FORM B10 (Official Form 10) (4/98)

UNITED STATES BANKRUPTCY COURT Northern DISTRICT OF Illinois

PROOF OF CLAIM

Name of Debtor: K-Mart Corporation, Inc.

Case Number: 02-B02474

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.

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

☐ 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.

Name and address where notices should be sent:
c/o Brookhill Management Corporation
501 Madison Avenue, 18th Floor
New York, New York 10022
Telephone number: (212) 753-3123

THIS SPACE IS FOR COURT USE ONLY

Account or other number by which creditor identifies debtor: 20-00ANC-1 KMT 20

Check here if this claim ☐ replaces ☐ amends a previously filed claim, dated:_____

1. Basis for Claim

☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☒ Other Pre-petition additional rent

☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensation (fill out below)
Your SS #: _____ _____ _____
Unpaid compensation for services performed from _____ (date) to _____ (date)

2. Date debt was incurred: June 21, 1979 and January 1, 2002

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $ 28,711.73

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, 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 4/1/01 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.

9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

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KP 1034

RECEIVED
CLERK'S OFFICE

4/1/02

02 APR -1 AM 9:52

BANKRUPTCY

Date: 3/26/02

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):

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 3571.

Becker Mall Properties Limited Partnership
through its managing agent Brookhill Management Corporation
by Robert W. LaSchiavo, Senior Vice President

K-Mart Corporation #9656
Becker Mall Properties
Pre-Petition Schedule

Description	Amount
December 2001 Billboard Rental	$216.66
January 1 - 22, 2002 Billboard Rental	153.76
2001 Common Area Maintenance Billing	28,341.31
	$28,711.73

Anc0/1

BROOKHILL MANAGEMENT CORP.
501 MADISON AVENUE
NEW YORK, NY 10022

INVOICE

February 21, 2002

Kmart Corporation
Real Estate Department
3100 West Big Beaver Road
Troy, MI 48084-3163

Re:
Kmart # 9656
Becker Village Mall Properties
Roanoke Rapids, NC

Common Area Maintenance Billing for the Period	**Calendar Year 2001**	
Shopping center CAM expenses (see attached schedule)		$104,561.18
Share %		27.105%
Prorata share		28,341.31
Occupancy during the period		100.00%
Prorata share adjusted for occupancy		28,341.31
Administrative percentage / fee	0.00%	0.00
Prorata share for the period, including administrative fee		28,341.31
Previously billed for the period		0.00
Balance Currently Due		$28,341.31

Please make your remittance payable to Becker Village Mall Properties

BECKER VILLAGE MALL
Common Area Maintenance Expenses
January 1 - December 31, 01

KMART

Electricity	$7,837.49
Parking Lot Sweeping	1,587.58
Landscaping - Exterior	17,861.81
Janitorial - Exterior	738.49
Janitorial _ Interior 45% of Linen Services	5,412.90
Electrical R & M - Exterior	4,223.93
Safety & Security	153.58
Labor	66,745.40
Total	$104,561.18

Parties

THIS LEASE made and entered into as of this 21st day of June, 19 79 between BECKER VILLAGE, Seby B. Jones and Charles M. Edwards, General Partnership a North Carolina ~~corporation~~ having its principal office at 100 Becker Drive, P.O. Box 1030, Roanoke Rapids, North Carolina 27870 (herein referred to as "Landlord"), and K MART CORPORATION, a Michigan corporation having its principal office at 3100 West Big Beaver Road, Troy, Michigan, 48084 (herein referred to as "Tenant").

WITNESSETH: That in consideration of the rents, covenants and conditions herein set forth, Landlord and Tenant do hereby covenant, promise and agree as follows:

Demised Premises

ARTICLE 1 - SEE RIDER

~~1. Landlord does demise unto Tenant and Tenant does take from Landlord for the term hereinafter provided, and any extension thereof, the following property: Tenant's completed building or buildings (designated K mart and K mart Food), together with site improvements to be constructed, as hereinafter specified, by Landlord at its expense on the land comprising not less than ( ) acres described in Exhibit "A", attached hereto and made a part hereof, situated in the of , County of , State of , said building or buildings to be in the locations depicted on Exhibit "B", attached hereto and made a part hereof, and of the following dimensions:~~

~~Said completed buildings and site improvements, together with the licenses, rights, privileges and easements set forth in Article 11 hereof, shall be hereinafter collectively referred to as the "demised premises".~~

Term

2. The term of this lease shall commence upon the "date of occupancy by Tenant", as that term is defined in Article 10 hereof, and shall terminate upon such date as shall be Twenty-Five (25) years from the last day of the month in which said date of occupancy by Tenant shall occur; provided, however, the term of this lease may be extended as provided in Article 12 hereof. The phrase "lease term", as used in this lease, shall be the term of this lease and any extension thereof pursuant to said Article 12.

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 SEVENTY FOUR THOUSAND THREE HUNDRED SEVEN ----------DOLLARS ($ 174,307.00), 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.

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Additional Rental

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 EIGHT MILLION FOUR HUNDRED THOUSAND---------- DOLLARS ($ 8,400,000----), Tenant shall pay to Landlord as additional rental an amount equal to one percent (1%) of gross sales exceeding EIGHT MILLION FOUR HUNDRED THOUSAND---------- DOLLARS ($ 8,400,000----) up to but not in excess of FOURTEEN MILLION---------- DOLLARS ($ 14,000,000----); and Tenant shall pay to Landlord as additional rental an amount equal to five-tenths of one percent (.5%) of gross sales for such lease year exceeding FOURTEEN MILLION---------- DOLLARS ($ 14,000,000----) up to but not in excess of SEVENTEEN MILLION FIVE HUNDRED THOUSAND ---------- DOLLARS ($ 17,500,000----).

Said additional rental shall be paid on or before the ~~twenty-first (21st)~~ thirtieth (30th) day following the end of each "lease year". For the purposes of this lease, a "lease year" shall be each successive period of twelve (12) consecutive calendar months from the last day of the month in which said lease term shall commence. 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 ~~twenty-first (21st)~~ 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 11 shall have been fulfilled, or an opening for business under Article 10 or any other provision of this lease, but sales from such operation shall be included in Tenant's reported gross sales for the first lease year.

Landlord or its agent may inspect Tenant's record of gross sales annually, provided such inspection shall be made at Tenant's principal office within six (6) months after the statement of sales shall be delivered to Landlord and shall be limited to the period covered by such statement. Except to the extent that disclosure shall be required for any bona fide negotiations for sale or mortgage of demised premises or for legal proceedings in any court, at law or in equity, Landlord shall hold in confidence sales figures or other information obtained from Tenant's records.

The term "gross sales", as used herein, shall be the total sales of merchandise or services made by Tenant or any occupant of demised premises, whether wholesale or retail, cash or credit (including merchandise ordered on demised premises and delivered from another place) and shall include sales made from trucks, trailers, vans or other temporary facilities used by Tenant on any part of the land described in Exhibit "A", except that the following shall be excluded:

(a) Sales of merchandise subsequently returned for refund or credit, merchandise transferred to a warehouse or another store of Tenant, discounts on merchandise which shall be allowed to employees of Tenant, or merchandise which shall be issued in redemption of trading stamps, if any, which shall have been issued free of charge to Tenant's customers at the time of sale of other merchandise or services;

(b) Any and all taxes levied upon, assessed against, or measured by the receipt or purchase of merchandise by any occupant of said demised premises, and any and all occupational sales taxes and other taxes levied upon, assessed against, based upon, or measured by (i) such occupant's gross receipts, or any part thereof, or (ii) the sale or sales price of merchandise and services, or either, and which shall be payable by such occupant, whether or not collected by such occupant from its customers as reimbursement or as agent of the taxing authority, and whether or not the same shall be commonly known as a sales tax, use tax, retailers' occupational tax, gross receipts tax or excise tax; provided, however, said taxes to be excluded from gross sales shall not include any net income tax, franchise tax, or any other tax not levied upon or computed upon gross sales or gross receipts, or any portion thereof; provided, further, said taxes to be excluded from gross sales shall be excludable regardless of whether imposed under any existing or future orders, regulations, laws, statutes or ordinances;

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Additional Rental (cont'd)

(c) Receipts from cigarettes, lockers, stamp machines, public telephones, pay toilets, "kiddie rides", money orders and all licenses sold to the public;

(d) Service and interest charges for time payment accounts and charge accounts;

~~(e) All sales of merchandise or services made by any supermarket grocery store, which shall~~ occupy any portion or portions of demised premises, provided ~~that~~ the aggregate area of said portion or portions shall not exceed ( ) square ~~feet of floor~~ area.

~~(f) All sales of automotive gasoline or diesel fuel.~~

New Building by Landlord

5. Tenant's said buildings and site improvements shall be completed and delivered to Tenant promptly and with due diligence, giving consideration to scarcity of materials, strikes, lockouts, fire or other casualty, governmental restrictions and regulations, and construction delays; and Landlord warrants that a general contract for construction of said buildings and improvements referred to in Article 11 hereof shall be let, rough site grading shall be completed and foundations and footings commenced not later than September 1, 1979. If for any reason whatever Landlord shall fail to comply fully with this warranty, Tenant shall have, in addition to other remedies which may be available to it by law or otherwise, the option to terminate this lease by notice to Landlord; provided, further, in the event that, regardless of the reason therefor, said buildings and site improvements shall not have been completed in accordance with Tenant's typical plans and specifications and possession thereof tendered to Tenant prior to September 1, 1980, then Tenant shall, at any time thereafter, have the further option of terminating this lease by notice to Landlord. Notwithstanding anything to the contrary herein contained, in the event that the lease term shall not have commenced prior to such date as shall be seven (7) years from the date of this lease, then this lease shall be automatically terminated without further act of either party hereto.

except as noted in the first sentence of Article 5

prior to occupancy by Tenant

Plans and Specifications

6. Tenant's said buildings and site improvements shall be constructed by Landlord, at its sole cost and expense, in accordance with working plans and specifications prepared by Landlord which shall, with respect to standards of construction and division of responsibility for supplying materials and equipment, substantially satisfy the provisions of Tenant's typical store plans and specifications, prior receipt of which Landlord hereby acknowledges and which are identified as Set No. B-0667 containing such additions, changes and modifications as are particularly set forth in those certain letters dated December 12, 1978 and February 6, 1979, written by Mr. James A. Kilgore, Manager, Design Division, K mart Corporation, Construction Department, to Plaza Associates, P.O. Box 2208, Chapel Hill, North Carolina 27514, to the attention of Mr. Sam Longiotti, copies of which are attached hereto and made a part hereof and marked Exhibit "C".

for Landlord's failure to complete said buildings and site improvements in accordance with Tenant's typicals & specifications

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Said typical plans and specifications are subject to the following exceptions and such other deviations as may be approved in writing by Tenant's Construction Department:

(a) Such modifications of arrangement of space, location of entrances, exits, and columns and other structural members as shall be indicated on a store layout drawing which shall be prepared by Tenant and be delivered to Landlord within thirty (30) days after receipt of Landlord's written request therefor, which request shall be accompanied by preliminary building outlines, together with any available elevations and sections;

(b) Changes of type and standards of construction and of arrangement to the extent as shall be required by applicable laws, codes or ordinances.

Plans and Specifications (cont'd)

Said working plans and specifications shall be submitted to Tenant for approval prior to commencement of construction and such approval shall not be unreasonably withheld. Within sixty (60) days after receipt of such working plans and specifications Tenant shall, in writing, inform Landlord of required revisions or corrections thereto, and Landlord shall make such revisions or corrections and resubmit them for Tenant's final approval. In the event Tenant shall not inform Landlord of such desired revisions or corrections within said sixty (60) days, said working plans and specifications shall be deemed approved and accepted for the purposes hereof.

Said typical plans and specifications, store layout drawing and working plans and specifications, as approved by Tenant, shall constitute a part of this lease.

Guarantee of Materials

7. Landlord shall unconditionally guarantee all work performed by Landlord, or at its expense, in the construction of Tenant's buildings and site improvements against defective workmanship and materials either for the period of one (1) year from the date of completion thereof or for the period of any guarantee therefor given Landlord, whichever period shall be the longer.

Advance Possession for Fixturing

8. For a period of four (4) weeks prior to completion of Tenant's buildings by Landlord, Tenant shall have the privilege, rent free, of entering said buildings for installing storage bins, storing merchandise, and other purposes not creating unreasonable interference with the work of Landlord. Such entry shall not be construed as an acceptance thereof by Tenant under the provisions of this lease, or as a waiver of any of the provisions hereof.

Parking and Other Common Areas

9. Prior to the date of commencement of the lease term, Landlord shall construct (as hereinafter provided) the sidewalks, service drives, parking aisles, driveways, mall accessways, streets and parking areas (all of which shall be hereinafter sometimes referred to as the "common facilities") substantially as shown on Exhibit "B". The aggregate area provided for the parking of automobiles shall, during the lease term, be ~~either in the ratio of ( ) square feet of parking area for each square foot of gross floor area contained in buildings at any time located on site depicted on Exhibit "B"~~ or sufficient to accommodate not less than seventeen hundred (1700) automobiles on basis of arrangement depicted on Tenant's typical plans, ~~whichever shall be the greater~~. All sidewalks shall be of concrete construction, and all service drives, parking aisles, driveways, streets and parking areas shall be graded, levelled and paved with concrete or asphalt, and properly marked with painted lines to be repainted annually, (if necessary in the opinion of tenant) for the orderly distribution of automobiles. Landlord covenants, represents and warrants that, during the lease term, there shall be adequate sidewalks, driveways and roadways for automotive and pedestrian ingress and egress to and from Tenant's buildings and adjacent public streets and highways. Landlord shall make no charge of any kind or nature for the use of said common facilities or any additions thereto. All of said common facilities, including any signs owned by Landlord, shall be constructed in a workmanlike manner and shall, during the lease term, be maintained by Landlord, at its sole cost and expense, in good order and repair and in an adequate, sightly and serviceable condition. Said maintenance shall include, without limitation, keeping the same reasonably free and clear of foreign objects, papers, debris, obstructions, standing water, snow and ice, and supplying illumination during Tenant's business hours, and a reasonable period prior and subsequent thereto, to a minimum of one and one-half (1½) foot candles measured at ground level, for each square foot of common facilities. To assure the foregoing the Landlord shall cause the common facilities to be thoroughly cleaned not less than once weekly, and more often if necessary, and snow to be promptly removed on every occasion where it impedes the use of said facilities.

During the lease term, Landlord shall maintain paved driveways at the rear of Tenant's buildings in order to provide convenient ingress and egress from the delivery or service entrances to adjacent public streets and highways for the purpose of receiving and delivering merchandise and otherwise servicing said buildings. Said driveways shall be of sufficient width so as to permit the passage, unloading and, if necessary, the turning around of trailer trucks and other commercial vehicles.

The term "common areas", as used in this lease, shall include the following: (a) said common facilities indicated on Exhibit "B" and those which shall at any time and from time to time be contained within the site depicted on Exhibit "B" or any future enlargement thereof, (b) areas within the said site which shall be open to the public generally, such as mall accessways, rest rooms and other facilities, if any, and (c) all other areas (except those areas which shall be occupied from time to time by building structures) included within the confines of the land described in Exhibit "A" or any enlargement of said site. Landlord will maintain said "common areas" and the property, if any, between the demised premises and any street or roadway serving demised premises in a reasonably clean and sightly condition and will mow and weed not less than once weekly when necessary.

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During the lease term, Landlord shall keep Tenant insured against all statutory and common law liabilities for damages on account of injuries to property or person, including death, sustained by any person or persons while within said common areas, in a policy or policies in the amount of Two Hundred Fifty Thousand Dollars ($250,000) with respect to injury to any one person and in the amount of One Million Dollars ($1,000,000) with respect to any one accident or disaster, and in the amount of One Hundred Thousand Dollars ($100,000) with respect to damage to property; and Landlord shall also indemnify and save Tenant harmless against any such liability. Any such policies shall bear endorse-

Parking and Other Common Areas (cont'd)

ments to the effect that Tenant shall be notified not less than five (5) days in advance of any modification or cancellation thereof. Copies of such policies, so endorsed, or certificates evidencing the existence thereof, shall be promptly delivered to Tenant upon written request therefor.

Tenant's employees shall be subject to reasonable regulations adopted by Landlord consistent with those for other tenants.

Landlord hereby gives and grants unto Tenant, including Tenant's agents, employees, customers, licensees and invitees the full licenses, rights, privileges and easements to use said common areas, in common with Landlord and other tenants, if any, of the land described in said Exhibit "A", and their respective agents, employees, customers, licensees and invitees. No persons other than those described in the preceding sentence of this paragraph shall be permitted to park upon or exercise any other rights over any of the parking areas of said site. In the event that unauthorized persons, including tenants or invitees of tenants occupying buildings now, or at any future time located beyond the limits of the land described in Exhibit "A", utilize said parking areas for parking or other purposes to an extent which shall be objectionable to Tenant, Landlord shall, upon written request by Tenant, take whatever action as shall be so requested to prevent said unauthorized utilization, including the erection of fences or other barricades. CONTINUED ON RIDER

~~Tenant may, at its election, from time to time, utilize portions of the common areas for carnival~~ or circus type shows and entertainment, outdoor shows, home shows, automobile ~~shows or such~~ other uses which in Tenant's judgment tend to attract the public. Tenant ~~shall give~~ Landlord notification of such intended use a reasonable time in advance ~~thereof, and on~~ request supply Landlord with reasonable proofs of adequate insurance or ~~indemnification~~ against injuries to property or person, including death, sustained in ~~connection therewith~~. In addition, Tenant shall be responsible for any physical damage ~~to said common~~ areas resulting from said use. Rent, if any, from such use shall be included ~~as part of "gross sales" under Article 4 hereof.~~

Store Opening

10. The term "date of occupancy by Tenant", as used in this lease, shall be the first to occur of the following two dates: (a) the date upon which Tenant shall open for business, or (b) the date which shall be sixty (60) days (plus a period of time equal to any delays due to conditions beyond Tenant's control) after the date upon which (i) Tenant's buildings and site improvements shall be completed in accordance with said working plans and specifications and the possession thereof shall be tendered to Tenant, and (ii) all of the representations and warranties set forth in Article 11 shall be fulfilled; except, however, notwithstanding anything to the contrary in this lease contained, in the event said date of occupancy 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. Tenant shall have the option to open for business prior to the completion of the matters set forth in subdivisions (i) and (ii) of this Article 10, and in the event of the exercise of such option, Landlord shall complete said buildings and site improvements as expeditiously as possible; provided, however, if Landlord shall have failed to complete said buildings and improvements according to the said working plans and specifications within ninety (90) days after Tenant opens for business, Tenant shall thereafter at any time be privileged, but not obligated, to complete, correct or remedy in all or part, any such deficiency, and the cost thereof shall be deducted from the rentals due under this lease, without waiver of Tenant's other remedies hereunder.

Landlord's Representations and Warranties

11. Landlord represents, warrants and covenants that it shall, prior to commencement of the lease term, complete the buildings and site improvements substantially in accordance with the site plan depicted on said Exhibit "B", including completion of said common facilities in accordance with the provisions of Article 9 hereof. Landlord further covenants that it will not erect any buildings or other structures on the land described in Exhibit "A" except as shown on said Exhibit "B".

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Notwithstanding the foregoing, Tenant shall have the right to postpone the date of occupancy hereunder until such time as the public is able to traverse the enclosed mall, and tenants other than Tenant hereunder occupy fifty percent (50%) of the remaining gross leaseable area in the enclosed mall and are open for business, prior to or concurrently with Tenant. In the event Tenant opens for business prior to the satisfaction of conditions contained in the preceding sentence, the term of this lease and Tenant's obligation to pay rent hereunder shall commence as of such opening date.

Landlord's Representations and Warranties (cont'd)

Notwithstanding the provisions of Article 10 or any other provision of this lease, the lease term shall not commence and said annual minimum rental, and other charges payable under this lease, shall not commence to accrue until the foregoing representations and warranties shall have been fulfilled; provided, however, in the event that Tenant shall elect to open for business before the Landlord shall have fulfilled the foregoing representations and warranties, the term of this lease shall commence, but Tenant shall not be obligated to pay the annual minimum rental or the additional rental; provided further, in lieu thereof, Tenant shall pay monthly in arrears one per cent (1%) of said gross sales and Tenant shall continue said payment until Landlord's said representations and warranties shall be fulfilled, at which time Tenant shall commence payment of the rental as set forth in Articles 3 and 4 hereof.

