

*FILE ORIGINAL FOR CHAPTERS 7 and 11, IN DUPLICATE FOR CHAPTER 13, FOR DATE-STAMPED COPY, SEE #9 BELOW

United States Bankruptcy Court

Northern District of Illinois,

Eastern

Division

CH 7 CH 13 CH 11 PLEASE CHECK CHAPTER

Name of Debtor

K MART CORPORATION

Case Number 02-B02474

PROOF OF CLAIM

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503

File Claim Form With:

United States Bankruptcy Court P. O. Box A3613 Chicago, Illinois 60690-3612

Name of Creditor (The person or other entity to whom the debtor owes money or property)

RIO GRANDE VENTURE

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check box if you have never received any notices from the bankruptcy court in this case.

Check box if the address differs from the address on the envelope sent to you by the court.

Creditor #

THIS SPACE IS FOR COURT USE ONLY

Name and Address Where Notices Should be Sent

c/o FREEDMAN & CO REAL ESTATE, INC 701 East Gate Dr. St. 225 Mt. Laurel, NJ 08054 Telephone No. 856-235-1788

Account or other number by which creditor identifies debtor:

Check here if this claim

amends replaces a previously filed claim dated:

1. BASIS FOR CLAIM

Goods sold

Services performed

Wages, salaries, and compensation (Fill out below)

Money loaned

Personal injury/wrongful death

Your social security number

Taxes

Other Lease of Property

Unpaid compensation for services performed

Retiree benefits as defined in 11 U.S.C. § 1114 (a)

from (date) to (date)

2. DATE DEBT WAS INCURRED: 6/21/01-9/21/01

3. IF COURT JUDGMENT, DATE OBTAINED:

4. Total Amount of Claim at Time Case Filed:

\$ 1,635.76 (water & sewer charges)

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.

Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured claim

Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:

Real Estate

Motor Vehicle

Other

Value of collateral: \$

Amount of arrearage and other charges at time case filed included

in secured claim above, if any: \$

6. Unsecured Priority Claim

Check this box if you have an unsecured priority claim

Amount entitled to priority \$

Specify the priority of the claim:

Wages, salaries, or commissions (up to \$4,300), *earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier-11 U.S.C. § 507(a)(3)

Contributions to an employee benefit plan-11 U.S.C. § 507(a)(4)

Up to \$1,950* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6)

Alimony, maintenance, or support owed to a spouse, former spouse, or child -11 U.S.C. § 507(a)(7)

Taxes or penalties owed to governmental units 11 U.S.C. § 507(a)(8)

Other - Specify applicable paragraph of 11 U.S.C. § 507(a)

*Amounts are subject to adjustment on 4/1/98 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

7. CREDITS: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

8. SUPPORTING DOCUMENTS: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. ANY ATTACHMENT MUST BE 8-1/2" BY 11"

9. DATE-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and an additional copy of this proof of claim.

Date: 2/22/02

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)

FLASTER GARDNER, ESQ. Doug Stanger, ESQ.

THIS SPACE IS FOR COURT USE ONLY 3/12/02 FILED UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF ILLINOIS 688 MAR 12 2002 KENNETH S. GARDNER, CLERK MAILROOM - LL

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3671.

