn A. Farekian
Notary Public

OFFICIAL SEAL
CAROLYN A FAREKIAN
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JAN 17, 1987

Subscribed and sworn to this 24th day of September 1986
as to RADFORD W. ROSEBROUGH.

Carolyn A. Farekian
Notary Public

OFFICIAL SEAL
CAROLYN A FAREKIAN
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JAN 17, 1987