In the event Landlord's said representations and warranties shall not be fulfilled within twelve (12) months after such date as Tenant shall open for business, Tenant may notify Landlord in writing thereof and Landlord shall have ninety (90) days within which to fulfill said representations and warranties. If said representations and warranties shall not have been fulfilled within said ninety (90) day period, Tenant thereafter shall have the option of terminating this lease by notice to Landlord, which notice shall state an effective date of termination of not less than sixty (60) days from the date of such notice. ARTICLE 12 - SEE RIDER

Option to Extend Lease

~~12. (a) Tenant shall have the option to extend the term of this lease for an additional period of~~ five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to expiration of the term hereof.

(b) If Tenant shall have exercised the foregoing option, it shall have the option further to extend the term of this lease for an additional period of five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of such extended term.

(c) If Tenant shall have exercised the foregoing options, it shall have the option further to extend the term of this lease for an additional period of five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of such further extended term.

(d) If Tenant shall have exercised the foregoing options, it shall have the option further to extend the term of this lease for an additional period of five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of such further extended term.

(e) If Tenant shall have exercised the foregoing options, it shall have the option further to extend the term of this lease for an additional period of five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of such further extended term.

(f) Regardless of the exercise or nonexercise by Tenant of any or all of the foregoing options, Tenant shall have, unless the last day of the lease term shall be January 31 of any year, the option to extend (or further extend, as the case may be) the term of this lease for such period of time as shall cause the last day of the term of this lease to be the January 31 next succeeding the date upon which the term of this lease would expire but for the exercise of this option. This option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of the term of this ~~lease, or any extension thereof.~~

THIS LEASE CONTAINS NO ARTICLE 13

First Refusal to Purchase Option

~~13. Anything in this lease contained to the contrary notwithstanding, and without in any~~ manner affecting or limiting any of the rights, privileges, options or estates granted to Tenant under this lease, it is agreed that if the Landlord, at any time during the term of this lease or any extension thereof, receives one or more bona fide offers from third parties to purchase the demised premises, or property of which the demised premises are a part, and if any such offer is acceptable to the Landlord, then Landlord agrees to notify Tenant in writing, giving the name and address of the offeror, and the price, terms and conditions of such offer, and Tenant shall have thirty (30) days from and after the receipt of such notice from Landlord in which to elect to purchase the property for the consideration and on the terms and conditions contained in the bona fide offer. If Tenant does not elect to purchase said property and Landlord sells the property, the purchaser shall take the property, subject to and burdened with all the terms, provisions and conditions of this lease, including this Article 13, and the rights of the Tenant under this lease as against the new owner shall not be lessened or diminished by reason of the change of ownership. Tenant's failure at any time to exercise its option under this Article 13 shall not affect this lease or the continuance of Tenant's rights and options under this Article 13 ~~or any other article.~~

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This Lease contains no Article 14

Repairs

~~14. Tenant shall make and pay for all replacement of plate glass and all nonstructural repairs~~ and replacements to the interior of Tenant's buildings which it deems necessary to keep the premises in a good state of repair, but in no event shall Tenant be obligated to make repairs and replacements which Landlord shall be required to make under any provision of this lease or which shall be necessitated by Landlord's negligence, default or failure to repair. Landlord shall make and pay for all repairs and replacements (except those which Tenant shall be specifically obligated to make under the provisions of this Article and those due to Tenant's negligence) to said buildings which shall be necessary to maintain the same in a safe, dry and tenantable condition, and in good order and repair. Notwithstanding anything to the contrary herein contained, Tenant shall not be required to make any repairs or replacements (or be liable for the cost thereof) which shall be necessitated by any damage or destruction with respect to which Landlord shall be insured or against which Landlord shall be required by the terms of this lease to insure, but Landlord shall make all such repairs or replacements.

In the event buildings or improvements constituting demised premises or a portion thereof shall be rendered unusable due to Landlord's default or negligence with respect to required repairs, there shall be a just and equitable abatement of said annual minimum rental and all other charges payable under this lease until said premises shall be made usable. Emergency repairs which shall be Landlord's responsibility hereunder, and which shall be necessary to protect the buildings or contents and/or to keep the common areas in a neat, clean, safe and orderly condition may be made by Tenant without notice to Landlord, and the cost of such repairs not to exceed One Thousand Dollars ($1000.00) in ~~any one instance, may be deducted by Tenant from rentals subsequently accruing hereunder.~~

Alterations and Additional Construction

15. Tenant may, at its own expense, from time to time make such alterations, additions or changes, structural or otherwise, in and to its buildings as it may deem necessary or suitable; provided, however, Tenant shall obtain Landlord's prior written consent to plans and specifications for structural alterations, additions or changes; provided, further, Landlord shall not withhold its consent thereto if the structural strength of the building will not be impaired by such work. The term, "structural changes", as used herein, shall not include moving of stud partitions, minor plumbing and electrical work, modification and rearrangement of fixtures or other minor changes. Landlord, at Tenant's cost, shall cooperate with Tenant in securing building and other permits or authorizations required from time to time for any work permitted hereunder or installations by Tenant.

~~Tenant may, at its own expense, at any time erect or construct additional buildings or structures~~ on any portion of the "common facilities" areas as defined in Article 9 and depicted on Exhibit "B"; provided, however, gross sales made in or from said additions shall be excluded from gross sales as defined in Article 4 of this lease and provided further, Tenant shall reimburse Landlord for any real estate taxes imposed on said additions or new construction, which taxes are solely attributable thereto, and Tenant shall reimburse Landlord for any increase in insurance premiums attributable thereto. Tenant shall also be solely responsible for exterior and interior repairs thereto, except those necessitated by fire or casualty for which Landlord is obligated to insure. In the event Tenant constructs any such additions or new construction, Landlord shall not be obligated to furnish additional parking areas in substitution of areas thereby built over, nor shall the floor area thereof be utilized in any computation with respect to required ratio of building area to parking area under said Article 9, and the number of parking spaces required thereunder shall be reduced by the number of spaces covered ~~by such additional buildings or structures.~~

Utilities

16. Tenant shall promptly pay for all public utilities rendered or furnished to Tenant's buildings during the lease term, including water, gas and electricity, provided separate meters shall be installed for Tenant. Landlord covenants, represents and warrants that, during the lease term, said buildings shall at all times be connected to electric, water and gas lines of an adequate source of supply, and to storm and sanitary sewer systems of adequate capacity.

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Landlord may provide a disposal or septic tank system in lieu of public sanitary sewer, subject to Tenant's written approval of plans and specifications and Landlord's continuing obligation to clean and maintain said system at all times in good and serviceable condition during the full term of this lease or any extension and at its sole expense. Sewer charges or sewer taxes, regardless of the manner billed or assessed, shall be paid by Landlord, unless same are based upon water consumption, in which event same will be paid by Tenant.

Governmental Regulations

17. Tenant shall observe and comply with all rules, orders and regulations of the federal, state and municipal governments or other duly constituted public authority affecting said buildings, including the making of nonstructural alterations, insofar as they are due to Tenant's occupancy; provided, however, in the event such rules, orders and regulations shall either (a) require structural changes including, but not limited to the erection of a fire escape or exit, installation of a sprinkler system or other fire preventive device of a structural nature, or (b) require nonstructural changes which would have been required irrespective of the nature of the tenancy, then, in either such event, the same shall be complied with by Landlord at its sole expense.

ARTICLE 18 - SEE RIDER

Fire

~~18. From and after the date on which Tenant shall be privileged to enter upon demised premises,~~ for the purposes specified in Article 8 hereof, Landlord shall insure the buildings depicted on Exhibit "B", including Tenant's buildings, against damage or destruction by fire and other casualties insured under a standard extended coverage endorsement. Said insurance shall be in an amount equal to not less than eighty per cent (80%) of the insurable value of the permanent improvements thereof. All such policies shall bear endorsements to the effect that Tenant shall be notified not less than five (5) days in advance of modification or cancellation thereof and that the assured has waived right of recovery from Tenant. Copies of such insurance policies or certificates evidencing the existence thereof, so endorsed, shall be promptly delivered to Tenant upon written request therefor. Irrespective of the cause thereof, Tenant shall not be liable for any loss or damage to said buildings resulting from fire, explosion or any other casualty.

In the event that, at any time during the lease term, the permanent improvements then constituting Tenant's buildings and site improvements shall be damaged or destroyed (partially or totally) by fire, the elements or any other casualty, Landlord shall, at its expense, promptly and with due diligence repair, rebuild and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction; provided, however, if as a result of any such damage or destruction during the last two (2) years of the lease term, Tenant's fixtures, equipment or other property shall be damaged or destroyed in an amount exceeding Twenty-five Thousand Dollars ($25,000.00), then either party may terminate this lease as of the date of such damage or destruction by giving written notice to the other party within thirty (30) days thereafter and Tenant shall have an additional sixty (60) days, rent free, within which to remove its property from the demised premises. Notwithstanding any such termination of this lease by Landlord as provided in this Article, Tenant shall have the right to exercise any option to extend the term hereof in accordance with the provisions of Article 12 within thirty (30) days after the date of the receipt of Landlord's notice of termination, and, upon the exercise of any such option (other than the option set forth in subparagraph (f) of Article 12) by Tenant, then this lease shall continue in full force and effect despite such notice of termination by Landlord and Landlord shall repair, rebuild and restore the said permanent improvements as above provided. In the event that this lease shall be terminated as above provided, all unearned rent and other charges paid in advance shall be refunded to Tenant.

During any period commencing upon the date of any such damage or destruction and ending upon the "date of reoccupancy by Tenant", the annual minimum rental and any other charges payable under this lease shall abate in the proportion that the part of Tenant's buildings which shall be untenantable shall bear to the whole. The term "date of reoccupancy by Tenant", as used herein, shall be the first to occur of the following two dates: (a) the date upon which Tenant shall open for business in that part of Tenant's building rendered untenantable by such damage or destruction, or (b) the date which shall be sixty (60) days (plus a period of time equal to any delays due to conditions beyond Tenant's control) after the date of completion of the repairs, rebuilding and restoration required of Landlord herein.

In the event that, at any time during the lease term except the last two (2) years thereof, any building or buildings within the site depicted on Exhibit "B", other than Tenant's building or buildings, shall be damaged or destroyed (partially or totally) by fire, the elements or any other casualty, Landlord shall, at its expense, promptly and with due diligence repair, rebuild and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction; provided, however, during such period of time (including the last two (2) years of the lease term) that either (a) twenty per cent (20%) or more of the gross rentable floor area of said buildings shall be so rendered untenantable, or (b) any of the stores of tenants specifically required to be open for business prior to Tenant's opening for business (by terms of Article 11) shall not be open for business because of such damage or destruction, then the annual minimum rental for such period of time shall be abated, whether or not Tenant's buildings shall be damaged or destroyed and during such period Tenant shall ~~pay monthly in arrears one per cent (1%) of its gross sales.~~

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Eminent Domain

19. In the event all of Tenant's buildings shall be expropriated by public or quasi-public authority, this lease shall terminate as of the date Tenant shall be deprived of the physical possession thereof.

In the event that less than the whole, but more than ten per cent (10%) of Tenant's buildings shall be expropriated by public or quasi-public authority, Tenant shall have the option to terminate this lease as of the date Tenant shall be dispossessed from the part so expropriated, by giving notice to Landlord of such election so to terminate within ninety (90) days from the date of notice of such dispossession; provided, however, Tenant shall, at its option, be permitted to operate its business until such time as Tenant shall be dispossessed. Should such expropriation not occur, then such notice will be inoperative and of no further force and effect.

Eminent Domain (cont'd)

In the event of an expropriation of any portion of Tenant's buildings, if this lease shall not be terminated as hereinabove provided, it shall continue as to that portion of the said buildings which shall not have been expropriated or taken, in which event Landlord shall, at its sole cost and expense, promptly and with due diligence restore said buildings as nearly as practicable to complete units of like quality and character as existed just prior to such expropriation. The annual minimum rental and other charges shall abate during the period of demolition and restoration, and thereafter the annual minimum rental and minimum basis of sales shall be reduced in the proportion the ground floor area of the part of Tenant's buildings so expropriated shall bear to the total ground floor area of said buildings prior to such expropriation.

Tenant receives notice that

one hundred twenty (120)

Without limiting the foregoing, in the event that more than ten per cent (10%) of the land described in Exhibit "A" shall be expropriated by public or quasi-public authority, Tenant shall have the option to terminate this lease as of the date ~~possession of the land shall be taken by such authority~~, by giving notice to Landlord of such election within ninety (90) days thereafter; provided, however, said termination by Tenant shall be null and void if, within ~~ninety (90)~~ days following the date possession of said land shall be so taken, Landlord shall substitute equivalent and similarly improved lands contiguous to and properly integrated with the remainder of the site depicted on Exhibit "B". Notwithstanding any other provision of this lease, in the event that more than ten per cent (10%) of the aggregate number of square feet of ground floor area in the buildings located on said site shall be expropriated by public or quasi-public authority, Tenant may terminate this lease at any time following notice of such expropriation. Any such termination shall be effective as of the date of notice to Landlord. Landlord shall immediately notify Tenant of any notice of any such proposed expropriation.

of such notice of such dispossession

but only in the event that such award is in addition to Landlord's award for its land and building.

In the event this lease shall be terminated pursuant to this Article, any annual minimum rental and other charges paid in advance shall be refunded to Tenant, and Tenant shall have an additional sixty (60) days, rent free, within which to remove its property from the demised premises. In the event that at the time of any expropriation of Tenant's buildings, Tenant shall not have fully amortized expenditures which it may have made on account of any improvements, alterations or changes to its buildings, Landlord shall assign to Tenant so much of any award payable as a result of such expropriation as shall equal the unamortized portion of Tenant's said expenditures. Said unamortized portion of Tenant's said expenditures shall be determined by multiplying such expenditures by a fraction, the numerator of which shall be the number of remaining years of the lease term at the time of such expropriation and the denominator of which shall be the number of remaining years of the lease term at the time such expenditures shall have been made plus the number of years for which the lease term may have been subsequently extended.

Assignment and Subletting

20. The premises hereby demised shall not be used for any unlawful purpose. Tenant may assign this lease or sublet the whole or any part of said demised premises, but if it does so ~~without Landlord's consent~~, it shall remain liable and responsible under this lease. This paragraph is further subject to Article 39 (Rider) as hereinafter provided.

Signs

any such assignment or subletting shall be to a retail establishment for retail purposes, so long as the shopping center shall be operated for retail purposes.

21. The demised premises shall be referred to by only such designation as Tenant may indicate. Landlord expressly recognizes that the service mark and trademark "K mart" is the valid and exclusive property of Tenant, and Landlord agrees that it shall not either during the term of this lease or thereafter directly or indirectly contest the validity of said mark "K mart", or any of Tenant's registrations pertaining thereto in the United States or elsewhere, nor adopt or use said mark or any term, word, mark or designation which is in any aspect similar to the mark of Tenant. Landlord further agrees that it will not at any time do or cause to be done any act or thing, directly or indirectly, contesting or in any way impairing or tending to impair any part of the Tenant's right, title and interest in the aforesaid mark, and Landlord shall not in any manner represent that it has ownership interest in the aforesaid mark or registrations therefor, and specifically acknowledges that any use thereof pursuant to this lease shall not create in Landlord any right, title or interest in the aforesaid mark.

~~Tenant shall have the option to erect at its sole cost and expense upon any portion of the premises described in Exhibit "A", one or two pylon-type signs. Any such sign shall be of such height and other dimensions as Tenant shall determine and shall bear such legend or inscription advertising Tenant's store as Tenant shall determine. Tenant shall have the option to utilize the lighting standards in the parking lot for advertising purposes by attaching, or causing to be attached, signs advertising any and all products and services as Tenant shall elect.~~

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Landlord shall not permit any other advertising signs, billboards or posters to be displayed on any portion of the premises described in Exhibit "A" hereof, excepting flat wall signs which may be

~~and provided further Tenant shall, at its option, be permitted to operate its business until such time as Tenant shall be dispossessed~~. Should such expropriation not occur, then such notice will be inoperative and of no further force and effect.

Signs (cont'd)

placed on stores, if any, now depicted on Exhibit "B", ~~or in the future erected on "future building areas" as depicted thereon~~, providing such signs shall be utilized solely for the purpose of advertising the names of the respective tenants thereof. Landlord may erect one (1) pylon sign advertising the common name of the entire shopping center.

including Landlord's Future Build-Area.

Landlord shall not, without Tenant's written consent, at any time utilize the exterior of Tenant's buildings, or the space above, for sign display purposes.

Ingress and Egress

22. Landlord warrants as a consideration for Tenant entering into this lease it will initially provide and will maintain for the period of this lease and any extension thereof, ingress and egress facilities to public streets and highways in the number and substantially in the locations depicted on Exhibit "B", subject to unavoidable temporary closings or relocations necessitated by public authority or other circumstances beyond Landlord's control.

Landlord's Remedies

23. If the rent reserved in this lease, or any part thereof, shall remain unpaid for a period of thirty (30) days or if Tenant shall be in default under any other provision of this lease and shall remain so for a period of thirty (30) days after notice to Tenant of said nonpayment or other default, then Landlord may, by giving notice to Tenant at any time thereafter during the continuance of such default, either (a) terminate this lease, or (b) re-enter demised premises by summary proceedings or otherwise, expel Tenant and remove all property therefrom, relet said premises at the best possible rent readily obtainable (making reasonable efforts therefor), and receive the rent therefrom; provided, however, Tenant shall remain liable for the equivalent of the amount of all rent reserved herein less the avails of reletting, if any, after deducting therefrom the reasonable cost of obtaining possession of said premises and of any repairs and alterations necessary to prepare it for reletting. Any and all monthly deficiencies so payable by Tenant shall be paid monthly on the date herein provided for the payment of rent. If any default by Tenant (except nonpayment of rent) cannot reasonably be remedied within thirty (30) days after notice of default, then Tenant shall have such additional time as shall be reasonably necessary to remedy such default before this lease can be terminated or other remedy enforced by Landlord. Except for the legal remedy of damages (provided Landlord shall, in all instances, be required to mitigate damages) and the equitable remedy of an injunction, the remedies of Landlord herein shall be exclusive of any other remedies.

Bankruptcy

24. If a petition in bankruptcy shall be filed by Tenant, or if Tenant shall be adjudicated bankrupt, or if Tenant shall make a general assignment for the benefit of creditors, or if in any proceeding based upon the insolvency of Tenant a receiver of all the property of Tenant shall be appointed and shall not be discharged within ninety (90) days after such appointment, then Landlord may terminate this lease by giving notice to Tenant of its intention so to do; provided, however, neither bankruptcy, insolvency, an assignment for the benefit of creditors nor the appointment of a receiver shall affect this lease or permit its termination so long as the covenants on the part of Tenant to be performed shall be performed by Tenant or someone claiming under it.

Covenant of Title

25. Landlord covenants, represents and warrants that it has full right and power to execute and perform this lease and to grant the estate demised herein and that Tenant, on payment of the rent and performance of the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the demised premises and all rights, easements, appurtenances and privileges belonging or in anywise appertaining thereto during the lease term without molestation or hindrance of any person whomsoever, and if at any time during the term hereby demised the title of Landlord shall fail or it be discovered that its title shall not enable Landlord to grant the term hereby demised, Tenant shall have the option at Landlord's expense to correct such defect or to annul and void this lease with full reservation of its right to damages, if any.

or has a good and marketable Leasehold title

Landlord further covenants, represents and warrants that it is seized of an indefeasible estate in fee simple in the land described in Exhibit "A" free and clear of any liens, encumbrances, restrictions and violations (or claims or notices thereof) with exceptions as follows:

(a) Public utility easements not impairing Tenant's use of the demised premises

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Tenant shall be permitted to erect a panel sign on the Pylon. Landlord may erect a panel sign for a cafeteria operation if same is located within the mall.

Covenant of Title (cont'd.)

Landlord shall, without expense to Tenant, and within thirty (30) days after written request by Tenant, furnish (a) a certification by an attorney acceptable to Tenant that Landlord's title is as herein represented and certifying that the premises depicted on Exhibit "B" are within the bounds of the property described in Exhibit "A", (b) a survey by licensed surveyor of the land described in Exhibit "A", and (c) agreements wherein each holder of any lien against the demised premises shall consent to this lease and warrant that Tenant's possession and right of use under this lease in and to the demised premises shall not be disturbed by such holder unless and until Tenant shall breach any of the provisions hereof and this lease or Tenant's right to possession hereunder shall have been terminated in accordance with the provisions of this lease.