Counsel for Rio Grande Venture

06001

R10

TENANT: K MART # 0913301 SEC. DEPOSIT _____

MONTHLY RENTAL: \$48,326.67 LEASE TERM: 20 YEARS SQ. FT. _____

P. L. M.: 3710.00 W&S: 3,290.00 COMMENCING: 7/14/98 - 7/31/2018

PAY. FREQ.: QTRLY INS.: ANNUAL RENEWAL OPTION _____ NOTICE: 1/6 7/31

MAILING ADDRESS _____ % RENTAL _____ (+) 30 DAYS

DATE	TOTAL RECEIVED	PERIOD	RENT	P.L.M.	W & S	SECURITY	RE TAXES	M.M.	M.A.	BALANCE DUE
<u>A 002</u>				<u>60%</u>		<u>40%</u>			<u>MS</u>	
<u>1/1</u>		<u>Cal. for.</u>			<u>1942.30</u>					
<u>1/2</u>	<u>55,326.67</u>	<u>1</u>	<u>48,326.67</u>	<u>3710.00</u>		<u>3290.00</u>				
<u>1/2</u>	<u>306.54</u>				<u>306.54</u>					
<u>2/6</u>	<u>55,326.67</u>	<u>2</u>	<u>48,326.67</u>	<u>3710.00</u>	<u>1635.76</u>	<u>4/21/01 - 9/21/01</u>				
						<u>3290.00</u>				

LEASE SUMMARY

SHOPPING CENTER Rio Mall **LEASE DATE** May 25, 1976
TENANT K Mart Corporation **Amended** 1/28/91
NOTICE ADDRESS 3100 West Big Beaver Road, Troy, Michigan 48084
OTHER ADDRESS Rio Mall, Rio Grande, NJ 08242
CONTACT & PHONE NUMBER 313/643-1000 Store #609/886-1122 Ernie Gevaudan

LEASED PREMISES **WIDTH** **DEPTH** **SQ.FT.** 89,860
plus a garden shop - 50' x 140'
TERM 40 years, 4 mos. **COMMENCING** 8/1/76 **EXPIRING** 11/31/2016

MINIMUM RENT **RENT PER SQ.FT.** \$2.56

From 8/1/76 **To** 11/31/91 **Annually** \$119,440.00 **Monthly** \$9,953.33
From 12/1/91 **To** 11/31/2016 **Annually** \$230,265.00 **Monthly** \$19,188.75

PERCENTAGE RENT 1% of gross sales exceeding \$20,000,000.00

QUARTERLY REPORTS DUE n/a

YEAR END REPORT DUE 10/31 + 30 days

REAL ESTATE TAXES proportionate share annually

BASE YEAR None **DEDUCTIBLE** from % - Rent

OPERATING CONTRIBUTION proportionate share annually

SECURITY DEPOSIT None **MALL MAINTENANCE** in operating cont.

UTILITIES by Tenant

HVAC CONTRACT

USE AND OCCUPANCY Any lawful purpose, except that Tenant may not use the premises for the sale of any item requiring, by law, the presence of a registered pharmacist as long as drug store is being conducted in the Center; not as a supermarket as long as a supermarket is operating in the center.

INSURANCE \$1,000,000 combined **BI** \$500,000 **PD** **PLATE GLASS**
Tenant insures building & improvements - may self-insure
TENANTS ASSOCIATION **ANNUALLY** **MONTHLY**

OPTIONS 10 **PERIOD(S) OF** 5 **YEARS** 6 mos. **NOTICE**

FREEDMAN & CO.
REAL ESTATE INC.

701 EAST GATE DRIVE • SUITE 225
MT. LAUREL, NJ 08054
(609) 235-1788 • FAX (609) 235-1693

July 16, 1997

Ernie Gevaudan, Manager
KMART #9133
Rt. 9 & Rt. 47
Rio Grande, NJ 08242
VIA FAX & CERTIFIED #P184736527

Chuck Lotzar, Real Estate Rep.
KMART CORPORATION
3100 West Big Beaver Road
Troy, MI 48084
VIA FAX & CERTIFIED #P184736528

re: KMART #9133, Rio Grande, NJ

Gentlemen:

Since we do not know when an expansion deal will be formalized at the referenced Kmart location, please be advised that Kmart must begin to pay monthly rent along with utilities on the storage space being utilized. This includes the following:

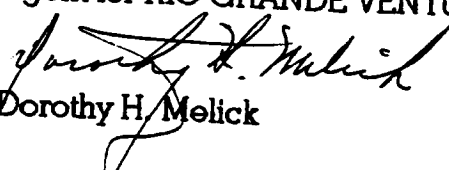
Premises A-1 - warehouse next to Staples	8,000 sq. ft.
Premises D-5&6 - former Deb Shop	5,000 sq. ft.
Premises C - former theatre	6,728 sq. ft.
Total storage space within the building areas	<u>19,728 sq. ft.</u>

We have been allowing Kmart to use this, and/or other space in the shopping center, rent free for quite some time now in anticipation of an expansion; however, we cannot continue to subsidize Kmart while the process continues to be unduly delayed.