Mortgage Subordination

26. Upon written request by Landlord, such Tenant shall execute and deliver an agreement subordinating this lease to any ~~first~~ mortgage upon the demised premises; provided, however, such subordination shall be upon the express condition that the validity of this lease shall be recognized by the mortgagee, and that, notwithstanding any default by the mortgagor with respect to said mortgage or any foreclosure thereof, Tenant's possession and right of use under this lease in and to the demised premises shall not be disturbed by such mortgagee unless and until Tenant shall breach any of the provisions hereof and this lease or Tenant's right to possession hereunder shall have been terminated in accordance with the provisions of this lease.

Tenant Indemnifies Landlord

27. During the lease term, Tenant and its assignees and sublessees shall indemnify and save Landlord harmless against all penalties, claims or demands of whatsoever nature arising from Tenant's use of its buildings, except those which shall result, in whole or in part, and directly or indirectly, from the default or negligence of Landlord.

Tenant's Right to Cure Landlord's Defaults

28. In the event Landlord shall neglect to pay when due any taxes or any obligations on any mortgage or encumbrance affecting title to demised premises and to which this lease shall be subordinate, or shall fail to perform any obligation specified in this lease, then Tenant may, after the continuance of any such default for seven (7) days after notice thereof by Tenant, ~~(two (2) days with respect to defaults under Article 9 hereof)~~ pay said taxes, assessments, principal, interest or other charges or cure such default, all on behalf of and at the expense of Landlord, and do all necessary work and make all necessary payments in connection therewith, and Landlord shall on demand pay Tenant forthwith the amount so paid by Tenant together with interest thereon at the rate of six per cent (6%) per annum, and Tenant may withhold any and all rental payments and other payments thereafter due to Landlord and apply the same to the payment of such indebtedness.

Provided the holder of a properly recorded first mortgage shall have notified Tenant in writing that it is the holder of such lien on the demised premises and shall so request, Tenant shall, ~~(with respect to taxes or any obligations on any mortgage or encumbrance affecting title to demised premises and to which this lease shall be subordinate)~~ in the event it shall notify Landlord to correct any default, give a similar notice to such holder, and such holder shall be granted sixty (60) days after receipt thereof to correct or remedy such default.

Condition of Premises at Termination

29. At the expiration or earlier termination of the lease term, Tenant shall surrender demised premises, together with alterations, additions and improvements then a part thereof, in good order and condition except for the following: ordinary wear and tear, repairs required to be made by Landlord, ~~and loss or damage by fire, the elements and other casualty or occurrence excepted~~. All furniture and trade fixtures installed in said buildings at the expense of Tenant or other occupant shall remain the property of Tenant or such other occupant; provided, however, Tenant shall, at any time and from time to time during the lease term, have the option to relinquish its property rights with respect to such trade fixtures (including, but not limited to, air conditioning machinery and lighting fixtures), which option shall be exercised by notice of such relinquishment to Landlord, and from and after the exercise of said option, the property specified in said notice shall be the property of Landlord.

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~~Holding~~ Over

30. In the absence of any written agreement to the contrary, if Tenant should remain in occupancy of demised premises after the expiration of the lease term, it shall so remain as a tenant from month-to-month and all provisions of this lease applicable to such tenancy shall remain in full force and effect.

and the holder of any mortgate (or deed of trust) substantially necessary for the interim (construction) or permanent financing of the shopping center improvements

Investment Tax Credit

31. Landlord hereby agrees to elect under the applicable provisions of the Internal Revenue Code of 1954, as amended, (hereinafter referred to as the "Code") to pass through to the Tenant all investment tax credit which may be available from time to time in respect of the demised premises under Section 38 of said Code to the extent such investment tax credit is not usable under said Code by the Landlord, its successors and assigns. Landlord agrees to timely execute all documents required by said Code, and regulations issued thereunder, to enable Tenant to obtain such investment tax credit.

Landlord further agrees to maintain adequate records so that the qualifying property can be identified and the cost thereof can be determined and to provide such records to the Tenant upon written request and otherwise to cooperate with Tenant in said matter. Landlord agrees not to destroy or otherwise dispose of such records until written consent to such destruction or disposal has been obtained from Tenant.

Notices

32. Notices required under this lease shall be in writing and deemed to be properly served on receipt thereof if sent by certified or registered mail to Landlord at the last address where rent was paid or to Tenant at its principal office in Troy, Michigan, or to any subsequent address which Tenant shall designate for such purpose. Date of notice shall be date on which such notice is deposited in a post office of the United States Postal Service

Captions and Definitions

33. Marginal captions of this lease are soley for convenience of reference and shall not in any way limit or amplify the terms and provisions thereof. 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.

Successors and Assigns

34. 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.

Memorandum of Lease

35. The parties hereto have simultaneously with the execution and delivery of this lease executed and delivered a Memorandum of Lease which Landlord shall at its sole expense cause to be recorded within sixty (60) days following delivery of this lease and returned to Tenant by Landlord within sixty (60) days thereafter.

ARTICLES 36, 37, 38, 39 and 40 (SEE RIDER)

IN WITNESS WHEREOF, the parties hereto have executed these presents in duplicate and affixed their seals hereto as of the day and year first above written.

WITNESSES:

Robert L Pace

Robert L Pace

BECKER VILLAGE, a North Carolina General Partnership

By: Seby B. Jones

Seby B. Jones, General Partner

By: Charles M. Edwards

Charles M. Edwards, General Partner

KMART CORPORATION

Tracy M. Andrich

Shelley J. Klubik

By: J. P. Johnson, Vice President

Attest: C. E. Lotzar, Jr. Assistant Secretary

ACKNOWLEDGEMENTS:

STATE OF NORTH CAROLINA

COUNTY OF Wake

I, Jacqueline S. Riggsbee, a Notary Public in and for said County and State, do hereby certify that SEBY B. JONES, General Partner of Becker Village, a North Carolina General Partnership, personally came before me and acknowledged the due execution of the foregoing instrument on behalf of said partnership.

Witness my hand and seal, this the 2nd day of July, 1979.

JACQUELINE S. RIGGSBEE NOTARY PUBLIC WAKE COUNTY, N.C.

Jacqueline S. Riggsbee
Notary Public

My commission expires: April 4, 1983

STATE OF NORTH CAROLINA

COUNTY OF Wake

I, Craig M. Davis, a Notary Public in and for said County and State, do hereby certify that CHARLES M. EDWARDS, General Partner of Becker Village, a North Carolina General Partnership, personally came before me and acknowledged the due execution of the foregoing instrument on behalf of said partnership.

Witness my hand and seal, this the 3rd day of July, 1979.

CRAIG M. DAVIS NOTARY PUBLIC WAKE COUNTY, N.C.

Craig M. Davis
Notary Public

My commission expires:

My Commission Expires
March 18, 1984

ACKNOWLEDGMENTS

STATE OF
COUNTY OF } ss:

I do hereby certify that on this day of , 19 , before me, , a Notary Public in and for the County and State aforesaid, and duly commissioned, personally appeared and known to me to be the President and Secretary of , who, being by me duly sworn, did depose and say that they reside in , respectively; that they are the President and Secretary respectively of , the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names thereto by like order.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires:_____ _____
Notary Public

STATE OF MICHIGAN
COUNTY OF OAKLAND } ss:

I do hereby certify that on this 27th day of August, 1979, before me, Patricia A. Hewelt, a Notary Public in and for the County and State aforesaid, and duly commissioned, personally appeared J. P. Johnson and C. E. Lotzar, Jr. known to me to be the Vice President and Assistant Secretary of ~~S. S. Kresge Company~~ K mart Corporation, who, being by me duly sworn, did depose and say that they reside in ~~respectively~~; that they are the Vice President and Assistant Secretary respectively of S. S. Kresge Company, the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names thereto by like order.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

PATRICIA A. HEWELT
Notary Public, Macomb County, Mich.
My Commission Expires Sept. 14, 1980
Acting in Oakland County

My commission expires: Patricia A. Hewelt
Notary Public

THIS RIDER, CONSISTING OF 6 PAGES, IS ATTACHED TO AND MADE A PART OF THAT CERTAIN LEASE, DATED June 21, 1979, BY AND BETWEEN BECKER VILLAGE - ROANOKE RAPIDS, NORTH CAROLINA, LANDLORD, AND K MART CORPORATION, TENANT.

ARTICLE 1
Demised Premises

Landlord does demise unto Tenant and Tenant does take from Landlord for the term hereinafter provided, and any extension thereof, the following property: Tenant's completed building and garden patio shop (designated K mart), the land directly underlying said building and garden patio shop, together with the right to use, in common with others, the common areas of the site, including mall area accessways, walkways, driving aisles and parking areas; said Tenant's building, garden patio shop and other site improvements to be constructed as specified in this lease by Landlord, at its expense, on land comprising not less than thirty-two (32) acres, described in Exhibit "A", attached hereto and made a part hereof, situated in Roanoke Rapids, Halifax County, North Carolina. Said building and garden patio shop, common areas and other site improvements to be in the locations depicted on Exhibit "B", attached hereto and made a part hereof. Tenant's K mart and garden patio shop to be of the following dimensions:

A single story building approximately fifty-five thousand five hundred fifty-two square feet (55,552 square feet)

K mart store - 248' in width by
224' in depth ..... 55,552 square feet

5,290 sq. ft. 8-Bay Drive Thru TBA - Total 60,842 sq. ft.

Plus fenced enclosure for garden patio shop with the dimensions of 99'1" x 56'3"

Said K mart building, garden patio shop, the land directly underlying said K mart building and garden patio shop, together with all licenses, rights, privileges and easements appurtenant thereto and herein provided shall be hereinafter collectively referred to as the "demised premises".

ARTICLE 9
Parking and Other Common Areas (Cont'd)

Landlord shall contract for sweeping, striping and snow and ice removal necessary for parking areas, driveways, sidewalks and streets within the premises or Landlord may perform this maintenance.

Tenant shall pay to Landlord its pro rata share of the cost of maintaining the common facilities and common areas. Tenant's said share of said costs will be based upon the ratio that the ground floor area of Tenant's building (60,842 square feet) bears to the total gross ground floor area contained in all buildings actually erected on any portion of the land described in Exhibit "A" depicted on Exhibit "B".

For purposes of this Article the costs of maintaining the common areas and common facilities shall mean the following: All amounts paid for (1) cleaning and restriping of parking areas, sidewalks and driveways, including snow removal; (2) maintenance and repair of planted or landscaped areas; (3) lighting of parking lot including repairs and replacements; and (4) wages and salaries of persons directly and actually performing services described herein.

The costs of maintaining the common area and common facilities shall not include ~~real estate taxes~~, capital expenses, office overhead, license or permit fees, rubbish removal for other tenants, or mall maintenance.

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Landlord shall maintain accurate records in respect of the aforesaid costs and shall submit to Tenant a bill for the amount required to be paid by Tenant hereunder within thirty (30) days after the end of each calendar year during the term of this lease. Such bill will set forth the items and amounts charged to Tenant in reasonable detail and will reflect the calculation of Tenant's obligation. Tenant shall pay such amounts within thirty (30) days after receipt of Landlord's billing therefor.

Tenant may, upon seven (7) days notice, have Landlord's records of common area expenditures for the previous calendar year audited by Tenant's accountant; should such audit disclose any overpayment by Tenant, Landlord shall remit said overpayment upon demand.

ARTICLE 9 - Continued

All common areas and common facilities shall be subject to the control and management of Landlord. Landlord shall have the right and obligation to construct, maintain and operate lighting and other facilities; to police the common areas and common facilities; reasonably to restrict parking by tenants of the shopping center, their officers, agents and employees; to establish, modify, change and enforce reasonable uniform and nondiscriminatory rules and regulations with respect to all common areas and common facilities.

During store operating hours which Tenant shall establish and for 1/2 hour prior to and for 1/2 hour thereafter, Landlord will assure to Tenant, its invitees, customers and employees, access to Tenant's main mall store entrance. Tenant's shopping carts being used by its invitees, customers, and employees will be permitted ingress and egreee to and from the mall, and the right to circulate within the mall.

Landlord will keep the mall illuminated, heated, cleaned and properly and attractively maintained. No kiosk will be installed within one hundred twenty-five feet (125') of the entrance to Tenant's building without the prior written consent of Tenant, nor shall any kiosk be installed in the mall area within one hundred twenty-five feet (125') of the main mall entrance to Tenant's building.

ARTICLE 12
Option to Extend Lease

(a) Tenant shall have ten (10) successive options to extend the term of this lease for an additional period of five (5) years on each such option, such extended term to begin respectively upon the expiration of the term of this lease or of this lease as extended and the same terms and conditions as herein set forth shall apply to each such extended term. If Tenant shall elect to exercise the aforesaid options, it shall do so by giving notice to Landlord not less than six (6) months prior to the expiration of the term of this lease or of this lease as extended.

(b) Regardless of the exercise or nonexercise by Tenant of any or all of the foregoing options, Tenant shall have, unless the last day of the lease term shall be January 31 of any year, the option to extend (or further extend, as the case may be) the term of this lease for such period of time as shall cause the last day of the term of this lease to be the January 31 next succeeding the date upon which the term of this lease would expire but for the exercise of this option. This option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of the term of this lease or any extension thereof. Tenant's rental during this option period shall be the same rental payable under the terms of this lease at the time Tenant notifies Landlord of its intention to exercise this option.

~~ARTICLE 14~~
~~Repairs - Contd from paragraph 1~~

~~Landlord covenants that all other buildings, improvements, common areas and common facilities located on the land described in Exhibit "A" and depicted on Exhibit "B" shall be maintained in a safe, dry, and tenantable condition, and in good order and repair.~~ This Lease contains no Article 14.

ARTICLE 18
Fire

From and after the "date of occupancy by Tenant", as that term is defined in Article 10 hereof, should Tenant's net worth at any time be less than One Hundred Million Dollars ($100,000,000.00), upon written request of the Landlord or mortgagee, Tenant shall procure fire insurance with extended coverage endorsement upon the buildings erected by Landlord pursuant to Article 5 hereof in an amount equal to eighty per cent (80%) of the insurable value of the buildings above the foundation walls. At any time while Tenant's net worth shall exceed One Hundred Million Dollars ($100,000,000.00), the Tenant may elect to self-insure its obligation to restore.

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Policies of fire insurance procured pursuant to this Article shall assure and be payable to Landlord, Tenant and mortgagee and shall provide for release of insurance proceeds to Tenant for restoration of loss.

Landlord and mortgagee, if any, shall be furnished certificates from the insuring company showing the existence of such insurance. In case of loss, Tenant is hereby authorized to adjust the loss and execute proof thereof in the name of all parties in interest.

ARTICLE 18 - Continued

In the event that, at any time during the lease term, the permanent improvements then constituting Tenant's building and site improvements shall be damaged or destroyed (partially or totally) by fire or any other casualty insurable under a standard fire and extended coverage endorsement Tenant shall, at its expense, promptly and with due diligence either (1) repair, rebuild and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction or (2) repair, rebuild and restore the same for the same use and purposes but in accordance with such plans and specifications as are then generally in use by Tenant for the construction of K marts and related structures, provided, however, the repaired, rebuilt or replaced building will have a value not less than its value just prior to said loss, and is architecturally and aesthetically compatible with the shopping center. Anything herein to the contrary notwithstanding, it is understood and agreed that if (1) as a result of any such damage or destruction during the last two (2) years of the lease term, Tenant's fixtures, equipment or other property shall be damaged or destroyed in an amount exceeding One Hundred Thousand Dollars ($100,000.00), or (2) if such damage or destruction shall have taken place within five years of the then scheduled expiration date of the current term of the lease and if the extent of such damage or destruction is such that the cost of restoration would exceed fifty per cent (50%) of the amount it would have cost to replace the Tenant's building on the demised land in its entirety at the time such damage or destruction took place, then Tenant may terminate this lease as of the date of such damage or destruction by giving written notice to the Landlord within thirty (30) days thereafter and Tenant shall have an additional sixty (60) days, rent free, within which to remove its property from the demised premises. If Tenant is carrying fire insurance to eighty per cent (80%) of the insurable value, all the insurance proceeds shall belong to Landlord and/or Landlord's mortgagee as their interest may appear; in the event the property is self-insured at the time of the loss Tenant shall reimburse Landlord and/or the mortgagee for an amount equivalent to the insurance proceeds that would have been paid had insurance been in force, but not to exceed eighty per cent (80%) of the insurable value of the building. In the event that this lease shall be terminated as above provided, all unearned rent and other charges paid in advance shall be refunded to Tenant.

In the event that any time during the lease term, any building or buildings within the site depicted on Exhibit "B", other than Tenant's building or buildings, shall be damaged or destroyed (partially or totally) by fire, the elements or any other casualty, Landlord shall, at its expense, promptly and with due diligence repair, rebuild and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction; or alternatively Landlord shall be required to clear, clean and raze the fire damaged buildings.

ARTICLE 36
Real Estate Taxes

Tenant shall pay and discharge all ad valorem real estate taxes and assessments which shall be levied against the taxable premises during the lease term, excluding therefrom payment of assessments which are incurred or levied as a result of Landlord's activity in developing the demised premises for Tenant's occupancy.

To the extent permitted by law, Tenant may pay any such assessment in annual installments. In the event any such assessment shall be payable in a lump sum or on an installment basis, Tenant shall have the sole right to elect the basis of payment. If Tenant shall elect to pay such assessment on the installment basis, then Tenant shall pay only those installments which shall become due and payable during the lease term. Any such installments due and payable in the year in which this lease commences and terminates shall be prorated proportionately.

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Landlord and Tenant each hereby release the other and their agents and employees from any claim for damages or destruction to the premises described in attached Exhibit "A" or the contents thereof belonging to either, or for business interruption of either, caused by fire or other peril covered by extended coverage insurance whether due to the negligence of either of them or otherwise.

ARTICLE 36 - Continued

Tenant shall not be chargeable with nor be obligated to pay any tax of any kind whatsoever which may be imposed on the Landlord, the rents payable hereunder or the demised premises except the ad valorem real estate taxes and assessments mentioned in the first paragraph of this Article 36.

The amount, if any, by which the ad valorem real estate taxes and assessments payable hereunder exceed FOURTEEN THOUSAND ($14,000) DOLLARS during any lease year, shall be hereinafter referred to as an "excess tax payment". All excess tax payments shall be deductible by Tenant from additional rentals, as defined in Article 4, due and payable for such lease year. In the event the excess tax payment for any lease year exceeds said additional rental due and payable during the same lease year, the amount by which said excess tax payment exceeds said additional rental shall be carried forward and be deductible from additional rentals due and payable for succeeding lease years on a cumulative basis.

The Tenant shall have the right to participate in all negotiations of tax assessments. Tenant shall have the right to contest the validity or the amount of any tax or assessment levied against the taxable premises by such appellate or other proceedings as may be appropriate in the jurisdiction, and may defer payment of such obligations, pay same under protest, or take such other steps as Tenant may deem appropriate; provided however, Tenant shall take no action which will cause or allow the institution of any foreclosure proceedings or similar action against the demised premises. Landlord shall cooperate in the institution and prosecution of any such proceedings initiated by the Tenant and will execute any documents required therefor.

Should the Landlord institute proceedings to contest the validity or the amount of any tax or assessment levied against the taxable premises, the Tenant will cooperate in such proceedings.

Should any of the proceedings referred to in the preceding two paragraphs of this Article 36 result in reducing the total annual real estate tax and assessment liability against the taxable premises, the Tenant shall be entitled to receive all refunds paid by the taxing authorities. After payment of all of Landlord's and Tenant's expenses incurred in any such proceeding in which a refund is paid, the Tenant shall pay to the Landlord either the balance of such refund or, alternatively, Tenant shall pay to the Landlord that part of the excess tax payment which may have been deducted from additional rent in the tax year for which the refund was granted, whichever amount shall be the lesser. Any balance of said refund remaining after such payment to Landlord shall belong to the Tenant. If no refund shall be secured in any given proceeding, the party instituting the proceeding shall bear the entire cost.

The taxable premises as hereinafter defined, or the components thereof, shall, if possible, be separately assessed from any contiguous land and other Landlord improvements. If Landlord is unable to obtain such separate assessment, then for purposes of this article, the parties shall refer to the office records of the assessing authority to obtain the relevant valuations in order to calculate Tenant's liability for the taxes hereunder.

The term "taxable premises", as used in this lease shall be:

(a) The K mart building including an auto service area, totalling 60,842 square feet. ~~and garden patio shop~~ required to be constructed by Landlord under the terms of this lease and the land directly underlying said building and garden patio shop; and

(b) Tenant's prorata share of the common areas and common facilities. Said prorata share will be determined in accordance with the ratio that the square foot area of Tenant's building ~~and garden patio shop~~ bears to the total square foot area of all leaseable building space in the shopping center. and auto service area totalling 60,842 square feet

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ARTICLE 36.- Continued

If the Landlord is unable to obtain such separate assessment, and if the parties shall be unable to obtain relevant information from the office records of the assessing authority from which to obtain such relevant valuations of the taxable premises as hereinabove provided, then Tenant shall pay that portio of the taxes due on the land described in Exhibit "A" and the buildings and improvements erected thereon, which shall be equal to the product of the total tax liability therefor multiplied by a fraction, the numerator of which shall be the number of square feet of Tenant's building, and the denominator of which shall be the total number of square feet of all buildings, including Tenant's building constructed on said land.