Use of the space can continue on a month-to-month basis at \$4.00 per sq. ft., plus utilities. Termination with 30 day written notice by either party. Monthly rent on the storage space, effective immediately, is \$6,576.00. This is in addition to and subject to all other terms and conditions in Lease dated May 25, 1976, as amended January 28, 1991.

Very truly yours,

FREEDMAN & CO. REAL ESTATE INC.
Agent for RIO GRANDE VENTURE


Dorothy H. Melick

cc: Anthony Jablonski/Kmart
Cynthia Loomis/Kmart
Carl Freedman

K mart #9133

LEASE

The Trustees of the PENNSYLVANIA
REAL ESTATE INVESTMENT TRUST, et al,

Landlord,

-and-

S. S. KRESGE COMPANY,

Tenant.

Dated: May 25, 1976.

Premises: Rfo, Grande, New Jersey.

CHESTER ROBINSON P. C.
919 THIRD AVENUE
NEW YORK, N. Y. 10022

Parties *
*
*
at al. Partners
/a RIO GRANDE
VENTURE.

THIS LEASE made and entered into as of this 25th day of
May 1976, between The Trustees of the PENNSYLVANIA REAL
ESTATE INVESTMENT TRUST, 9 having its principal office at c/o Fro
man & Co., 1030 Kings Highway No., Cherry Hill, N.J. 08002,
(herein referred to as "Landlord"), and S. S. KRESGE COMPANY, a Michigan
corporation, having its principal office at 3100 West Big Beaver Road,
Troy, Michigan 48084 (herein referred to as "Tenant"),

W I T N E S S E T H :

In consideration of the rents, covenants, agreements and con-
ditions herein reserved and contained, Landlord and Tenant do hereby
covenant, promise and agree as follows:

Demised
Premises and
Common Area

1. Landlord does hereby demise and lease to Tenant, and
Tenant does hereby lease and take from Landlord, for the term herein-
after set forth, premises hereinafter described ("the Demised Premises"),
together with a reasonable area for loading and unloading adjacent to
each service door of the Demised Premises, within the shopping center
hereinafter described ("the Shopping Center"), situate in the ~~84~~
Township of Middle , County of Cape May , and State of
New Jersey , together with any and all easements, licenses, rights,
appurtenances and privileges now or hereafter belonging or appertaining
thereto. The Shopping Center is more particularly described on Exhibit
A attached hereto and made a part hereof. The Shopping Center consists
of the land (and all improvements that may from time to time be there-
on) represented by the area outlined by a bold line upon a certain plan
("the Plot Plan") attached hereto and made a part hereof as Exhibit B.
The Demised Premises consist of (i) a one-story building containing
approximately 53,083 square feet of ground floor area having
a frontage and width of 186 feet and a depth of 243 feet which
building is in the location designated on the plot plan as "K mart"
and (ii) the land immediately thereunder. Landlord hereby grants to
Tenant the non-exclusive right to use, in common with other tenants of
the Shopping Center, the portions of the Shopping Center intended to be
for common use, including but not limited to parking areas, roads,
streets, drives, tunnels, passageways, landscaped areas, open and enclos-
ed malls, exterior ramps, walks and arcades (hereinafter collectively
called "Common Area").

Term

2. The term of this Lease shall commence on the date ("Com-
mencement Date") whichever shall be the earlier of (a) the date on which
Tenant opens the Demised Premises to the public for business, or (b)
the date which is 60 days after the date of Delivery of Possession (as
hereinafter defined), ~~except~~ however, notwithstanding anything in this
Lease to the contrary, in the event said Commencement Date shall occur
during the period between November 1 and the last day of February, the
Lease term shall not commence until March 1 unless Tenant shall elect
to open for business prior to such date. ~~but in no event before~~
August 1, 1976 ~~and shall terminate on July 31, 1992~~
The term of this Lease shall continue to and shall ~~terminate~~
~~the date (such date, or if the term of this lease is extended, the date~~
~~of expiration of the latest extension period, as the principal term of this~~
~~lease shall be extended, being here~~
~~to be extended for a term of (1) years from the date~~
~~before the commencement date by Tenant of the date of occupancy of~~

irregular in shape, containing an ell approximately 1,218 square feet of
ground floor area, having dimensions of 21 feet by 58 feet; a garden shop
containing approximately 6,400 square feet of ground floor area, having
dimensions of 50 feet by 128 feet; a waste paper and electric room contain-
ing approximately 266.5 square feet of ground floor area, having dimensions
of 13 feet by 20.5 feet; an outside selling area containing approximately
1,682 square feet, having dimensions of 29 feet by 58 feet; and a loading
dock containing approximately 120 square feet, having dimensions of 5 feet
by 24 feet.

Term (Cont'd) * ~~Tenant is the first day of a month or (2) day of the month in which the Commencement Date occurs. If the Commencement Date is not the first day of a month, request of either party after the Commencement Date has been determined, Landlord and Tenant shall execute, acknowledge and deliver to each other duplicate originals of an agreement in the form provided in Exhibit C, setting forth the Commencement Date, the date of expiration of the initial term of this Lease and the commencement dates of the extended periods. The term "Lease Year" shall mean the following: the first Lease Year shall be the 12-month period commencing (x) on the Commencement Date if the Commencement Date is the first day of a month, or (y) on the first day of the month immediately following the month in which the Commencement Date occurs if the Commencement Date is not the first day of a month; and each succeeding 12-month period thereafter shall be a Lease Year.~~

Annual
Minimum
Rental *

3. Tenant shall, during the Lease term, pay to Landlord, at such place as Landlord shall designate in writing from time to time, an annual minimum rental of **ONE HUNDRED NINETEEN THOUSAND FOUR-HUNDRED FORTY DOLLARS (\$119,440.00)**, unless abated or diminished as hereinafter provided, in equal monthly installments on the first day of each month, in advance, commencing upon the first day of the Lease term; provided, however, in the event the first day of the Lease term shall not be the first day of a calendar month, then the rental for such month shall be prorated upon a daily basis.

Additional
Rental

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4. In addition to the aforesaid annual minimum rental with respect to any Lease Year during the Lease term in which Tenant's "gross sales," as hereinafter defined, shall exceed the sum of **FOUR MILLION FOUR HUNDRED FIFTY THOUSAND and no/100 DOLLARS (\$4,450,000.00)**, Tenant shall pay to Landlord as additional rental an amount equal to one per cent (1%) of gross sales exceeding **FOUR MILLION FOUR HUNDRED FIFTY THOUSAND and no/100 DOLLARS (\$4,450,000.00)**, up to ~~the amount of \$500,000.00~~ **DOLLARS (\$500,000.00)**.

Said additional rental shall be paid on or before the thirtieth (30th) day following the end of each Lease Year. Sales for any period preceding the first Lease Year shall be included in gross sales reported for the first Lease Year. Tenant shall on or before the thirtieth (30th) day following the end of each Lease Year or lesser period, deliver to Landlord a statement signed by an officer of Tenant certifying the true amount of the gross sales for such Lease Year or lesser period. The term "lesser period," as used herein, shall be any period beginning on the first (1st) day of any Lease Year and ending, by reason of the termination of this Lease, prior to the end of such Lease Year. In the event that a period of more or less than twelve (12) months shall be so required to be included in any such statement, then the dollar amounts referred to in the preceding paragraph shall be proportionately increased or decreased, as the case may be.