ARTICLE 37
Exculpation

Anything to the contrary in this lease notwithstanding the covenants contained in this lease to be performed by Landlord shall not be binding personally, but instead said covenants are made for the purpose of binding only th fee simple or leasehold estate which Landlord owns in the demised premises; provided, however, the obligations imposed by Article 7 of this lease shall be personally binding upon Landlord.

ARTICLE 38
Repairs

Tenant shall make and pay for all nonstructural repairs and replacements to the interior of Tenant's buildings which Tenant deems necessary to keep the interior of said buildings in a good state of repair, including all necessary repairs and replacements to the following: all windows and interior glazed partitions; interior walls; floor coverings; ceilings; plumbing, electrical, heating, ventilating and air conditioning systems; lighting fixtures and tubes and all other above floor mechanical and electrical components, but in no event shall Tenant be obligated to make repairs and replacements which Landlord shall be required to make under any provision of this lease. Landlord shall make and pay for all repairs and replacements to said buildings (including the roofs) which shall be necessary to maintain the same in a safe, dry and tenantable condition, and in good order and repair (including, but not limited to, repairs occasioned by settling of the buildings on their foundations) excepting, however, those repairs and replacements which Tenant is specifically obligated to make under the provisions of this Article 39.

provided, however in the circumstances the Tenant attempted to notify the Landlord due to the nature of the required repair.

Landlord shall make and pay for all repairs and replacements reasonably necessary to maintain all driveways, sidewalks, streets and parking areas located on the demised premises free of all settling, clear of standing water and in a safe, sightly and serviceable condition, free of chuck holes, fissures and cracks. Landlord shall make and pay for all repairs and replacements to underground utility installations in the demised premises, including underground electrical conduits to parking lot light standards.

In the event building or improvements constituting the demised premises or a portion thereof shall be rendered unusable due to Landlord's default or negligence with respect to required repairs, there shall be a just and equitable abatement of said annual minimum rental and all other charges payable under this lease until said premises shall be made usable. Emergency repairs which shall be Landlord's responsibility hereunder, and which shall be necessary to protect the buildings or contents and/or to keep the common areas in a neat, clean, safe and orderly condition may be made by Tenant without notice to Landlord, and the cost of such repairs not to exceed Two Thousand Dollars ($2,000.00) in any one instance, may be deducted by Tenant from rentals subsequently accruing hereunder.

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Landlord shall not be liable for any loss or damage sustained by Tenant as a result of Landlord's failure to so repair or maintain unless Tenant has given Landlord written notice of the need therefore and Landlord has had a reasonable opportunity to make the needed repairs. The foregoing shall not apply if such needed repairs or maintenance is not ascertainable through ordinary and usual inspection.

ARTICLE 39

Covenant to Operate as a

Landlord represents that it has an executed lease with the J. C. Penney Company (Penney) which contains a covenant that they will open for business and will operate their store at Becker Village, Roanoke Rapids, N.C. retail department store for at least ten (10) years from the commencement of the term of their lease. Tenant agrees to open to the public for business the demised premises by the date of occupancy as defined in Article 10 hereof and so long as there is no breach by Penney of such operating covenant, Tenant agrees to continue to operate the demised premises as a K mart during the first ten (10) years of the term of this lease and during said period Tenant will further conduct its business during its regular and customary hours for its business, and such extended store hours as Tenant may elect in the event Tenant opens for business on Sundays.

Should the aforementioned Penney covenant be vitiated, unenforceable, in whole or in part, then in that event, the provisions of this covenant by Tenant shall be similarly vitiated, modified and become enforceable only upon the same basis.

From and after the ten (10) year period referred to above, the Tenant may use the Premises for any lawful retail purpose or may assign this lease or sublet the premises in whole or in part for any lawful retail purpose, (so long as the Shopping Center is being used for retail purposes), or it may permit the premises to remain vacant; provided, however, the Tenant shall not be relieved from its obligations under this lease by any such subletting or assignment without the Landlord's consent. Tenant shall notify Landlord within thirty (30) days of the execution of any assignment or sublease. In the event the Tenant intends to vacate the premises or proposes to sublet seventy-five percent (75%) or more of the gross leasable area of its retail store building for use other than as a department store, the Tenant shall give Landlord notice of its intention and Landlord shall have six (6) months from receipt of Tenant's notice in which it may cancel this lease.

ARTICLE 40

Future Landlord Building and Outlots

Landlord shall be permitted to construct a single story building for retail purposes in that area depicted on Exhibit "B" as "Future Landlord Building". Until such time as Landlord shall construct said building, Landlord shall grade, level, seed and maintain said area in a sightly condition. Provided further Landlord shall grade, level, pave and light all that area on the premises north of the Mall buildings, exclusive of said future building area, to provide for parking and driveways in accordance with Tenant's plans and specifications.

Tenant acknowledges that Landlord owns and controls two parcels of property depicted on Exhibit "B" as "outlot". These parcels are property adjoining the demised premises and Landlord shall be permitted to construct a single story building on such outlot. Said building (s) not to exceed 5,000 sq. ft.. As these two parcels do not abutt U.S. Highway 78, Landlord shall be permitted to construct points of access between these outlots and the demised premises. Said points of access are to be approved by Tenant. Such approval by Tenant is not to be unreasonably withheld.

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C.M.E.

EXHIBIT A

LEGAL DESCRIPTION

BECKER VILLAGE MALL
Roanoke Rapids, North Carolina

All that certain tract or parcel of land lying and being situate in the city of Roanoke Rapids, Roanoke Rapids Township, Halifax County, North Carolina, more particularly described as follows: Beginning at an iron pipe, said iron pipe being located at the intersection of the Eastern line of East Tenth Street and the Southern line of Becker Drive; thence along the Southern line of Becker Drive S. 77° 39' E. 118.8 feet to a rod; thence continuing along the Southern line of Becker Drive a curve to the right with a radius of 400.74 feet, a distance of 164.01 feet to a stake; then continuing along the Southern line of Becker Drive S. 54° 12' E. 961.52 feet to an iron pipe, said iron pipe being the Northwest corner of Section VII, Becker Farm; thence continuing along the Southern line of Becker Drive S. 54° 12' E. 50 feet to a point, said point being the Northwest corner of Lot No. 14 Section VII, Becker Farm, as shown on map recorded in Map Book 17 at page 72, Halifax Public Registry; thence along the Western boundary of Lot No. 14, S. 35° 48' W. 160 feet to a point; thence S. 54° 12' E. 105 feet to a point, said point being the Northwest corner of Lot No. 7, Section VI, Becker Farm, as shown on map recorded in Map Book 17 at page 62, Halifax Public Registry; thence along the Western line of Lot No. 7, S. 21° 07' W. 132.1 feet to a point in the Northern line of Devonshire Circle; thence along the right of way of Devonshire Circle, a curve to the left with a radius of 85 feet, a distance of 111.8 feet to a point; thence continuing along the Western line of Devonshire Circle S. 35° 48' W. 365 feet to a point; thence continuing along the line of Devonshire Circle, a curve to the left with a radius of 88 feet, a distance of 123.0 feet to a point; thence continuing along the Southern line of Devonshire Circle S. 44° 18' E. 21.8 feet to a point, said point being the Northwest corner of Lot No. 18, Section VI, Becker Farm; thence along the Western line of Lot No. 18, S. 45° 41' W. 141.05 feet to a point, said point being the Southwest corner of Lot No. 18 and also being in the Southern margin of the 30-foot easement to North Carolina Natural Gas; thence along the Southern boundary of Section VI, Becker Farm, and the 30-foot easement to North Carolina Natural Gas N. 44° 18' W. 3.67 feet to an iron pipe, said iron pipe being the Northwest corner of property previously conveyed by Becker Farms, Inc. to Roanoke Rapids Sanitary District; thence along said Western boundary of said Sanitary District property S. 35° 46' W. 217.10 feet to an iron pipe in the Northern right of way of the Seaboard Coastline Railroad, said iron pipe being also the Southwest corner of property previously conveyed by Becker Farms, Inc. to Roanoke Rapids Sanitary District; thence along the Northern margin of the 80-foot right of way of Seaboard Coastline Railroad N. 56° 53' W. 1,076.77 feet to a railroad spike in the centerline of an old road; thence N. 30° 53' E. 146 feet to an iron pipe; thence N. 18° 07' E. 189.3 feet to an iron pipe; thence N. 27° 03' 30" E. 80 feet to a point; thence N. 25° 23' 30" E. 68 feet to an iron pipe; thence N. 25° 23' 30" E. 9.97 feet to a point; thence N. 29° 16' 30" E. 48.6 feet to a point; thence N. 33° 26' E. 129.4 feet to a point; thence N. 58° 25' W. 18.8 feet to a point; thence N. 34° 08' 30" E. 150 feet to a point; thence N. 35° 49' 30" E. 129.2 feet to a point; thence N. 9° 19' W. 304.3 feet to the point of beginning, containing 31.83 acres, more or less, as shown and designed on the following three (3) maps or plats showing property of Becker Farms, Inc., all recorded in Halifax Public Registry: (1)Lots Nos. EIGHT (8) through SEVENTEEN (17), both inclusive, Section VI, Becker Farm, Map Book 17 at page 62; (2) Lot No. FIFTEEN (15), Section VII, Becker Farm, Map Book 17 at page 72; (3) a block containing 28.937 acres, more or less, recorded in Map Book at page _____; reference to said maps being hereby made for greater certainty of description.

EXHIBIT "A"

Kmart Corporation

International Headquarters
3100 West Big Beaver Road
Troy, Michigan 48084

December 12, 1978

RECEIVED
DEC 15 1978
ATLANTA R. E. OFFICE

Plaza Associates
P.O. Box 2208
Chapel Hill, NC 27514

Attention: Mr. Sam Longiotti

Re: K mart # - Roanoke Rapids, NC
SWC Becker & E. 10th

Dear Mr. Longiotti:

At the request of Mr. R. N. Combs of our Real Estate Department, we are forwarding to you two (2) sets of Drawings and Specifications identified with the set number B-0667, covering our minimum requirements for the construction of a K mart.

These K mart Store drawings and specifications consist of the following:

55,552 sq. ft. K mart plans all dated December 1, 1977 with an eight (8) bay drive-thru Auto Service Center.

A1 through A9	S1, S2, S3C, S3S S3T, S4 and S5	M1G through M9G
		E1G through E7G

Specifications dated November 15, 1977, including "Project Procedure and Sequence" Section defining the division of responsibility regarding the preparation of contract documents, sheet SPR-32, Asphalt Paving, dated revised October 4, 1978 and sheet SPR-35 dated November 6, 1978.

SITE DEVELOPMENT

The K mart Corporation shall be party to the initial site development decisions. To enable the K mart Corporation to properly evaluate the site conditions and have a meaningful input in these major decisions, the Developer shall submit to the K mart Corporation, in written and drawing form, a description of his proposed preliminary site development design.

EXHIBIT "C"

The site development design shall encompass all aspects of the proposed K mart operation i.e. access, site drainage and the relationship of the K mart floor elevation to adjacent grades, roads and buildings. Land balance shall be given consideration but shall not be the overriding factor in the ultimate site design.

Preparation of final engineering drawings or commitments affecting site improvements and development shall not be made by the Developer until approval has been granted by the K mart Corporation.

The design package shall indicate the proposed building location, floor elevation, site drainage pattern and utilities. The design package shall also include a topographical survey of the entire site including an area extending approximately 150' onto all adjacent properties and to the centerline of all boundary roads, or as may be required to determine any adjacent terrain conditions which might influence the site development design. The survey shall also include the site description, measurements and all existing utilities. Preliminary test boring reports indicating the subsurface soil conditions shall also be submitted.

The K mart Corporation will review all submitted data and if necessary, visit the site. If in the judgment of the K mart Corporation the proposed site development design would be detrimental to the K mart operation, the design will be returned to the Developer for re-study. Upon approval of the Site Development Design by the K mart Corporation, the Developer may proceed with final engineering drawing.

The Auto Service Center equipment plan and details contained in these documents are for general information and division of responsibility only. At the time this project is formalized and contract documents completed, the Auto Service Center plan and equipment details will be modified, as required, for the specific auto equipment manufacturer selected for this K mart.

The K mart store plans and specifications described above are to be modified as indicated in the revisions outlined in the following paragraphs.

1. Plugmold for Portable TVs & Appliances consisting of drawing E-301 dated revised February 15, 1978.

2. Floor Plan Electric consisting of drawing E1N-8L dated June 26, 1976.

3. Handicapped Parking Sign consisting of drawing TD-47 dated June 23, 1978.

4. Jewelry and Camera Department consisting of drawing E-290 dated revised August 3, 1978.

5. Cafeteria Pest Control Plan consisting of drawing E-331 dated August 10, 1978.

6. Mop Rack consisting of drawing TD-51 dated November 6, 1978.

The drawings and specifications describe a nominal 55,552 square foot, left hand K mart store with an additional 5,290 square feet in the area of the Auto Service Center. We are including a Preliminary Layout B-0667, dated November 30, 1978, for this size store. This drawing also indicates any modifications required by the K mart Corporation for this specific location.

It is contemplated that this K mart store be part of an enclosed mall. If the K mart entrance, storefront and canopy are required to be modified to integrate them with the enclosed mall, these modifications to the Typical criteria, must be reviewed and approved by the K mart Corporation.

Please advise your consultants regarding the following mechanical and electrical information which supplements and/or modifies the enclosed drawings and specifications.

Secondary electric service is acceptable. No power factor correction is required. Utility transformer shall be located where shown on layout.

Snow melting and freeze protection for downspouts at front canopy will be required at this location, only if front canopy is not protected by the mall enclosure.

Delete "Ballast" paragraph 2, page 16E-2 of specifications and substitute the following:

2.1 All ballasts shall be ETL-CBM certified, UL approved, class P, high power factor type as manufactured by Advance or Universal. All ballasts shall be of the same manufacturer.

2.2 Slimline and rapid start ballasts shall be energy saving - full light output type.

2.3 Unless otherwise indicated, two (2) lamp ballasts shall be used whenever possible.

Delete the electrical for Tire & Battery Display Racks consisting of two (2) 120V. outlets, 1-120V. circuit and the mounting and connection of lighting fixtures in racks.

Firm gas, if available, shall be utilized for space heating and domestic hot water heater. Landlord's consulting engineer shall verify availability of firm natural gas and obtain a commitment from North Carolina Natural Gas Co. as soon as possible. When firm commitment is obtained, Landlord shall advise K mart Corporation, Public Utility Department accordingly.

Air Conditioning Units must be sized to provide a minimum of 4.25 air changes per hour for the Sales Area.

Cooking equipment shall be electric.

Air conditioning of the main stock area is required at this location. Power exhausters located in the main stock area designated as "summer ventilation" shall be eliminated due to air conditioning in the stock room.

Provide one (1) meter for each utility to the K mart.

All public utilities (including the sprinkler system) for the co-tenant Food Market and/or other co-tenant facilities, shall be separate and completely independent from the K mart and shall be provided by the Landlord.

The parking lot lighting, sidewalk (under canopy) lighting and service drive lighting shall be on Landlord's separate meter and separate electric service. Landlord shall re-bill appropriate charges for the K mart area to K mart Corporation.

All sprinkler lines shall be run concealed in General Offices, corridors and all other finished areas, avoiding interferences with lights, ducts, pipes, etc. Exposed piping in finished areas will not be acceptable.

Landlord's engineer shall consult the telephone company relative to proper facilities, including conduit, to handle the telephone installation.

NOTE:

The Landlord's consultants shall verify State and Local codes for possible Energy Conservation requirements in effect for new construction at this location.

If an Energy Code is applicable for this building, then it will be necessary to incorporate such requirements into the Heating, Ventilating, Air Conditioning and Electrical systems.

These sets of drawings and specifications are to be used as the lease documents and are to be amended as may be required to meet local code requirements.

Very truly yours,

James A. Kilgore, A.I.A.
Manager, Design Division
Construction Department

JAK:klk
cc: Mr. G. L. Hostetter
Mr. W. J. Mottershaw
Mr. J. E. Dinkins
Mr. A. D. Kerkau
Mr. R. N. Combs
Mr. P. Leonard - K.E.I.
Public Utilities

Kmart Corporation

International Headquarters
3100 West Big Beaver Road
Troy, Michigan 48084

February 6, 1979

RECEIVED
FEB 9 1979
ATLANTA R. E. OFFICE

Plaza Associates
P. O. Box 2208
Chapel Hill, NC 27514

Attention: Mr. Sam Longiotti

Re: K mart #9656 - Roanoke Rapids, NC
SWC Becker and E. 10th

Dear Mr. Longiotti:

Attached are two (2) prints of the preliminary layout which was originally issued to you with the date of November 30, 1978. This project has now been assigned a number (#9656) and pending approval of your site development design package you are at liberty to proceed with the preparation contract drawings and specifications.

Please notify the writer and Mr. W. J. Mottershaw, Manager, Building Division, of the names and addresses of your architect, engineers and contractors as soon as possible.

Please advise your consultants regarding the following mechanical and electrical information which supplements and modifies the information and/or drawings forwarded to you under my letter dated December 12, 1978.

Air conditioning branches for the Preparation Room, extending from roof top A.C. unit serving main sales area, shall be deleted.

Exhaust fan serving Preparation Room shall be controlled by an air switch set at 80 degrees F.

The aforementioned revisions will be implemented into your contract documents. Any cost adjustments resulting from these revisions are to be submitted to Mr. W. J. Mottershaw, Manager, Building Division, Construction Department, the K mart Corporation within sixty (60) days of receipt of this letter for approval and construction authorization. Failure to submit any anticipated cost adjustments within this sixty (60) day period shall be deemed, at the discretion of the K mart Corporation, either a "No Change" in construction cost or in the event a construction cost rebate is in order, the rebate will be negotiated with the K mart Corporation.

EXHIBIT "C"

At this time we are also enclosing six (6) copies of our plot plan #2456 for this location, as approved by K mart Corporation Management. Please forward four (4) copies to your Architects/Engineers for implementation into the contract documents. If any deviation is contemplated from the above plot plan arrangement, please advise immediately.

Special Note: We wish to remind you of your obligation to secure city approval of your sign requirements concurrently with the General Building permit application. Attached herewith are three (3) copies each of the following sign drawings: K-1-L, dated revised October 2, 1978, SN-112, "K mart", dated October 3, 1977; SN-106, "Auto Service", dated March 12, 1973; and SN-113 "Auto Garden", dated November 4, 1976, for your use in obtaining sign permits. Also at this time, will you kindly write Mr. L. A. Bulkley, Building Division, and give him a complete summary of your negotiations on sign permits to date and when you expect to receive them.

Very truly yours,

James A. Kilgore

James A. Kilgore, A.I.A.
Manager, Design Division
Construction Department

JAK:jet
cc: Mr. G. L. Hostetter
Mr. W. J. Mottershaw
Mr. A. D. Kerkau
Mr. J. E. Dinkins
Mr. L. A. Bulkley
P. L. File
Mr. R. N. Combs

NORTH CAROLINA

HALIFAX COUNTY

LEASE AMENDMENTS

THIS LEASE AMENDMENT, made this the 20th day of January, 1981, by and between BECKER VILLAGE, a North Carolina general partnership, having its principal office at 100 Becker Drive, Post Office Box 1030, Roanoke Rapids, North Carolina 27870 (hereinafter "Landlord"), party of the first part, and K mart CORPORATION, a Michigan corporation, having its principal office at 3100 West Big Beaver Road, Troy, Michigan 48084 (hereinafter "Tenant"), party of the second part;

W I T N E S S E T H :

WHEREAS, Landlord and Tenant entered into that certain Lease dated as of June 21, 1979, demising certain property in the Becker Village Mall at Roanoke Rapids, North Carolina (the "Lease"), and

WHEREAS, the parties desire to make certain amendments to the Lease, all as is hereinafter set forth.

NOW, THEREFORE, in consideration of the actual promises, covenants and conditions of the parties as contained in the Lease and as also contained herein, the parties do hereby amend the Lease as follows:

1. By amending Artice 9 in the seventh line thereof by deleting the words "seventeen hundred (1700)" and by substituting therefor the words sixteen hundred (1600)"; and by adding the following after the last full paragraph thereof: "Notwithstanding anything contained herein, Landlord shall have the right to construct three buildings containing not more than ten thousand (10,000) square feet of building area, three thousand (3,000) square feet of building area and two thousand four hundred (2,400) square feet of building area, respectively, as indicated on Exhibit B attached to the Lease, and to expand the Landlord's Department Store B and the Landlord's Food Store as indicated on that certain "Plat Showing As-Built Survey - Becker Village Mall", dated February 5, 1980, last revised on December 14, 1980, as prepared by Cyril C. Waters, R.L.S.; provided, however, that Landlord shall maintain at least 5.5 parking spaces for each one thousand (1,000) square feet of gross leasable area contained in buildings at any time located on the site, with a minimum of sixteen hundred (1600) automobile spaces. Any further expansion

beyond that permitted above shall be subject to the prior approval of Tenant, such approval not to be unreasonably withheld."

2. By adding to Article 19 (on page 8 of the Lease) after the last full paragraph as now appears the following: "Tenant shall not be entitled to share in any award made by reason of expropriation of Landlord buildings on the demised premises, or any part thereof, by public or quasi-public authority, except as set forth in the preceding paragraph relative to unamortized expenditures by Tenant and then only if the award for such unamortized expenditures shall be made by the expropriating authority in addition to the award for the land, building and other improvements (or portions thereof) comprising the demised premises; however, the Tenant's right to receive compensation for damages or to share in any award shall not be affected in any manner hereby if said compensation, damages or award is made by reason of the expropriation of the land or buildings or improvements constructed or made by Tenant. Necessarily, any reconstruction of the Tenant's building by Tenant in accordance with Article 18 hereof shall not be treated as buildings or improvements constructed or expenditures made by Tenant for the purposes hereof, but shall be considered only a replacement of Tenant's building, the ownership of which shall remain in Landlord.

3. By deleting from Article 21 the sentence reading: "Tenant shall be permitted to erect a panel sign on the Pylon", and by substituting therefor the following sentence: "If any other tenant shall be permitted to construct a panel on the Pylon, Tenant shall likewise be permitted to erect a panel thereon."

4. By amending the first sentence of the fifth paragraph on page 4 of the Rider (which is a part of Article 36) to read as follows: "Should any of the proceedings referred to in the preceding two paragraphs of this Article 36 result in reducing the total annual real estate tax and assessment liability against the "demised premises", providing they are separately assessed, the Tenant shall be entitled to receive all refunds paid by the taxing authorities, but if the demised premises are not separately assessed and the refund relates to property other than that included in the demised premises, then Tenant shall be entitled to receive only its pro rata portion of such refund."

5. By amending Article 39 by striking therefrom the words and figures "ten (10)" wherever the same appears and substituting therefor "five (5)".

Except as herein amended, the Lease remains in full force and effect.

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

BECKER VILLAGE, a North Carolina General Partnership

By: _____ (SEAL)
Seby B. Jones, General Partner

By: _____ (SEAL)
Charles M. Edwards, General Partner

K mart CORPORATION, a Michigan Corporation

By: _____
Vice President , F. M. Stevens

ATTEST:

_____
Asst. Secretary, C. E. Lotzar, Jr.

(Corporate Seal)

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, _____, a Notary Public for said County and State, do hereby certify that SEBY B. JONES, acting as general partner of BECKER VILLAGE, a North Carolina general partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the 20 day of Jan, 1981.

_____
Notary Public

My commission expires: My Commission Expires June 1, 1983

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, _____, a Notary Public for said County and State, do hereby certify that CHARLES M. EDWARDS, acting as general partner of BECKER VILLAGE, a North Carolina general partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the 20 day of Jan, 1981.

_____
Notary Public

My commission expires: My Commission Expires June 1, 1983

STATE OF MICHIGAN
COUNTY OF OAKLAND

I do hereby certify that on this 21st day of January, 1981, before me, Margaret T. Grant, a Notary Public in and for the County and State aforesaid, and duly commissioned, personally appeared F. M. Stevens and C. E. Lotzar, Jr., known to me to be the Vice President and Asst. Secretary of K mart CORPORATION, who, being by me duly sworn, did depose and say that they reside in Bloomfield Hills, Michigan and Birmingham, Michigan respectively, that they are the Vice President and Asst. Secretary respectively of K mart CORPORATION, the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporte seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names thereto by like order.

In witness whereof, I have hereunto set my hand and official seal the day and year in this certificate first above written.

Margaret T. Grant
Notary Public

My commission expires: MARGARET T. GRANT
~~Notary Public, Oakland County, Mich.~~
My Commission Expires June 30, 1981

NORTH CAROLINA

HALIFAX COUNTY

SECOND LEASE AMENDMENT

THIS SECOND LEASE AMENDMENT, made this the _____ day of February, 1981, by and between BECKER VILLAGE, a North Carolina general partnership, having its principal office at 100 Becker Drive, Post Office Box 1030, Roanoke Rapids, North Carolina 27870 (hereinafter "Landlord"), party of the first part, and K mart CORPORATION, a Michigan corporation, having its principal office at 3100 West Big Beaver Road, Troy, Michigan 48048 (hereinafter "Tenant"), party of the second part;

W I T N E S S E T H :

WHEREAS, Landlord and Tenant entered into that certain Lease dated as of June 21, 1979 and as amended by Lease Amendment dated January 20, 1981, demising certain property in the Becker Village Mall at Roanoke Rapids, North Carolina (the "Lease"), and

WHEREAS, the parties desire to make further amendments to the Lease as is hereinafter set forth.

NOW, THEREFORE, in consideration of the actual premises, covenants and conditions of the parties as contained in the Lease and as also contained herein, the parties do hereby amend the Lease as follows:

1. By deleting therefrom Exhibit "A", Legal Description", and Exhibit "B", Site Plan, and substituting therefor, as new Exhibits "A" and "B", the Legal Description and Site Plan attached hereto and incorporated by reference herein.

Except as herein amended, the Lease remains in full force and effect.

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

BECKER VILLAGE, a North Carolina General Partnership

By: _____ (SEAL)
Seby B. Jones, General Partner

By: _____ (SEAL)
Charles M. Edwards, General Partner

K mart CORPORATION, a Michigan Corporation

By: _____
President

ATTEST:

_____
Secretary

(Corporate Seal)

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, Anne M. Lozier, a Notary Public for said County and State, do hereby certify that SEBY B. JONES, acting as general partner of BECKER VILLAGE, a North Carolina general partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the 5 day of March, 1981.

Anne M. Lozier
Notary Public

My commission expires: My Commission Expires June 1, 1983

STATE OF NORTH CAROLINA
COUNTY OF

I, _____, a Notary Public for said County and State, do hereby certify that CHARLES M. EDWARDS, acting as general partner of BECKER VILLAGE, a North Carolina general partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the _____ day of _____, 1981.

_____
Notary Public

My commission expires: _____

Parties

THIS LEASE made and entered into as of this 21st day of June, 19 79 between BECKER VILLAGE, Seby B. Jones and Charles M. Edwards, General Partnership a North Carolina ~~corporation~~ having its principal office at 100 Becker Drive, P.O. Box 1030, Roanoke Rapids, North Carolina 27870 (herein referred to as "Landlord"), and K MART CORPORATION, a Michigan corporation having its principal office at 3100 West Big Beaver Road, Troy, Michigan, 48084 (herein referred to as "Tenant").

WITNESSETH: That in consideration of the rents, covenants and conditions herein set forth, Landlord and Tenant do hereby covenant, promise and agree as follows:

Demised Premises

ARTICLE 1 - SEE RIDER

~~1. Landlord does demise unto Tenant and Tenant does take from Landlord for the term hereinafter provided, and any extension thereof, the following property: Tenant's completed building or buildings (designated K mart and K mart Food), together with site improvements to be constructed, as hereinafter specified, by Landlord at its expense on the land comprising not less than ( ) acres described in Exhibit "A", attached hereto and made a part hereof, situated in the of , County of , State of , said building or buildings to be in the locations depicted on Exhibit "B", attached hereto and made a part hereof, and of the following dimensions:~~

~~Said completed buildings and site improvements, together with the licenses, rights, privileges and easements set forth in Article 9 hereof, shall be hereinafter collectively referred to as the "demised premises".~~

Term

2. The term of this lease shall commence upon the "date of occupancy by Tenant", as that term is defined in Article 10 hereof, and shall terminate upon such date as shall be Twenty-Five (25-) years from the last day of the month in which said date of occupancy by Tenant shall occur; provided, however, the term of this lease may be extended as provided in Article 12 hereof. The phrase "lease term", as used in this lease, shall be the term of this lease and any extension thereof pursuant to said Article 12.

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 SEVENTY FOUR THOUSAND THREE HUNDRED SEVEN ----------DOLLARS ($ 174,307.00), 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.

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EXHIBIT A

LEGAL DESCRIPTION

BECKER VILLAGE
Roanoke Rapids, North Carolina

All that certain tract or parcel of land lying and being situated in the City of Roanoke Rapids, Roanoke Rapids Township, Halifax County, North Carolina, more particularly described as follows:

BEGINNING at an iron pipe, said iron pipe being located at the intersection of the eastern line of East Tenth Street and the southern line of Becker Drive; thence along the southern line of Becker Drive South 77 degrees 39 minutes East 118.8 feet to a rod; thence continuing along the southern line of Becker Drive, a curve to the right with a radius of 400.74 feet, a distance of 164.01 feet to a stake; thence continuing along the southern line of Becker Drive South 54 degrees 12 minutes East 961.52 feet to an iron pipe, said iron pipe being the northwest corner of Section VII, Becker Farm; thence continuing along the southern line of Becker Drive South 54 degrees 12 minutes East 50 feet to a point, said point being the northwest corner of Lot No. 14, Section VII, Becker Farm, as shown on map recorded in Map Book 17, at Page 72, Halifax Public Registry; thence along the western boundary of Lot No. 14 South 35 degrees 48 minutes West 160 feet to a point; thence South 54 degrees 12 minutes East 105 feet to a point, said point being the northwest corner of Lot No. 7, Section VI, Becker Farm, as shown on map recorded in Map Book 17, at Page 62, Halifax Public Registry; thence along the western line of Lot No. 7 South 21 degrees 07 minutes West 132.7 feet to a point in the northern line of Devonshire Circle; thence along the right-of-way of Devonshire Circle a curve to the left with a radius of 85 feet, a distance of 111.8 feet to a point; thence continuing along the western line of Devonshire Circle South 35 degrees 48 minutes West 365 feet to a point; thence continuing along the line of Devonshire Circle, a curve to the left with a radius of 88 feet, a distance of 91.3 feet to a point; thence South 66 degrees 19 minutes West 156.7 feet to a point in the southern margin of the 30-foot easement to North Carolina Natural Gas; thence along the southern boundary of the 30-foot easement to North Carolina Natural Gas South 44 degrees 18 minutes East 104.33 feet to an iron pipe, said iron pipe being the northwest corner of property previously conveyed by Becker Farms, Inc. to Roanoke Rapids Sanitary District; thence along said western boundary of said Sanitary District property South 35 degrees 46 minutes West 217.10 feet to an iron pipe in the northern right-of-way of the Seaboard Coastline Railroad, said iron pipe being also the southwest corner of property previously conveyed by Becker Farms, Inc. to Roanoke Rapids Sanitary District; thence along the northern margin of the 80-foot right-of-way of Seaboard Coastline Railroad North 56 degrees 53 minutes West 1,077.23 feet to a railroad spike in the centerline of an old road; thence North 30 degrees 53 minutes East 146 feet to an iron pipe; thence North 18 degrees 07 minutes East 189.3 feet to an iron pipe; thence North 27 degrees 03 minutes 30 seconds East 80 feet to a point; thence North 25 degrees 23 minutes 30 seconds East 68 feet to an iron pipe; thence North 25 degrees 23 minutes 30 seconds East 9.97 feet to a point; thence North 29 degrees 16 minutes 30 seconds East 48.6 feet to a point; thence North 33 degrees 26 minutes East 129.4 feet to a point; thence North 58 degrees 25 minutes West 18.8 feet to a point; thence North 34 degrees 08 minutes 30 seconds East 150 feet to a point; thence North 35 degrees 49 minutes 30 seconds East 129.2 feet to a point; thence North 9 degrees 19 minutes West 304.3 feet to the POINT OF BEGINNING, containing 31.625 acres, more or less, as shown and designateed on the Plat Showing As-Built Survey, Becker Village Mall, prepared By Cyril C. Waters, dated February 5, 1980, revised December 14, 1980, reference to said plat being hereby made for greater certainty of description.

STATE OF MICHIGAN
COUNTY OF OAKLAND

I do hereby certify that on this _____ day of _____, 1981, before me, _____, a Notary Public in and for the County and State aforesaid, and duly commissioned, personally appeared _____ and _____, known to me to be the _____ President and _____ Secretary of K mart CORPORATION, who, being by me duly sworn, did depose and say that they reside in _____ _____, respectively; that they are the _____ President and _____ Secretary respectively of K mart CORPORATION, the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names by like order.

In Witness Whereof, I have hereunto set my hand and official seal the day and year in this certificate first above written.

_____
Notary Public

My commission expires: _____

Additional Rental

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 EIGHT MILLION FOUR HUNDRED THOUSAND---------- DOLLARS ($ 8,400,000----), Tenant shall pay to Landlord as additional rental an amount equal to one percent (1%) of gross sales exceeding EIGHT MILLION FOUR HUNDRED THOUSAND---------- DOLLARS ($ 8,400,000-----) up to but not in excess of FOURTEEN MILLION---------- DOLLARS ($ 14,000,000----); and Tenant shall pay to Landlord as additional rental an amount equal to five-tenths of one percent (.5%) of gross sales for such lease year exceeding FOURTEEN MILLION---------- DOLLARS ($ 14,000,000----) up to but not in excess of SEVENTEEN MILLION FIVE HUNDRED THOUSAND ---------- DOLLARS ($ 17,500,000---).

Said additional rental shall be paid on or before the ~~twenty first (21st)~~ thirtieth (30th) day following the end of each "lease year". For the purposes of this lease, a "lease year" shall be each successive period of twelve (12) consecutive calendar months from the last day of the month in which said lease term shall commence. 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 ~~twenty first (21st)~~ 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 11 shall have been fulfilled, or an opening for business under Article 10 or any other provision of this lease, but sales from such operation shall be included in Tenant's reported gross sales for the first lease year.

Landlord or its agent may inspect Tenant's record of gross sales annually, provided such inspection shall be made at Tenant's principal office within six (6) months after the statement of sales shall be delivered to Landlord and shall be limited to the period covered by such statement. Except to the extent that disclosure shall be required for any bona fide negotiations for sale or mortgage of demised premises or for legal proceedings in any court, at law or in equity, Landlord shall hold in confidence sales figures or other information obtained from Tenant's records.

The term "gross sales", as used herein, shall be the total sales of merchandise or services made by Tenant or any occupant of demised premises, whether wholesale or retail, cash or credit (including merchandise ordered on demised premises and delivered from another place) and shall include sales made from trucks, trailers, vans or other temporary facilities used by Tenant on any part of the land described in Exhibit "A", except that the following shall be excluded:

(a) Sales of merchandise subsequently returned for refund or credit, merchandise transferred to a warehouse or another store of Tenant, discounts on merchandise which shall be allowed to employees of Tenant, or merchandise which shall be issued in redemption of trading stamps, if any, which shall have been issued free of charge to Tenant's customers at the time of sale of other merchandise or services;

(b) Any and all taxes levied upon, assessed against, or measured by the receipt or purchase of merchandise by any occupant of said demised premises, and any and all occupational sales taxes and other taxes levied upon, assessed against, based upon, or measured by (i) such occupant's gross receipts, or any part thereof, or (ii) the sale or sales price of merchandise and services, or either, and which shall be payable by such occupant, whether or not collected by such occupant from its customers as reimbursement or as agent of the taxing authority, and whether or not the same shall be commonly known as a sales tax, use tax, retailers' occupational tax, gross receipts tax or excise tax; provided, however, said taxes to be excluded from gross sales shall not include any net income tax, franchise tax, or any other tax not levied upon or computed upon gross sales or gross receipts, or any portion thereof; provided, further, said taxes to be excluded from gross sales shall be excludable regardless of whether imposed under any existing or future orders, regulations, laws, statutes or ordinances;

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Additional Rental (cont'd)

(c) Receipts from cigarettes, lockers, stamp machines, public telephones, pay toilets, "kiddie rides", money orders and all licenses sold to the public;

(d) Service and interest charges for time payment accounts and charge accounts;

(e) ~~All sales of merchandise or services made by any supermarket grocery store, which shall~~ occupy any portion or portions of demised premises, provided ~~that~~ the aggregate area of said portion or portions shall not exceed ( ) ~~square feet of floor~~ area.

~~(f) All sales of automotive gasoline or diesel fuel.~~

New Building by Landlord

5. Tenant's said buildings and site improvements shall be completed and delivered to Tenant promptly and with due diligence, giving consideration to scarcity of materials, strikes, lockouts, fire or other casualty, governmental restrictions and regulations, and construction delays; and Landlord warrants that a general contract for construction of said buildings and improvements referred to in Article 11 hereof shall be let, rough site grading shall be completed and foundations and footings commenced not later than September 1, 1979. If for any reason whatever Landlord shall fail to comply fully with this warranty, Tenant shall have, in addition to other remedies which may be available to it by law or otherwise, the option to terminate this lease by notice to Landlord; provided, further, in the event that, regardless of the reason therefor, said buildings and site improvements shall not have been completed in accordance with Tenant's typical plans and specifications and possession thereof tendered to Tenant prior to September 1, 1980, then Tenant shall, at any time thereafter, have the further option of terminating this lease by notice to Landlord. Notwithstanding anything to the contrary herein contained, in the event that the lease term shall not have commenced prior to such date as shall be seven (7) years from the date of this lease, then this lease shall be automatically terminated without further act of either party hereto.

except as noted in the first sentence of Article 5

prior to occupancy by Tenant

Plans and Specifications

6. Tenant's said buildings and site improvements shall be constructed by Landlord, at its sole cost and expense, in accordance with working plans and specifications prepared by Landlord which shall, with respect to standards of construction and division of responsibility for supplying materials and equipment, substantially satisfy the provisions of Tenant's typical store plans and specifications, prior receipt of which Landlord hereby acknowledges and which are identified as Set No. B-0667 containing such additions, changes and modifications as are particularly set forth in those certain letters dated December 12, 1978 and February 6, 1979, written by Mr. James A. Kilgore, Manager, Design Division, K mart Corporation, Construction Department, to Plaza Associates, P.O. Box 2208, Chapel Hill, North Carolina 27514, to the attention of Mr. Sam Longiotti, copies of which are attached hereto and made a part hereof and marked Exhibit "C".

for Landlord's failure to complete said buildings and site improvements in accordance with Tenant's typicals & specifications

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Said typical plans and specifications are subject to the following exceptions and such other deviations as may be approved in writing by Tenant's Construction Department:

(a) Such modifications of arrangement of space, location of entrances, exits, and columns and other structural members as shall be indicated on a store layout drawing which shall be prepared by Tenant and be delivered to Landlord within thirty (30) days after receipt of Landlord's written request therefor, which request shall be accompanied by preliminary building outlines, together with any available elevations and sections;

(b) Changes of type and standards of construction and of arrangement to the extent as shall be required by applicable laws, codes or ordinances.

Plans and Specifications (cont'd)

Said working plans and specifications shall be submitted to Tenant for approval prior to commencement of construction and such approval shall not be unreasonably withheld. Within sixty (60) days after receipt of such working plans and specifications Tenant shall, in writing, inform Landlord of required revisions or corrections thereto, and Landlord shall make such revisions or corrections and resubmit them for Tenant's final approval. In the event Tenant shall not inform Landlord of such desired revisions or corrections within said sixty (60) days, said working plans and specifications shall be deemed approved and accepted for the purposes hereof.

Said typical plans and specifications, store layout drawing and working plans and specifications, as approved by Tenant, shall constitute a part of this lease.

Guarantee of Materials

7. Landlord shall unconditionally guarantee all work performed by Landlord, or at its expense, in the construction of Tenant's buildings and site improvements against defective workmanship and materials either for the period of one (1) year from the date of completion thereof or for the period of any guarantee therefor given Landlord, whichever period shall be the longer.

Advance Possession for Fixturing

8. For a period of four (4) weeks prior to completion of Tenant's buildings by Landlord, Tenant shall have the privilege, rent free, of entering said buildings for installing storage bins, storing merchandise, and other purposes not creating unreasonable interference with the work of Landlord. Such entry shall not be construed as an acceptance thereof by Tenant under the provisions of this lease, or as a waiver of any of the provisions hereof.