Should Tenant at its option operate its fountain and lunch counter prior to opening for other business, such operation shall not be an acceptance of the Demised Premises, or an acknowledgment that the representations and warranties of Article 10 shall have been fulfilled, or an opening for business under any provision of this Lease, but sales from such operation shall be included in Tenant's reported gross sales for the first Lease Year.

Initiation
Landlord
(2)

Shopping Center or assignment or assignments of such lease thereof after the Commencement Date, the seller or assignor shall be, and hereby is, freed and relieved of all covenants and obligations of Landlord under this Lease arising or to be performed after the date of such sale or sales or assignment or assignments, and it shall be deemed and construed without further agreement between the parties or their successors in interest, or between the parties and the purchaser or assignee at any such sale or sales, or assignment or assignments, that the purchaser or assignee has assumed and agreed to carry out any and all covenants and obligations of Landlord arising or to be performed under this Lease after the date of such sale or sales or assignment or assignments (and before such date if not performed by the seller or assignor), except that no sale or assignment shall free any party from its obligation to complete all construction work that Landlord is required to complete hereunder or from its obligation to pay to Tenant any amount due to Tenant immediately prior to such sale or assignment.

Successors
Assigns

45. The conditions, covenants and agreements contained in this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns. All covenants and agreements of this Lease shall run with the land.

Provisions
Gender

46. Marginal captions of this Lease are solely for convenience of reference and shall not in any way define, describe, limit or amplify the scope, terms, provisions and intent of this Lease. The necessary grammatical changes which shall be required to make the provisions of this Lease apply (a) in the plural sense if there shall be more than one Landlord, and (b) to any landlord which shall be either a corporation, an association, a partnership, or an individual, male or female, shall in all instances be assumed as though in each case fully expressed. Unless otherwise provided, upon the termination of this Lease under any of the Articles hereof, the parties hereto shall be relieved of any further liability hereunder except as to acts, omissions or defaults occurring prior to such termination.

Effectiveness
Lease

47. This Lease becomes effective as a lease only upon execution and delivery thereof by both Landlord and Tenant and the execution of and delivery to Tenant of any other agreement or legal opinion required in connection with this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in triplicate as of the day and year first above written.

Witnesses

RIO GRANDE VENTURE

BY: PENNSYLVANIA REAL ESTATE
INVESTMENT TRUST, Partner

By two of its Trustees

[Signature] Trustee
[Signature] Trustee

on behalf of all Trustees being
authorized so to do

BY: KASCO CONSTRUCTION CO., INC.,
Partner

BY: [Signature] President

ATTEST: [Signature] Asst. Secretary

BY: Charles Tyson
CHARLES TYSON, Partner

BY: Trustees Under Indenture of Trust
of Seymour Freedman dated
August 25, 1972, Partner

BY: Michael Varblow
MICHAEL VARBLOW, Trustee

BY: Barbara Freedman
BARBARA FREEDMAN, Trustee
General Partners
LANDLORD

APPROVED
[Signature]

C. E. Lotzar Jr.
C. E. LOTZAR, JR.
Marie E. Sullivan

S. S. KRESGE COMPANY
BY: J. B. Johnson
J. B. JOHNSON, Vice President

ATTEST: Beatrice L. McGaw
BEATRICE L. MCGAW, Assistant
Secretary

RIDER

TENANT'S PORTION OF REAL ESTATE TAXES

Tenant agrees to pay Tenant's Tax Portion of Real Estate Taxes as hereinafter defined.