Parking and Other Common Areas

9. Prior to the date of commencement of the lease term, Landlord shall construct (as hereinafter provided) the sidewalks, service drives, parking aisles, driveways, mall accessways, streets and parking areas (all of which shall be hereinafter sometimes referred to as the "common facilities") substantially as shown on Exhibit "B". The aggregate area provided for the parking of automobiles shall, during the lease term, be ~~either in the ratio of ( ) square feet of parking area for each square foot of gross floor area contained in buildings at any time located on site depicted on Exhibit "B" or~~ sufficient to accommodate not less than seventeen hundred (1700) automobiles on basis of arrangement depicted on Tenant's typical plans, ~~whichever shall be the greater~~. All sidewalks shall be of concrete construction, and all service drives, parking aisles, driveways, streets and parking areas shall be graded, levelled and paved with concrete or asphalt, and properly marked with painted lines to be repainted annually, (if necessary in the opinion of tenant) for the orderly distribution of automobiles. Landlord covenants, represents and warrants that, during the lease term, there shall be adequate sidewalks, driveways and roadways for automotive and pedestrian ingress and egress to and from Tenant's buildings and adjacent public streets and highways. Landlord shall make no charge of any kind or nature for the use of said common facilities or any additions thereto. All of said common facilities, including any signs owned by Landlord, shall be constructed in a workmanlike manner and shall, during the lease term, be maintained by Landlord, at its sole cost and expense, in good order and repair and in an adequate, sightly and serviceable condition. Said maintenance shall include, without limitation, keeping the same reasonably free and clear of foreign objects, papers, debris, obstructions, standing water, snow and ice, and supplying illumination during Tenant's business hours, and a reasonable period prior and subsequent thereto, to a minimum of one and one-half (1½) foot candles measured at ground level, for each square foot of common facilities. To assure the foregoing the Landlord shall cause the common facilities to be thoroughly cleaned not less than once weekly, and more often if necessary, and snow to be promptly removed on every occasion where it impedes the use of said facilities.

During the lease term, Landlord shall maintain paved driveways at the rear of Tenant's buildings in order to provide convenient ingress and egress from the delivery or service entrances to adjacent public streets and highways for the purpose of receiving and delivering merchandise and otherwise servicing said buildings. Said driveways shall be of sufficient width so as to permit the passage, unloading and, if necessary, the turning around of trailer trucks and other commercial vehicles.

The term "common areas", as used in this lease, shall include the following: (a) said common facilities indicated on Exhibit "B" and those which shall at any time and from time to time be contained within the site depicted on Exhibit "B" or any future enlargement thereof, (b) areas within the said site which shall be open to the public generally, such as mall accessways, rest rooms and other facilities, if any, and (c) all other areas (except those areas which shall be occupied from time to time by building structures) included within the confines of the land described in Exhibit "A" or any enlargement of said site. Landlord will maintain said "common areas" and the property, if any, between the demised premises and any street or roadway serving demised premises in a reasonably clean and sightly condition and will mow and weed not less than once weekly when necessary.

INITIAL

During the lease term, Landlord shall keep Tenant insured against all statutory and common law liabilities for damages on account of injuries to property or person, including death, sustained by any person or persons while within said common areas, in a policy or policies in the amount of Two Hundred Fifty Thousand Dollars ($250,000) with respect to injury to any one person and in the amount of One Million Dollars ($1,000,000) with respect to any one accident or disaster, and in the amount of One Hundred Thousand Dollars ($100,000) with respect to damage to property; and Landlord shall also indemnify and save Tenant harmless against any such liability. Any such policies shall bear endorse-

Parking and Other Common Areas (cont'd)

ments to the effect that Tenant shall be notified not less than five (5) days in advance of any modification or cancellation thereof. Copies of such policies, so endorsed, or certificates evidencing the existence thereof, shall be promptly delivered to Tenant upon written request therefor.

Landlord hereby gives and grants unto Tenant, including Tenant's agents, employees, customers, licensees and invitees the full licenses, rights, privileges and easements to use said common areas, in common with Landlord and other tenants, if any, of the land described in said Exhibit "A", and their respective agents, employees, customers, licensees and invitees. No persons other than those described in the preceding sentence of this paragraph shall be permitted to park upon or exercise any other rights over any of the parking areas of said site. In the event that unauthorized persons, including tenants or invitees of tenants occupying buildings now, or at any future time located beyond the limits of the land described in Exhibit "A", utilize said parking areas for parking or other purposes to an extent which shall be objectionable to Tenant, Landlord shall, upon written request by Tenant, take whatever action as shall be so requested to prevent said unauthorized utilization, including the erection of fences or other barricades. CONTINUED ON RIDER

Tenant's employees shall be subject to reasonable regulations adopted by Landlord consistent with those for other tenants.

~~Tenant may, at its election, from time to time, utilize portions of the common areas for carnival~~ or circus type shows and entertainment, outdoor shows, home shows, automobile ~~shows or such~~ other uses which in Tenant's judgment tend to attract the public. Tenant ~~shall give~~ Landlord notification of such intended use a reasonable time in advance ~~thereof, and on~~ request supply Landlord with reasonable proofs of adequate insurance or ~~indemnification~~ against injuries to property or person, including death, sustained in ~~connection therewith~~. In addition, Tenant shall be responsible for any physical damage ~~to said common~~ areas resulting from said use. Rent, if any, from such use shall be included ~~as part of "gross sales" under Article 4 hereof.~~

Store Opening

10. The term "date of occupancy by Tenant", as used in this lease, shall be the first to occur of the following two dates: (a) the date upon which Tenant shall open for business, or (b) the date which shall be sixty (60) days (plus a period of time equal to any delays due to conditions beyond Tenant's control) after the date upon which (i) Tenant's buildings and site improvements shall be completed in accordance with said working plans and specifications and the possession thereof shall be tendered to Tenant, and (ii) all of the representations and warranties set forth in Article 11 shall be fulfilled; except, however, notwithstanding anything to the contrary in this lease contained, in the event said date of occupancy 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. Tenant shall have the option to open for business prior to the completion of the matters set forth in subdivisions (i) and (ii) of this Article 10, and in the event of the exercise of such option, Landlord shall complete said buildings and site improvements as expeditiously as possible; provided, however, if Landlord shall have failed to complete said buildings and improvements according to the said working plans and specifications within ninety (90) days after Tenant opens for business, Tenant shall thereafter at any time be privileged, but not obligated, to complete, correct or remedy in all or part, any such deficiency, and the cost thereof shall be deducted from the rentals due under this lease, without waiver of Tenant's other remedies hereunder.

Landlord's Representations and Warranties

11. Landlord represents, warrants and covenants that it shall, prior to commencement of the lease term, complete the buildings and site improvements substantially in accordance with the site plan depicted on said Exhibit "B", including completion of said common facilities in accordance with the provisions of Article 9 hereof. Landlord further covenants that it will not erect any buildings or other structures on the land described in Exhibit "A" except as shown on said Exhibit "B".

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Notwithstanding the foregoing, Tenant shall have the right to postpone the date of occupancy hereunder until such time as the public is able to traverse the enclosed mall, and tenants other than Tenant hereunder occupy fifty percent (50%) of the remaining gross leaseable area in the enclosed mall and are open for business, prior to or concurrently with Tenant. In the event Tenant opens for business prior to the satisfaction of conditions contained in the preceding sentence, the term of this lease and Tenant's obligation to pay rent hereunder shall commence as of such opening date.

Landlord's Representations and Warranties (cont'd)

Notwithstanding the provisions of Article 10 or any other provision of this lease, the lease term shall not commence and said annual minimum rental, and other charges payable under this lease, shall not commence to accrue until the foregoing representations and warranties shall have been fulfilled; provided, however, in the event that Tenant shall elect to open for business before the Landlord shall have fulfilled the foregoing representations and warranties, the term of this lease shall commence, but Tenant shall not be obligated to pay the annual minimum rental or the additional rental; provided further, in lieu thereof, Tenant shall pay monthly in arrears one per cent (1%) of said gross sales and Tenant shall continue said payment until Landlord's said representations and warranties shall be fulfilled, at which time Tenant shall commence payment of the rental as set forth in Articles 3 and 4 hereof.

In the event Landlord's said representations and warranties shall not be fulfilled within twelve (12) months after such date as Tenant shall open for business, Tenant may notify Landlord in writing thereof and Landlord shall have ninety (90) days within which to fulfill said representations and warranties. If said representations and warranties shall not have been fulfilled within said ninety (90) day period, Tenant thereafter shall have the option of terminating this lease by notice to Landlord, which notice shall state an effective date of termination of not less than sixty (60) days from the date of such notice.

ARTICLE 12 - SEE RIDER

Option to Extend Lease

~~12. (a) Tenant shall have the option to extend the term of this lease for an additional period of~~ five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to expiration of the term hereof.

(b) If Tenant shall have exercised the foregoing option, it shall have the option further to extend the term of this lease for an additional period of five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of such extended term.

(c) If Tenant shall have exercised the foregoing options, it shall have the option further to extend the term of this lease for an additional period of five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of such further extended term.

(d) If Tenant shall have exercised the foregoing options, it shall have the option further to extend the term of this lease for an additional period of five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of such further extended term.

(e) If Tenant shall have exercised the foregoing options, it shall have the option further to extend the term of this lease for an additional period of five (5) years upon the same terms and conditions of this lease, which option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of such further extended term.

(f) Regardless of the exercise or nonexercise by Tenant of any or all of the foregoing options, Tenant shall have, unless the last day of the lease term shall be January 31 of any year, the option to extend (or further extend, as the case may be) the term of this lease for such period of time as shall cause the last day of the term of this lease to be the January 31 next succeeding the date upon which the term of this lease would expire but for the exercise of this option. This option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of the term of this ~~lease, or any extension thereof.~~

THIS LEASE CONTAINS NO ARTICLE 13

First Refusal to Purchase Option

~~13. Anything in this lease contained to the contrary notwithstanding, and without in any~~ manner affecting or limiting any of the rights, privileges, options or estates granted to Tenant under this lease, it is agreed that if the Landlord, at any time during the term of this lease or any extension thereof, receives one or more bona fide offers from third parties to purchase the demised premises, or property of which the demised premises are a part, and if any such offer is acceptable to the Landlord, then Landlord agrees to notify Tenant in writing, giving the name and address of the offeror, and the price, terms and conditions of such offer, and Tenant shall have thirty (30) days from and after the receipt of such notice from Landlord in which to elect to purchase the property for the consideration and on the terms and conditions contained in the bona fide offer. If Tenant does not elect to purchase said property and Landlord sells the property, the purchaser shall take the property, subject to and burdened with all the terms, provisions and conditions of this lease, including this Article 13, and the rights of the Tenant under this lease as against the new owner shall not be lessened or diminished by reason of the change of ownership. Tenant's failure at any time to exercise its option under this Article 13 shall not affect this lease or the continuance of Tenant's rights and options under this Article 13 ~~of any other article.~~

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This Lease contains no Article 14

Repairs

~~14. Tenant shall make and pay for all replacement of plate glass and all nonstructural repairs~~, and replacements to the interior of Tenant's buildings which it deems necessary to keep the premises in a good state of repair, but in no event shall Tenant be obligated to make repairs and replacements which Landlord shall be required to make under any provision of this lease or which shall be necessitated by Landlord's negligence, default or failure to repair. Landlord shall make and pay for all repairs and replacements (except those which Tenant shall be specifically obligated to make under the provisions of this Article and those due to Tenant's negligence) to said buildings which shall be necessary to maintain the same in a safe, dry and tenantable condition, and in good order and repair. Notwithstanding anything to the contrary herein contained, Tenant shall not be required to make any repairs or replacements (or be liable for the cost thereof) which shall be necessitated by any damage or destruction with respect to which Landlord shall be insured or against which Landlord shall be required by the terms of this lease to insure, but Landlord shall make all such repairs or replacements.

In the event buildings or improvements constituting demised premises or a portion thereof shall be rendered unusable due to Landlord's default or negligence with respect to required repairs, there shall be a just and equitable abatement of said annual minimum rental and all other charges payable under this lease until said premises shall be made usable. Emergency repairs which shall be Landlord's responsibility hereunder, and which shall be necessary to protect the buildings or contents and/or to keep the common areas in a neat, clean, safe and orderly condition may be made by Tenant without notice to Landlord, and the cost of such repairs not to exceed One Thousand Dollars ($1000.00) in ~~any one instance, may be deducted by Tenant from rentals subsequently accruing hereunder.~~

Alterations and Additional Construction

15. Tenant may, at its own expense, from time to time make such alterations, additions or changes, structural or otherwise, in and to its buildings as it may deem necessary or suitable; provided, however, Tenant shall obtain Landlord's prior written consent to plans and specifications for structural alterations, additions or changes; provided, further, Landlord shall not withhold its consent thereto if the structural strength of the building will not be impaired by such work. The term, "structural changes", as used herein, shall not include moving of stud partitions, minor plumbing and electrical work, modification and rearrangement of fixtures or other minor changes. Landlord, at Tenant's cost, shall cooperate with Tenant in securing building and other permits or authorizations required from time to time for any work permitted hereunder or installations by Tenant.

~~Tenant may, at its own expense, at any time erect or construct additional buildings or structures~~ on any portion of the "common facilities" areas as defined in Article 9 and depicted on Exhibit "B"; provided, however, gross sales made in or from said additions shall be excluded from gross sales as defined in Article 4 of this lease and provided further, Tenant shall reimburse Landlord for any real estate taxes imposed on said additions or new construction, which taxes are solely attributable thereto, and Tenant shall reimburse Landlord for any increase in insurance premiums attributable thereto. Tenant shall also be solely responsible for exterior and interior repairs thereto, except those necessitated by fire or casualty for which Landlord is obligated to insure. In the event Tenant constructs any such additions or new construction, Landlord shall not be obligated to furnish additional parking areas in substitution of areas thereby built over, nor shall the floor area thereof be utilized in any computation with respect to required ratio of building area to parking area under said Article 9, and the number of parking spaces required thereunder shall be reduced by the number of spaces covered ~~by such additional buildings or structures.~~

Utilities

16. Tenant shall promptly pay for all public utilities rendered or furnished to Tenant's buildings during the lease term, including water, gas and electricity, provided separate meters shall be installed for Tenant. Landlord covenants, represents and warrants that, during the lease term, said buildings shall at all times be connected to electric, water and gas lines of an adequate source of supply, and to storm and sanitary sewer systems of adequate capacity.

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Landlord may provide a disposal or septic tank system in lieu of public sanitary sewer, subject to Tenant's written approval of plans and specifications and Landlord's continuing obligation to clean and maintain said system at all times in good and serviceable condition during the full term of this lease or any extension and at its sole expense. Sewer charges or sewer taxes, regardless of the manner billed or assessed, shall be paid by Landlord, unless same are based upon water consumption, in which event same will be paid by Tenant.

Governmental Regulations

17. Tenant shall observe and comply with all rules, orders and regulations of the federal, state and municipal governments or other duly constituted public authority affecting said buildings, including the making of nonstructural alterations, insofar as they are due to Tenant's occupancy; provided, however, in the event such rules, orders and regulations shall either (a) require structural changes including, but not limited to the erection of a fire escape or exit, installation of a sprinkler system or other fire preventive device of a structural nature, or (b) require nonstructural changes which would have been required irrespective of the nature of the tenancy, then, in either such event, the same shall be complied with by Landlord at its sole expense.

ARTICLE 18 - SEE RIDER

Fire

~~18. From and after the date on which Tenant shall be privileged to enter upon demised premises~~ for the purposes specified in Article 8 hereof, Landlord shall insure the buildings depicted on Exhibit "B", including Tenant's buildings, against damage or destruction by fire and other casualties insured under a standard extended coverage endorsement. Said insurance shall be in an amount equal to not less than eighty per cent (80%) of the insurable value of the permanent improvements thereof. All such policies shall bear endorsements to the effect that Tenant shall be notified not less than five (5) days in advance of modification or cancellation thereof and that the assured has waived right of recovery from Tenant. Copies of such insurance policies or certificates evidencing the existence thereof, so endorsed, shall be promptly delivered to Tenant upon written request therefor. Irrespective of the cause thereof, Tenant shall not be liable for any loss or damage to said buildings resulting from fire, explosion or any other casualty.

In the event that, at any time during the lease term, the permanent improvements then constituting Tenant's buildings and site improvements shall be damaged or destroyed (partially or totally) by fire, the elements or any other casualty, Landlord shall, at its expense, promptly and with due diligence repair, rebuild and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction; provided, however, if as a result of any such damage or destruction during the last two (2) years of the lease term, Tenant's fixtures, equipment or other property shall be damaged or destroyed in an amount exceeding Twenty-five Thousand Dollars ($25,000.00), then either party may terminate this lease as of the date of such damage or destruction by giving written notice to the other party within thirty (30) days thereafter and Tenant shall have an additional sixty (60) days, rent free, within which to remove its property from the demised premises. Notwithstanding any such termination of this lease by Landlord as provided in this Article, Tenant shall have the right to exercise any option to extend the term hereof in accordance with the provisions of Article 12 within thirty (30) days after the date of the receipt of Landlord's notice of termination, and, upon the exercise of any such option (other than the option set forth in subparagraph (f) of Article 12) by Tenant, then this lease shall continue in full force and effect despite such notice of termination by Landlord and Landlord shall repair, rebuild and restore the said permanent improvements as above provided. In the event that this lease shall be terminated as above provided, all unearned rent and other charges paid in advance shall be refunded to Tenant.

During any period commencing upon the date of any such damage or destruction and ending upon the "date of reoccupancy by Tenant", the annual minimum rental and any other charges payable under this lease shall abate in the proportion that the part of Tenant's buildings which shall be untenantable shall bear to the whole. The term "date of reoccupancy by Tenant", as used herein, shall be the first to occur of the following two dates: (a) the date upon which Tenant shall open for business in that part of Tenant's building rendered untenantable by such damage or destruction, or (b) the date which shall be sixty (60) days (plus a period of time equal to any delays due to conditions beyond Tenant's control) after the date of completion of the repairs, rebuilding and restoration required of Landlord herein.

In the event that, at any time during the lease term except the last two (2) years thereof, any building or buildings within the site depicted on Exhibit "B", other than Tenant's building or buildings, shall be damaged or destroyed (partially or totally) by fire, the elements or any other casualty, Landlord shall, at its expense, promptly and with due diligence repair, rebuild and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction; provided, however, during such period of time (including the last two (2) years of the lease term) that either (a) twenty per cent (20%) or more of the gross rentable floor area of said buildings shall be so rendered untenantable, or (b) any of the stores of tenants specifically required to be open for business prior to Tenant's opening for business (by terms of Article 11) shall not be open for business because of such damage or destruction, then the annual minimum rental for such period of time shall be abated, whether or not Tenant's buildings shall be damaged or destroyed and during such period Tenant shall ~~pay monthly in arrears one per cent (1%) of its gross sales.~~

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Eminent Domain

19. In the event all of Tenant's buildings shall be expropriated by public or quasi-public authority, this lease shall terminate as of the date Tenant shall be deprived of the physical possession thereof.

In the event that less than the whole, but more than ten per cent (10%) of Tenant's buildings shall be expropriated by public or quasi-public authority, Tenant shall have the option to terminate this lease as of the date Tenant shall be dispossessed from the part so expropriated, by giving notice to Landlord of such election so to terminate within ninety (90) days from the date of such dispossession; provided, however, Tenant shall, at its option, be permitted to operate its business until such time as Tenant shall be dispossessed. Should such expropriation not occur, then such notice will be inoperative and of no further force and effect.

notice of

Eminent Domain (cont'd)

In the event of an expropriation of any portion of Tenant's buildings, if this lease shall not be terminated as hereinabove provided, it shall continue as to that portion of the said buildings which shall not have been expropriated or taken, in which event Landlord shall, at its sole cost and expense, promptly and with due diligence restore said buildings as nearly as practicable to complete units of like quality and character as existed just prior to such expropriation. The annual minimum rental and other charges shall abate during the period of demolition and restoration, and thereafter the annual minimum rental and minimum basis of sales shall be reduced in the proportion the ground floor area of the part of Tenant's buildings so expropriated shall bear to the total ground floor area of said buildings prior to such expropriation.

Tenant receives notice that

one hundred twenty (120)

Without limiting the foregoing, in the event that more than ten per cent (10%) of the land described in Exhibit "A" shall be expropriated by public or quasi-public authority, Tenant shall have the option to terminate this lease as of the date ~~possession of the land shall be taken by such authority~~, by giving notice to Landlord of such election within ninety (90) days thereafter; provided, however, said termination by Tenant shall be null and void if, within ~~ninety (90)~~ days following the date possession of said land shall be so taken, Landlord shall substitute equivalent and similarly improved lands contiguous to and properly integrated with the remainder of the site depicted on Exhibit "B". Notwithstanding any other provision of this lease, in the event that more than ten per cent (10%) of the aggregate number of square feet of ground floor area in the buildings located on said site shall be expropriated by public or quasi-public authority, Tenant may terminate this lease at any time following notice of such expropriation. Any such termination shall be effective as of the date of notice to Landlord. Landlord shall immediately notify Tenant of any notice of any such proposed expropriation.

of such notice of such dispossession

but only in the event that such award is in addition to Landlord's award for its land and building.

In the event this lease shall be terminated pursuant to this Article, any annual minimum rental and other charges paid in advance shall be refunded to Tenant, and Tenant shall have an additional sixty (60) days, rent free, within which to remove its property from the demised premises. In the event that at the time of any expropriation of Tenant's buildings, Tenant shall not have fully amortized expenditures which it may have made on account of any improvements, alterations or changes to its buildings, Landlord shall assign to Tenant so much of any award payable as a result of such expropriation as shall equal the unamortized portion of Tenant's said expenditures. Said unamortized portion of Tenant's said expenditures shall be determined by multiplying such expenditures by a fraction, the numerator of which shall be the number of remaining years of the lease term at the time of such expropriation and the denominator of which shall be the number of remaining years of the lease term at the time such expenditures shall have been made plus the number of years for which the lease term may have been subsequently extended.

Assignment and Subletting

20. The premises hereby demised shall not be used for any unlawful purpose. Tenant may assign this lease or sublet the whole or any part of said demised premises, but if it does so ~~without Landlord's consent~~, it shall remain liable and responsible under this lease. This paragraph is further subject to Article 39 (Rider) as hereinafter provided.

Signs

21. The demised premises shall be referred to by only such designation as Tenant may indicate. Landlord expressly recognizes that the service mark and trademark "K mart" is the valid and exclusive property of Tenant, and Landlord agrees that it shall not either during the term of this lease or thereafter directly or indirectly contest the validity of said mark "K mart", or any of Tenant's registrations pertaining thereto in the United States or elsewhere, nor adopt or use said mark or any term, word, mark or designation which is in any aspect similar to the mark of Tenant. Landlord further agrees that it will not at any time do or cause to be done any act or thing, directly or indirectly, contesting or in any way impairing or tending to impair any part of the Tenant's right, title and interest in the aforesaid mark, and Landlord shall not in any manner represent that it has ownership interest in the aforesaid mark or registrations therefor, and specifically acknowledges that any use thereof pursuant to this lease shall not create in Landlord any right, title or interest in the aforesaid mark.

any such assignment or subletting shall be to a retail establishment for retail purposes, so long as the shopping center shall be operated for retail purposes.

~~Tenant shall have the option to erect at its sole cost and expense upon any portion of the premises described in Exhibit "A", one or two pylon-type signs. Any such sign shall be of such height and other dimensions as Tenant shall determine and shall bear such legend or inscription advertising Tenant's store as Tenant shall determine. Tenant shall have the option to utilize the lighting standards in the parking lot for advertising purposes by attaching, or causing to be attached, signs advertising any and all products and services as Tenant shall elect.~~

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Landlord shall not permit any other advertising signs, billboards or posters to be displayed on any portion of the premises described in Exhibit "A" hereof, excepting flat wall signs which may be

~~and provided further Tenant shall, at its option, be permitted to operate its business until such time as Tenant shall be dispossessed~~. Should such expropriation not occur, then such notice will be inoperative and of no further force and effect.

Signs (cont'd)

placed on stores, if any, now depicted on Exhibit "B", ~~or in the future erected on "future building areas" as depicted thereon~~, providing such signs shall be utilized solely for the purpose of advertising the names of the respective tenants thereof. Landlord may erect one (1) pylon sign advertising the common name of the entire shopping center.

including Landlord's Future Build-Area.

Landlord shall not, without Tenant's written consent, at any time utilize the exterior of Tenant's buildings, or the space above, for sign display purposes.

Ingress and Egress

22. Landlord warrants as a consideration for Tenant entering into this lease it will initially provide and will maintain for the period of this lease and any extension thereof, ingress and egress facilities to public streets and highways in the number and substantially in the locations depicted on Exhibit "B", subject to unavoidable temporary closings or relocations necessitated by public authority or other circumstances beyond Landlord's control.

Landlord's Remedies

23. If the rent reserved in this lease, or any part thereof, shall remain unpaid for a period of thirty (30) days or if Tenant shall be in default under any other provision of this lease and shall remain so for a period of thirty (30) days after notice to Tenant of said nonpayment or other default, then Landlord may, by giving notice to Tenant at any time thereafter during the continuance of such default, either (a) terminate this lease, or (b) re-enter demised premises by summary proceedings or otherwise, expel Tenant and remove all property therefrom, relet said premises at the best possible rent readily obtainable (making reasonable efforts therefor), and receive the rent therefrom; provided, however, Tenant shall remain liable for the equivalent of the amount of all rent reserved herein less the avails of reletting, if any, after deducting therefrom the reasonable cost of obtaining possession of said premises and of any repairs and alterations necessary to prepare it for reletting. Any and all monthly deficiencies so payable by Tenant shall be paid monthly on the date herein provided for the payment of rent. If any default by Tenant (except nonpayment of rent) cannot reasonably be remedied within thirty (30) days after notice of default, then Tenant shall have such additional time as shall be reasonably necessary to remedy such default before this lease can be terminated or other remedy enforced by Landlord. Except for the legal remedy of damages (provided Landlord shall, in all instances, be required to mitigate damages) and the equitable remedy of an injunction, the remedies of Landlord herein shall be exclusive of any other remedies.

Bankruptcy

24. If a petition in bankruptcy shall be filed by Tenant, or if Tenant shall be adjudicated bankrupt, or if Tenant shall make a general assignment for the benefit of creditors, or if in any proceeding based upon the insolvency of Tenant a receiver of all the property of Tenant shall be appointed and shall not be discharged within ninety (90) days after such appointment, then Landlord may terminate this lease by giving notice to Tenant of its intention so to do; provided, however, neither bankruptcy, insolvency, an assignment for the benefit of creditors nor the appointment of a receiver shall affect this lease or permit its termination so long as the covenants on the part of Tenant to be performed shall be performed by Tenant or someone claiming under it.

Covenant of Title

25. Landlord covenants, represents and warrants that it has full right and power to execute and perform this lease and to grant the estate demised herein and that Tenant, on payment of the rent and performance of the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the demised premises and all rights, easements, appurtenances and privileges belonging or in anywise appertaining thereto during the lease term without molestation or hindrance of any person whomsoever, and if at any time during the term hereby demised the title of Landlord shall fail or it be discovered that its title shall not enable Landlord to grant the term hereby demised, Tenant shall have the option at Landlord's expense to correct such defect or to annul and void this lease with full reservation of its right to damages, if any.

or has a good and marketable Leasehold title

Landlord further covenants, represents and warrants that it is seized of an indefeasible estate in fee simple in the land described in Exhibit "A" free and clear of any liens, encumbrances, restrictions and violations (or claims or notices thereof) with exceptions as follows:

(a) Public utility easements not impairing Tenant's use of the demised premises

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Tenant shall be permitted to erect a panel sign on the Pylon. Landlord may erect a panel sign for a cafeteria operation if same is located within the mall.

Covenant of Title (cont'd.)

Landlord shall, without expense to Tenant, and within thirty (30) days after written request by Tenant, furnish (a) a certification by an attorney acceptable to Tenant that Landlord's title is as herein represented and certifying that the premises depicted on Exhibit "B" are within the bounds of the property described in Exhibit "A", (b) a survey by licensed surveyor of the land described in Exhibit "A", and (c) agreements wherein each holder of any lien against the demised premises shall consent to this lease and warrant that Tenant's possession and right of use under this lease in and to the demised premises shall not be disturbed by such holder unless and until Tenant shall breach any of the provisions hereof and this lease or Tenant's right to possession hereunder shall have been terminated in accordance with the provisions of this lease.

Mortgage Subordination

26. Upon written request by Landlord such Tenant shall execute and deliver an agreement subordinating this lease to any ~~first~~ mortgage upon the demised premises; provided, however, such subordination shall be upon the express condition that the validity of this lease shall be recognized by the mortgagee, and that, notwithstanding any default by the mortgagor with respect to said mortgage or any foreclosure thereof, Tenant's possession and right of use under this lease in and to the demised premises shall not be disturbed by such mortgagee unless and until Tenant shall breach any of the provisions hereof and this lease or Tenant's right to possession hereunder shall have been terminated in accordance with the provisions of this lease.

Tenant Indemnifies Landlord

27. During the lease term, Tenant and its assignees and sublessees shall indemnify and save Landlord harmless against all penalties, claims or demands of whatsoever nature arising from Tenant's use of its buildings, except those which shall result, in whole or in part, and directly or indirectly, from the default or negligence of Landlord.

Tenant's Right to Cure Landlord's Defaults

28. In the event Landlord shall neglect to pay when due any taxes or any obligations on any mortgage or encumbrance affecting title to demised premises and to which this lease shall be subordinate, or shall fail to perform any obligation specified in this lease, then Tenant may, after the continuance of any such default for seven (7) days after notice thereof by Tenant, ~~(two (2) days with respect to defaults under Article 9 hereof)~~ pay said taxes, assessments, principal, interest or other charges or cure such default, all on behalf of and at the expense of Landlord, and do all necessary work and make all necessary payments in connection therewith, and Landlord shall on demand pay Tenant forthwith the amount so paid by Tenant together with interest thereon at the rate of six per cent (6%) per annum, and Tenant may withhold any and all rental payments and other payments thereafter due to Landlord and apply the same to the payment of such indebtedness.

Provided the holder of a properly recorded first mortgage shall have notified Tenant in writing that it is the holder of such lien on the demised premises and shall so request, Tenant shall, ~~(with respect to taxes or any obligations on any mortgage or encumbrance affecting title to demised premises and to which this lease shall be subordinate)~~ in the event it shall notify Landlord to correct any default, give a similar notice to such holder, and such holder shall be granted sixty (60) days after receipt thereof to correct or remedy such default.

Condition of Premises at Termination

29. At the expiration or earlier termination of the lease term, Tenant shall surrender demised premises, together with alterations, additions and improvements then a part thereof, in good order and condition except for the following: ordinary wear and tear, repairs required to be made by Landlord, ~~and loss or damage by fire, the elements and other casualty or occurrence excepted~~. All furniture and trade fixtures installed in said buildings at the expense of Tenant or other occupant shall remain the property of Tenant or such other occupant; provided, however, Tenant shall, at any time and from time to time during the lease term, have the option to relinquish its property rights with respect to such trade fixtures (including, but not limited to, air conditioning machinery and lighting fixtures), which option shall be exercised by notice of such relinquishment to Landlord, and from and after the exercise of said option, the property specified in said notice shall be the property of Landlord.

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~~Holding~~ Over

30. In the absence of any written agreement to the contrary, if Tenant should remain in occupancy of demised premises after the expiration of the lease term, it shall so remain as a tenant from month-to-month and all provisions of this lease applicable to such tenancy shall remain in full force and effect.

and the holder of any mortgate (or deed of trust) substantially necessary for the interim (construction) or permanent financing of the shopping center improvements

Investment Tax Credit

31. Landlord hereby agrees to elect under the applicable provisions of the Internal Revenue Code of 1954, as amended, (hereinafter referred to as the "Code") to pass through to the Tenant all investment tax credit which may be available from time to time in respect of the demised premises under Section 38 of said Code to the extent such investment tax credit is not usable under said Code by the Landlord, its successors and assigns. Landlord agrees to timely execute all documents required by said Code, and regulations issued thereunder, to enable Tenant to obtain such investment tax credit.

Landlord further agrees to maintain adequate records so that the qualifying property can be identified and the cost thereof can be determined and to provide such records to the Tenant upon written request and otherwise to cooperate with Tenant in said matter. Landlord agrees not to destroy or otherwise dispose of such records until written consent to such destruction or disposal has been obtained from Tenant.

Notices

32. Notices required under this lease shall be in writing and deemed to be properly served on receipt thereof if sent by certified or registered mail to Landlord at the last address where rent was paid or to Tenant at its principal office in Troy, Michigan, or to any subsequent address which Tenant shall designate for such purpose. Date of notice shall be date on which such notice is deposited in a post office of the United States Postal Service

Captions and Definitions

33. Marginal captions of this lease are soley for convenience of reference and shall not in any way limit or amplify the terms and provisions thereof. 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.

Successors and Assigns

34. 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.

Memorandum of Lease

35. The parties hereto have simultaneously with the execution and delivery of this lease executed and delivered a Memorandum of Lease which Landlord shall at its sole expense cause to be recorded within sixty (60) days following delivery of this lease and returned to Tenant by Landlord within sixty (60) days thereafter.

ARTICLES 36, 37, 38, 39 and 40 (SEE RIDER)

IN WITNESS WHEREOF, the parties hereto have executed these presents in duplicate and affixed their seals hereto as of the day and year first above written.

WITNESSES:

Robert P. Pace

Robert P. Pace

BECKER VILLAGE, a North Carolina General Partnership

By: Seby B. Jones

Seby B. Jones, General Partner

By: Charles M. Edwards

Charles M. Edwards, General Partner

K MART CORPORATION

Tracy M. Andrich

Shelly J. Kudik

By: J. P. Johnson

J. P. Johnson, Vice President

Attest: C. E. Lotzar, Jr.

C. E. Lotzar, Jr., Assistant Secretary

ACKNOWLEDGEMENTS:

STATE OF NORTH CAROLINA

COUNTY OF Wake

I, Jacqueline S. Riggsbee, a Notary Public in and for said County and State, do hereby certify that SEBY B. JONES, General Partner of Becker Village, a North Carolina General Partnership, personally came before me and acknowledged the due execution of the foregoing instrument on behalf of said partnership.

Witness my hand and seal, this the 2nd day of July, 1979.

JACQUELINE S. RIGGSBEE NOTARY PUBLIC WAKE COUNTY, N. C.

Jacqueline S. Riggsbee
Notary Public

My commission expires: April 4, 1983.

STATE OF NORTH CAROLINA

COUNTY OF Wake

I, Craig M. Davis, a Notary Public in and for said County and State, do hereby certify that CHARLES M. EDWARDS, General Partner of Becker Village, a North Carolina General Partnership, personally came before me and acknowledged the due execution of the foregoing instrument on behalf of said partnership.

Witness my hand and seal, this the 3rd day of July, 1979.

CRAIG M. DAVIS NOTARY PUBLIC WAKE COUNTY, N. C.

Craig M. Davis
Notary Public

My commission expires:

My Commission Expires
March 18, 1984

ACKNOWLEDGMENTS

STATE OF
COUNTY OF } ss:

I do hereby certify that on this day of , 19 , before me, , a Notary Public in and for the County and State aforesaid, and duly commissioned, personally appeared and known to me to be the President and Secretary of , who, being by me duly sworn, did depose and say that they reside in , respectively; that they are the President and Secretary respectively of , the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names thereto by like order.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires:_____ _____
Notary Public

STATE OF MICHIGAN
COUNTY OF OAKLAND } ss:

I do hereby certify that on this 27th day of August, 1979, before me, Patricia A. Hewelt, a Notary Public in and for the County and State aforesaid, and duly commissioned, personally appeared J. P. Johnson and C. E. Lotzar, Jr. known to me to be the Vice President and Assistant Secretary of ~~S. S. Kresge Company~~ K mart Corporation, who, being by me duly sworn, did depose and say that they reside in , respectively; that they are the Vice President and Assistant Secretary respectively of S. S. Kresge Company, the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names thereto by like order.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires: PATRICIA A. HEWELT
Notary Public, Macomb County, Mich.
My Commission Expires Sept. 14, 1980
Acting In Oakland County

Patricia A. Hewelt
Notary Public

THIS RIDER, CONSISTING OF 6 PAGES, IS ATTACHED TO AND MADE A PART OF THAT CERTAIN LEASE, DATED June 21, 1979, BY AND BETWEEN BECKER VILLAGE - ROANOKE RAPIDS, NORTH CAROLINA, LANDLORD, AND K MART CORPORATION, TENANT.

ARTICLE 1
Demised Premises

Landlord does demise unto Tenant and Tenant does take from Landlord for the term hereinafter provided, and any extension thereof, the following property: Tenant's completed building and garden patio shop (designated K mart), the land directly underlying said building and garden patio shop, together with the right to use, in common with others, the common areas of the site, including mall area accessways, walkways, driving aisles and parking areas; said Tenant's building, garden patio shop and other site improvements to be constructed as specified in this lease by Landlord, at its expense, on land comprising not less than thirty-two (32) acres, described in Exhibit "A", attached hereto and made a part hereof, situated in Roanoke Rapids, Halifax County, North Carolina. Said building and garden patio shop, common areas and other site improvements to be in the locations depicted on Exhibit "B", attached hereto and made a part hereof. Tenant's K mart and garden patio shop to be of the following dimensions:

A single story building approximately fifty-five thousand five hundred fifty-two square feet (55,552 square feet)

K mart store - 248' in width by
224' in depth ..... 55,552 square feet

5,290 sq. ft. 8-Bay Drive Thru TBA - Total 60,842 sq. ft.

Plus fenced enclosure for garden patio shop with the dimensions of 99'1" x 56'3"

Said K mart building, garden patio shop, the land directly underlying said K mart building and garden patio shop, together with all licenses, rights, privileges and easements appurtenant thereto and herein provided shall be hereinafter collectively referred to as the "demised premises".

ARTICLE 9
Parking and Other Common Areas (Cont'd)

Landlord shall contract for sweeping, striping and snow and ice removal necessary for parking areas, driveways, sidewalks and streets within the premises or Landlord may perform this maintenance.

Tenant shall pay to Landlord its pro rata share of the cost of maintaining the common facilities and common areas. Tenant's said share of said costs will be based upon the ratio that the ground floor area of Tenant's building (60,842 square feet) bears to the total gross ground floor area contained in all buildings actually erected on any portion of the land described in Exhibit "A" depicted on Exhibit "B".

For purposes of this Article the costs of maintaining the common areas and common facilities shall mean the following: All amounts paid for (1) cleaning and restriping of parking areas, sidewalks and driveways, including snow removal; (2) maintenance and repair of planted or landscaped areas; (3) lighting of parking lot including repairs and replacements; and (4) wages and salaries of persons directly and actually performing services described herein.

The costs of maintaining the common area and common facilities shall not include ~~real estate taxes~~, capital expenses, office overhead, license or permit fees, rubbish removal for other tenants, or mall maintenance.

INITIAL HERE

Landlord shall maintain accurate records in respect of the aforesaid costs and shall submit to Tenant a bill for the amount required to be paid by Tenant hereunder within thirty (30) days after the end of each calendar year during the term of this lease. Such bill will set forth the items and amounts charged to Tenant in reasonable detail and will reflect the calculation of Tenant's obligation. Tenant shall pay such amounts within thirty (30) days after receipt of Landlord's billing therefor.

Tenant may, upon seven (7) days notice, have Landlord's records of common area expenditures for the previous calendar year audited by Tenant's accountant; should such audit disclose any overpayment by Tenant, Landlord shall remit said overpayment upon demand.

ARTICLE 9 - Continued

All common areas and common facilities shall be subject to the control and management of Landlord. Landlord shall have the right and obligation to construct, maintain and operate lighting and other facilities; to police the common areas and common facilities; reasonably to restrict parking by tenants of the shopping center, their officers, agents and employees; to establish, modify, change and enforce reasonable uniform and nondiscriminatory rules and regulations with respect to all common areas and common facilities.

During store operating hours which Tenant shall establish and for 1/2 hour prior to and for 1/2 hour thereafter, Landlord will assure to Tenant, its invitees, customers and employees, access to Tenant's main mall store entrance. Tenant's shopping carts being used by its invitees, customers, and employees will be permitted ingress and egreee to and from the mall, and the right to circulate within the mall.

Landlord will keep the mall illuminated, heated, cleaned and properly and attractively maintained. No kiosk will be installed within one hundred twenty-five feet (125') of the entrance to Tenant's building without the prior written consent of Tenant, nor shall any kiosk be installed in the mall area within one hundred twenty-five feet (125') of the main mall entrance to Tenant's building.