A. The following terms shall have the following meanings:

(1) Real Estate Taxes shall mean all ad valorem real estate taxes and assessments, extraordinary as well as ordinary, levied or assessed by the lawful taxing authorities upon the Shopping Center. Real Estate Taxes shall not include (a) any income, franchise, gross receipts, corporation, capital levy, excess profits, revenue, inheritance, devolution, gift, estate, payroll or stamp tax, by whatsoever authority imposed or howsoever designated, (b) any tax upon the sale, transfer and/or assignment of the title or estate of Landlord which at any time may be assessed against or become a lien upon the Shopping Center, this leasehold or the rent accruing therefrom, and (c) any assessments for improvements in the Shopping Center or assessments for public streets, public sidewalks, sewers, water and other installations made at governmental expense before or in connection with the initial construction and overall development of the entire Shopping Center or any part thereof.

(2) The term "Base Year" is defined as the year 1973.

(3) The phrase "Base Real Estate Taxes" is hereby defined to mean the Real Estate Taxes set forth in subdivision (1) of the preceding Paragraph A of this Rider, levied or assessed against the entire Shopping Center development during the Base Year (1973).

(4) If such Real Estate Taxes during any Tax Year following the Base Year shall be greater than the Base Real Estate Taxes, then for each such year during the term hereof Tenant shall pay to Landlord Tenant's Portion of Real Estate Taxes as hereinafter set forth in subdivision (5) of Paragraph A of this Rider.

(5) Tenant's Portion of Real Estate Taxes for any Real Estate Fiscal Tax Year shall mean the following: (a) the product of (i) the excess of such Real Estate Taxes for such Real Estate Fiscal Tax Year attributable to the buildings in the Shopping Center only, over and above such Base Real Estate Taxes, and (ii) the fraction (hereinafter called "Fraction"), the numerator of which shall be the number of square feet of ground floor area of the Tenant's Building at the end of such Real Estate Fiscal Tax Year, and the denominator of which shall be the total number of square feet of ground floor area of all of the buildings in the Shopping Center (including the Tenant's Building) at the end of such Real Estate Fiscal Tax Year, and (b) the product of (i) the excess of such Real Estate Taxes for such Real Estate Fiscal Tax Year attributable to the land only, and (ii) the Fraction. For the purposes hereof, any excess of such Real Estate Taxes for any such Real Estate Tax Year, attributable to improvements made and assessed during such Real Estate Tax Year, shall not be included in making such computation as aforesaid.

Notwithstanding the formula set forth in Article A, Section (5) hereof, if Tenant's building shall be separately assessed (and the building upon the Demised Premises shall be deemed to be separately assessed if the same is separately assessed according to the Real Estate Tax bill, the assessor's records or written assessor's certification), then Tenant's Portion of Real Estate Taxes for any Real Estate Fiscal Tax Year that Tenant's building shall be separately assessed shall be the sum of (i) the excess of such Real Estate Taxes upon the Tenant's building over and above such Base Real Estate Taxes upon the Tenant's building as hereinbefore defined, and (ii) the product of (a) the excess of such Real Estate Taxes for such Real Estate Fiscal Tax Year attributable to the land only, and (b) the Fraction.

(6) Where bills are rendered for different Real Estate Taxes (i.e., county, school, city or the like) the measurement of Tenant's liability under this provision shall be separately made, according to the tax liability stated on each bill. That is to say, the liability of Tenant under this provision shall be computed according to the tax bill presented for the applicable tax period, as compared with the tax bill for the same classification of taxes for the prior year; and the Base Year for each classification of taxes shall be separately determined, if the tax period for different classes of taxes should be different.

(7) Where the applicable tax bill is not available prior to the end of the term hereof, then the aforesaid adjustment shall be made, tentatively, on the basis of the last year's taxes, and the amount due shall be treated as an addition to the minimum rent for the last month of the term of this Lease; and final adjustment shall be made between Landlord and Tenant promptly after Landlord shall have received the tax bill for such period.

B. Landlord shall not pay any Real Estate Taxes before they are due.

C. Landlord shall submit to Tenant a bill for Tenant's Tax Portion, together with true copies of the tax bill and a statement of the facts and information needed to calculate the Tenant's Tax Portion, as soon as practicable after the end of each real estate fiscal tax year, and if the same is correct, Tenant shall pay the Tenant's Tax Portion to Landlord as additional rent within thirty (30) days after Tenant receives said bill and statement. ~~Any dispute as to the correct amount of Tenant's Tax Portion shall be submitted to arbitration.~~

D. If, by law, any Real Estate Taxes may, at the option of the taxpayer, be paid in installments (whether or not interest shall accrue on the unpaid balance thereof), Landlord shall exercise the option to pay the same in installments and shall pay the installments as the same respectively become due and before any fine, penalty, interest or cost may be added for non-payment thereof, but Landlord shall not pay any installment before it is due. Only installments becoming due during the term of this Lease shall be included in Real Estate Taxes for computation of Tenant's Tax Portion, and any installments for a real estate fiscal tax year, a part of which is included within the term of this Lease and a part of which is included in a period of time before the Commencement Date or after the Expiration Date (or sooner expiration or termination date), shall be equitably adjusted between Landlord and Tenant as of the Commencement Date or the Expiration Date (or sooner expiration or termination date), as the case may be, for the purpose of computing Tenant's Tax Portion.

E. Any Real Estate Taxes for a real estate fiscal tax year, a part of which is included within the term of this Lease and a part of which is included in a period of time before the Commencement Date or after the Expiration Date (or sooner expiration or termination date), shall be equitably adjusted between Landlord and Tenant as of the Commencement Date or the Expiration Date (or sooner expiration or termination date), as the case may be, for the purpose of computing Tenant's Tax Portion.

F. (1) If Landlord shall fail or refuse, upon the request of Tenant, to take any necessary steps to contest the validity or amount of the assessed valuation or of the Real Estate Taxes for any real estate fiscal tax year, Tenant may undertake, by appropriate proceedings in the name of Landlord or Tenant, to contest the same. Within a reasonable time after demand therefor, Landlord shall execute and deliver to Tenant any documents required to enable Tenant to prosecute any such proceeding. Landlord shall inform Tenant, in time to permit Tenant to undertake such contest, of all pertinent data required to undertake such contest.

(2) If Tenant shall obtain for Landlord a remission or a refund of all or any part of the Real Estate Taxes for any real estate fiscal tax year, Landlord shall promptly reimburse Tenant out of such remission or refund for all of Tenant's costs and expenses in connection therewith, including but not limited to attorneys' fees. If Landlord or Tenant shall obtain a remission or a refund of all or any part of the Real Estate Taxes for any real estate fiscal tax year, Landlord shall promptly refund to Tenant (or credit Tenant with) a proportionate share of the remission or refund, such proportionate share to be calculated after deduction of actual costs and expenses incurred in obtaining such remission or refund. Tenant's proportionate share in respect of any portion of such remission or refund attributable to the Tenant's building shall be the product of (a) such portion of the net remission or refund and (b) the Fraction for such real estate fiscal tax year.

G. Any and all payments of Real Estate Taxes to be made by Tenant in excess of Base Year Real Estate Taxes shall be deductible from, and will be offset against, and will be withheld on a non-cumulative basis from additional rentals, if any, generated and payable pursuant to the provisions of Article 4 of this Lease in the Lease Year in which such tax increase is payable, notwithstanding that such Lease Year is not identical with the Real Estate Fiscal Tax Year.

* * * * *

1976 Attached to and forming part of Lease dated as of May 25, by and between PENNSYLVANIA REAL ESTATE INVESTMENT TRUST, et al, as Landlord, and S. S. KRESGE COMPANY, as Tenant, covering certain premises situated at Rio Grande, New Jersey.

Initialed by
Landlord:

CFI

Initialed by
S. S. Kresge Company:

[Signature]
[Signature]

TENANT'S COMMON
AREA CHARGE RIDER - 9A

A. Tenant's "Common Area charge" shall mean, for any period, the product of (a) the actual cost and expense for the maintenance and operation of the Common Area (hereinafter called "Common Area costs") for such period and (b) the fraction, the numerator of which shall be the number of square feet of ground floor area ~~(including one-half of the non-selling area)~~ of the Tenant's building at the end of such period, and the denominator of which shall be the total number of square feet of ground floor area of all of the buildings in the Shopping Center (including the Tenant's building) at the end of such period. The Common Area costs shall be limited to amounts paid by Landlord in respect of the Common Area for public liability insurance and the work Landlord is required to do and the items Landlord is required to furnish under subdivision B of Article 9, not including any amounts for removal of the rubbish of individual tenants of the Shopping Center. The Common Area costs shall not include Real Estate Taxes, capital expenditures, office overhead or salaries of persons whose functions extend beyond the care of the Common Area. The Common Area costs shall be allocated to each calendar year (or period less than a calendar year at the beginning and the end of the term of this Lease), without any duplication, all in accordance with generally accepted accounting principles; insurance premiums shall be allocated to the year or period covered by such insurance.

B. Commencing upon the Commencement Date, Tenant shall pay to Landlord as additional rent, for maintenance and operation of the Common Area, for each calendar year the ~~amount of (a) the~~ Tenant's Common Area charge for such year. If the commencement of the foregoing is a day other than a January 1, or if the term of this Lease ends on a day other than a December 31, Tenant shall pay for each of the two periods less than a calendar year at the beginning and the end of the term of this Lease the ~~amount of (a) the~~ Common Area charge for such period or ~~(b) the product of (i) the~~ and ~~(ii) the~~ fraction, the numerator of which shall be the number of days in such period, and the denominator of which shall be 365.

proportional share of the Tenant's Common Area charge as the same bears to

C. In determining the amount of Tenant's Common Area charge for any calendar year (or period) in which any enlargement or contraction in ground floor area shall occur, such enlargement or contraction shall be deemed effective as of the first day of the month next following (a) the month in which the area first becomes ready for its intended use by the occupant or intended occupant or (b) the month in which the same first becomes unusable by reason of condemnation or otherwise.

D. As soon as is practicable after the end of each calendar year (or period), Landlord shall submit to Tenant a bill for the amount required to be paid by Tenant under this Rider, setting forth in reasonable detail the items and amounts included in, and setting forth the method of calculating, Tenant's Common Area charge. Unless disputed, Tenant shall pay said amount to Landlord as additional rent within thirty (30) days after receipt thereof.

Landlord shall keep, for a period of one year following the end of each calendar year (or period), complete and accurate books and records in respect of the Common Area costs for such calendar year (or period), and Tenant, upon two (2) days notice at any time during such period, shall have the right to have such books and records audited by a certified public accountant, and in the event that such audit discloses that Tenant paid an amount in excess of the proper Tenant's Common Area charge, Landlord shall refund the excess to Tenant promptly upon demand and shall pay to Tenant promptly upon demand the reasonable cost of such audit.

three per cent (3%)


~~Should the Landlord fail to exercise its option to terminate this Lease in accordance with the provisions of Article 22 hereof and should the Tenant at any time thereafter discontinue the operation of its store, then and in such event notwithstanding the foregoing provisions of this Rider, it is hereby mutually agreed that Tenant's obligation to pay Tenant's Common Area Charge shall cease and terminate as of the last day of the month in which Tenant discontinues the operation of its said store.~~

Attached to and forming part of Lease dated as of May 25, 1976, by and between PENNSYLVANIA REAL ESTATE INVESTMENT TRUST, et al, as Landlord, and S. S. KRESCE COMPANY, as Tenant, covering certain premises situated at Rio Grande, New Jersey.

Initialed by Landlord:

Initialed by S. S. Kresge Company

C.T.


B.M.