ARTICLE 12 Option to Extend Lease

(a) Tenant shall have ten (10) successive options to extend the term of this lease for an additional period of five (5) years on each such option, such extended term to begin respectively upon the expiration of the term of this lease or of this lease as extended and the same terms and conditions as herein set forth shall apply to each such extended term. If Tenant shall elect to exercise the aforesaid options, it shall do so by giving notice to Landlord not less than six (6) months prior to the expiration of the term of this lease or of this lease as extended.

(b) Regardless of the exercise or nonexercise by Tenant of any or all of the foregoing options, Tenant shall have, unless the last day of the lease term shall be January 31 of any year, the option to extend (or further extend, as the case may be) the term of this lease for such period of time as shall cause the last day of the term of this lease to be the January 31 next succeeding the date upon which the term of this lease would expire but for the exercise of this option. This option shall be exercised by notice to Landlord not less than six (6) months prior to the expiration of the term of this lease or any extension thereof. Tenant's rental during this option period shall be the same rental payable under the terms of this lease at the time Tenant notifies Landlord of its intention to exercise this option.

ARTICLE 14 Repairs - Control from paragraph 1

~~Landlord covenants that all other buildings, improvements, common areas and common facilities located on the land described in Exhibit "A" and depicted on Exhibit "B" shall be maintained in a safe, dry, and tenantable condition, and in good order and repair.~~ This Lease contains no Article 14.

ARTICLE 16 Fire

From and after the "date of occupancy by Tenant", as that term is defined in Article 10 hereof, should Tenant's net worth at any time be less than One Hundred Million Dollars ($100,000,000.00), upon written request of the Landlord or mortgagee, Tenant shall procure fire insurance with extended coverage endorsement upon the buildings erected by Landlord pursuant to Article 5 hereof in an amount equal to eighty per cent (80%) of the insurable value of the buildings above the foundation walls. At any time while Tenant's net worth shall exceed One Hundred Million Dollars ($100,000,000.00), the Tenant may elect to self-insure its obligation to restore.

INITIAL HERE

Policies of fire insurance procured pursuant to this Article shall assure and be payable to Landlord, Tenant and mortgagee and shall provide for release of insurance proceeds to Tenant for restoration of loss.

Landlord and mortgagee, if any, shall be furnished certificates from the insuring company showing the existence of such insurance. In case of loss, Tenant is hereby authorized to adjust the loss and execute proof thereof in the name of all parties in interest.

RTICLE 18 - Continued

In the event that, at any time during the lease term, the permanent improvements then constituting Tenant's building and site improvements shall be damaged or destroyed (partially or totally) by fire or any other casualty insurable under a standard fire and extended coverage endorsement Tenant shall, at its expense, promptly and with due diligence either (1) repair, rebuild and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction or (2) repair, rebuild and restore the same for the same use and purposes but in accordance with such plans and specifications as are then generally in use by Tenant for the construction of K mart and related structures, provided, however, the repaired, rebuilt or replaced building will have a value not less than its value just prior to said loss. Anything herein to the contrary notwithstanding, it is understood and agreed that if (1) as a result of any such damage or destruction during the last two (2) years of the lease term, Tenant's fixtures, equipment or other property shall be damaged or destroyed in an amount exceeding One Hundred Thousand Dollars ($100,000.00), or (2) if such damage or destruction shall have taken place within five years of the then scheduled expiration date of the current term of the lease and if the extent of such damage or destruction is such that the cost of restoration would exceed fifty per cent (50%) of the amount it would have cost to replace the Tenant's building on the demised land in its entirety at the time such damage or destruction took place, then Tenant may terminate this lease as of the date of such damage or destruction by giving written notice to the Landlord within thirty (30) days thereafter and Tenant shall have an additional sixty (60) days, rent free, within which to remove its property from the demised premises. If Tenant is carrying fire insurance to eighty per cent (80%) of the insurable value, all the insurance proceeds shall belong to Landlord and/or Landlord's mortgagee as their interest may appear; in the event the property is self-insured at the time of the loss Tenant shall reimburse Landlord and/or the mortgagee for an amount equivalent to the insurance proceeds that would have been paid had insurance been in force, but not to exceed eighty per cent (80%) of the insurable value of the building. In the event that this lease shall be terminated as above provided, all unearned rent and other charges paid in advance shall be refunded to Tenant.

and is architecturally and aesthetically compatible with the shopping center.

In the event that any time during the lease term, any building or buildings within the site depicted on Exhibit "B", other than Tenant's building or buildings, shall be damaged or destroyed (partially or totally) by fire, the elements or any other casualty, Landlord shall, at its expense, promptly and with due diligence repair, rebuild and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction; or alternatively Landlord shall be required to clear, clean and raze the fire damaged buildings.

RTICLE 36
eal Estate
axes

Tenant shall pay and discharge all ad valorem real estate taxes and assessments which shall be levied against the taxable premises during the lease term, excluding therefrom payment of assessments which are incurred or levied as a result of Landlord's activity in developing the demised premises for Tenant's occupancy.

To the extent permitted by law, Tenant may pay any such assessment in annual installments. In the event any such assessment shall be payable in a lump sum or on an installment basis, Tenant shall have the sole right to elect the basis of payment. If Tenant shall elect to pay such assessment on the installment basis, then Tenant shall pay only those installments which shall become due and payable during the lease term. Any such installments due and payable in the year in which this lease commences and terminates shall be prorated proportionately.

INITIAL HERE

Landlord and Tenant each hereby release the other and their agents and employees from any claim for damages or destruction to the premises described in attached Exhibit "A" or the contents thereof belonging to either, or for business interruption of either, caused by fire or other peril covered by extended coverage insurance whether due to the negligence of either of them or otherwise.

ARTICLE 36 - Continued

Tenant shall not be chargeable with nor be obligated to pay any tax of any kind whatsoever which may be imposed on the Landlord, the rents payable hereunder or the demised premises except the ad valorem real estate taxes and assessments mentioned in the first paragraph of this Article 36.

The amount, if any, by which the ad valorem real estate taxes and assessments payable hereunder exceed FOURTEEN THOUSAND ($14,000) DOLLARS during any lease year, shall be hereinafter referred to as an "excess tax payment". All excess tax payments shall be deductible by Tenant from additional rentals, as defined in Article 4, due and payable for such lease year. In the event the excess tax payment for any lease year exceeds said additional rental due and payable during the same lease year, the amount by which said excess tax payment exceeds said additional rental shall be carried forward and be deductible from additional rentals due and payable for succeeding lease years on a cumulative basis.

The Tenant shall have the right to participate in all negotiations of tax assessments. Tenant shall have the right to contest the validity or the amount of any tax or assessment levied against the taxable premises by such appellate or other proceedings as may be appropriate in the jurisdiction, and may defer payment of such obligations, pay same under protest, or take such other steps as Tenant may deem appropriate; provided however, Tenant shall take no action which will cause or allow the institution of any foreclosure proceedings or similar action against the demised premises. Landlord shall cooperate in the institution and prosecution of any such proceedings initiated by the Tenant and will execute any documents required therefor.

Should the Landlord institute proceedings to contest the validity or the amount of any tax or assessment levied against the taxable premises, the Tenant will cooperate in such proceedings.

Should any of the proceedings referred to in the preceding two paragraphs of this Article 36 result in reducing the total annual real estate tax and assessment liability against the taxable premises, the Tenant shall be entitled to receive all refunds paid by the taxing authorities. After payment of all of Landlord's and Tenant's expenses incurred in any such proceeding in which a refund is paid, the Tenant shall pay to the Landlord either the balance of such refund or, alternatively, Tenant shall pay to the Landlord that part of the excess tax payment which may have been deducted from additional rent in the tax year for which the refund was granted, whichever amount shall be the lesser. Any balance of said refund remaining after such payment to Landlord shall belong to the Tenant. If no refund shall be secured in any given proceeding, the party instituting the proceeding shall bear the entire cost.

The taxable premises as hereinafter defined, or the components thereof, shall, if possible, be separately assessed from any contiguous land and other Landlord improvements. If Landlord is unable to obtain such separate assessment, then for purposes of this article, the parties shall refer to the office records of the assessing authority to obtain the relevant valuations in order to calculate Tenant's liability for the taxes hereunder.

The term "taxable premises", as used in this lease shall be:

(a) The K mart building including an auto service area, totalling 60,842 square feet. ~~and garden patio shop~~ required to be constructed by Landlord under the terms of this lease and the land directly underlying said building and garden patio shop; and

(b) Tenant's prorata share of the common areas and common facilities. Said prorata share will be determined in accordance with the ratio that the square foot area of Tenant's building ~~and garden patio shop~~ and auto service area totalling 60,842 square feet bears to the total square foot area of all leaseable building space in the shopping center.

INITIAL HERE

ARTICLE 36 - Continued

If the Landlord is unable to obtain such separate assessment, and if the parties shall be unable to obtain relevant information from the office records of the assessing authority from which to obtain such relevant valuations of the taxable premises as hereinabove provided, then Tenant shall pay that portio of the taxes due on the land described in Exhibit "A" and the buildings and improvements erected thereon, which shall be equal to the product of the total tax liability therefor multiplied by a fraction, the numerator of which shall be the number of square feet of Tenant's building, and the denominator of which shall be the total number of square feet of all buildings, including Tenant's building constructed on said land.

ARTICLE 37
Exculpation

Anything to the contrary in this lease notwithstanding the covenants contained in this lease to be performed by Landlord shall not be binding personally, but instead said covenants are made for the purpose of binding only th fee simple or leasehold estate which Landlord owns in the demised premises; provided, however, the obligations imposed by Article 7 of this lease shall be personally binding upon Landlord.

ARTICLE 38
Repairs

Tenant shall make and pay for all nonstructural repairs and replacements to the interior of Tenant's buildings which Tenant deems necessary to keep the interior of said buildings in a good state of repair, including all necessary repairs and replacements to the following: all windows and interior glazed partitions; interior walls; floor coverings; ceilings; plumbing, electrical, heating, ventilating and air conditioning systems; lighting fixtures and tubes and all other above floor mechanical and electrical components, but in no event shall Tenant be obligated to make repairs and replacements which Landlord shall be required to make under any provision of this lease. Landlord shall make and pay for all repairs and replacements to said buildings (including the roofs) which shall be necessary to maintain the same in a safe, dry and tenantable condition, and in good order and repair (including, but not limited to, repairs occasioned by settling of the buildings on their foundations) excepting, however, those repairs and replacements which Tenant is specifically obligated to make under the provisions of this Article 39.

provided, however in the circumstances the Tenant attempted to notify the Landlord due to the nature of the required repair.

Landlord shall make and pay for all repairs and replacements reasonably necessary to maintain all driveways, sidewalks, streets and parking areas located on the demised premises free of all settling, clear of standing water and in a safe, sightly and serviceable condition, free of chuck holes, fissures and cracks. Landlord shall make and pay for all repairs and replacements to underground utility installations in the demised premises, including underground electrical conduits to parking lot light standards.

In the event buildings or improvements constituting the demised premises or a portion thereof shall be rendered unusable due to Landlord's default or negligence with respect to required repairs, there shall be a just and equitable abatement of said annual minimum rental and all other charges payable under this lease until said premises shall be made usable. Emergency repairs which shall be Landlord's responsibility hereunder, and which shall be necessary to protect the buildings or contents and/or to keep the common areas in a neat, clean, safe and orderly condition may be made by Tenant without notice to Landlord, and the cost of such repairs not to exceed Two Thousand Dollars ($2,000.00) in any one instance, may be deducted by Tenant from rentals subsequently accruing hereunder.

INITIAL HERE

Landlord shall not be liable for any loss or damage sustained by Tenant as a result of Landlord's failure to so repair or maintain unless Tenant has given Landlord written notice of the need therefore and Landlord has had a reasonable opportunity to make the needed repairs. The foregoing shall not apply if such needed repairs or maintenance is not ascertainable through ordinary and usual inspection.

ARTICLE 39

Covenant to Operate as a

Landlord represents that it has an executed lease with the J. C. Penney Company (Penney) which contains a covenant that they will open for business and will operate their store at Becker Village, Roanoke Rapids, N.C. retail department store for at least ten (10) years from the commencement of the term of their lease. Tenant agrees to open to the public for business the demised premises by the date of occupancy as defined in Article 10 hereof and so long as there is no breach by Penney of such operating covenant, Tenant agrees to continue to operate the demised premises as a K mart during the first ten (10) years of the term of this lease and during said period Tenant will further conduct its business during its regular and customary hours for its business, and such extended store hours as Tenant may elect in the event Tenant opens for business on Sundays.

Should the aforementioned Penney covenant be vitiated, unenforceable, in whole or in part, then in that event, the provisions of this covenant by Tenant shall be similarly vitiated, modified and become enforceable only upon the same basis.

From and after the ten (10) year period referred to above, the Tenant may use the Premises for any lawful retail purpose or may assign this lease or sublet the premises in whole or in part for any lawful retail purpose, (so long as the Shopping Center is being used for retail purposes), or it may permit the premises to remain vacant; provided, however, the Tenant shall not be relieved from its obligations under this lease by any such subletting or assignment without the Landlord's consent. Tenant shall notify Landlord within thirty (30) days of the execution of any assignment or sublease. In the event the Tenant intends to vacate the premises or proposes to sublet seventy-five percent (75%) or more of the gross leasable area of its retail store building for use other than as a department store, the Tenant shall give Landlord notice of its intention and Landlord shall have six (6) months from receipt of Tenant's notice in which it may cancel this lease.

ARTICLE 40

Future Landlord Building and Outlots

Landlord shall be permitted to construct a single story building for retail purposes in that area depicted on Exhibit "B" as "Future Landlord Building". Until such time as Landlord shall construct said building, Landlord shall grade, level, seed and maintain said area in a sightly condition. Provided further Landlord shall grade, level, pave and light all that area on the premises north of the Mall buildings, exclusive of said future building area, to provide for parking and driveways in accordance with Tenant's plans and specifications.

Tenant acknowledges that Landlord owns and controls two parcels of property depicted on Exhibit "B" as "outlot". These parcels are property adjoining the demised premises and Landlord shall be permitted to construct a single story building on such outlot. Said building (s) not to exceed 5,000 sq. ft.. As these two parcels do not abutt U.S. Highway 78, Landlord shall be permitted to construct points of access between these outlots and the demised premises. Said points of access are to be approved by Tenant. Such approval by Tenant is not to be unreasonably withheld.

INITIAL HERE

C.m.E.

EXHIBIT A

LEGAL DESCRIPTION

BECKER VILLAGE MALL
Roanoke Rapids, North Carolina

All that certain tract or parcel of land lying and being situate in the city of Roanoke Rapids, Roanoke Rapids Township, Halifax County, North Carolina, more particularly described as follows: Beginning at an iron pipe, said iron pipe being located at the intersection of the Eastern line of East Tenth Street and the Southern line of Becker Drive; thence along the Southern line of Becker Drive S. 77° 39' E. 118.8 feet to a rod; thence continuing along the Southern line of Becker Drive a curve to the right with a radius of 400.74 feet, a distance of 164.01 feet to a stake; then continuing along the Southern line of Becker Drive S. 54° 12' E. 961.52 feet to an iron pipe, said iron pipe being the Northwest corner of Section VII, Becker Farm; thence continuing along the Southern line of Becker Drive S. 54° 12' E. 50 feet to a point, said point being the Northwest corner of Lot No. 14 Section VII, Becker Farm, as shown on map recorded in Map Book 17 at page 72, Halifax Public Registry; thence along the Western boundary of Lot No. 14, S. 35° 48' W. 160 feet to a point; thence S. 54° 12' E. 105 feet to a point, said point being the Northwest corner of Lot No. 7, Section VI, Becker Farm, as shown on map recorded in Map Book 17 at page 62, Halifax Public Registry; thence along the Western line of Lot No. 7, S. 21° 07' W. 132.1 feet to a point in the Northern line of Devonshire Circle; thence along the right of way of Devonshire Circle, a curve to the left with a radius of 85 feet, a distance of 111.8 feet to a point; thence continuing along the Western line of Devonshire Circle S. 35° 48' W. 365 feet to a point; thence continuing along the line of Devonshire Circle, a curve to the left with a radius of 88 feet, a distance of 123.0 feet to a point; thence continuing along the Southern line of Devonshire Circle S. 44° 18' E. 21.8 feet to a point, said point being the Northwest corner of Lot No. 18, Section VI, Becker Farm; thence along the Western line of Lot No. 18, S. 45° 41' W. 141.05 feet to a point, said point being the Southwest corner of Lot No. 18 and also being in the Southern margin of the 30-foot easement to North Carolina Natural Gas; thence along the Southern boundary of Section VI, Becker Farm, and the 30-foot easement to North Carolina Natural Gas N. 44° 18' W. 3.67 feet to an iron pipe, said iron pipe being the Northwest corner of property previously conveyed by Becker Farms, Inc. to Roanoke Rapids Sanitary District; thence along said Western boundary of said Sanitary District property S. 35° 46' W. 217.10 feet to an iron pipe in the Northern right of way of the Seaboard Coastline Railroad, said iron pipe being also the Southwest corner of property previously conveyed by Becker Farms, Inc. to Roanoke Rapids Sanitary District; thence along the Northern margin of the 80-foot right of way of Seaboard Coastline Railroad N. 56° 53' W. 1,076.77 feet to a railroad spike in the centerline of an old road; thence N. 30° 53' E. 146 feet to an iron pipe; thence N. 18° 07' E. 189.3 feet to an iron pipe; thence N. 27° 03' 30" E. 80 feet to a point; thence N. 25° 23' 30" E. 68 feet to an iron pipe; thence N. 25° 23' 30" E. 9.97 feet to a point; thence N. 29° 16' 30" E. 48.6 feet to a point; thence N. 33° 26' E. 129.4 feet to a point; thence N. 58° 25' W. 18.8 feet to a point; thence N. 34° 08' 30" E. 150 feet to a point; thence N. 35° 49' 30" E. 129.2 feet to a point; thence N. 9° 19' W. 304.3 feet to the point of beginning, containing 31.83 acres, more or less, as shown and designed on the following three (3) maps or plats showing property of Becker Farms, Inc., all recorded in Halifax Public Registry: (1)Lots Nos. EIGHT (8) through SEVENTEEN (17), both inclusive, Section VI, Becker Farm, Map Book 17 at page 62; (2) Lot No. FIFTEEN (15), Section VII, Becker Farm, Map Book 17 at page 72; (3) a block containing 28.937 acres, more or less, recorded in Map Book at page _____; reference to said maps being hereby made for greater certainty of description.

EXHIBIT "A"

Kmart Corporation

International Headquarters
3100 West Big Beaver Road
Troy, Michigan 48084

December 12, 1978

RECEIVED
DEC 15 1978
ATLANTA R. E. OFFICE

Plaza Associates
P.O. Box 2208
Chapel Hill, NC 27514

Attention: Mr. Sam Longiotti

Re: K mart # - Roanoke Rapids, NC
SWC Becker & E. 10th

Dear Mr. Longiotti:

At the request of Mr. R. N. Combs of our Real Estate Department, we are forwarding to you two (2) sets of Drawings and Specifications identified with the set number B-0667, covering our minimum requirements for the construction of a K mart.

These K mart Store drawings and specifications consist of the following:

55,552 sq. ft. K mart plans all dated December 1, 1977 with an eight (8) bay drive-thru Auto Service Center.

A1 through A9	S1, S2, S3C, S3S S3T, S4 and S5	M1G through M9G E1G through E7G

Specifications dated November 15, 1977, including "Project Procedure and Sequence" Section defining the division of responsibility regarding the preparation of contract documents, sheet SPR-32, Asphalt Paving, dated revised October 4, 1978 and sheet SPR-35 dated November 6, 1978.

SITE DEVELOPMENT

The K mart Corporation shall be party to the initial site development decisions. To enable the K mart Corporation to properly evaluate the site conditions and have a meaningful input in these major decisions, the Developer shall submit to the K mart Corporation, in written and drawing form, a description of his proposed preliminary site development design.

EXHIBIT "C"

The site development design shall encompass all aspects of the proposed K mart operation i.e. access, site drainage and the relationship of the K mart floor elevation to adjacent grades, roads and buildings. Land balance shall be given consideration but shall not be the overriding factor in the ultimate site design.

Preparation of final engineering drawings or commitments affecting site improvements and development shall not be made by the Developer until approval has been granted by the K mart Corporation.

The design package shall indicate the proposed building location, floor elevation, site drainage pattern and utilities. The design package shall also include a topographical survey of the entire site including an area extending approximately 150' onto all adjacent properties and to the centerline of all boundary roads, or as may be required to determine any adjacent terrain conditions which might influence the site development design. The survey shall also include the site description, measurements and all existing utilities. Preliminary test boring reports indicating the subsurface soil conditions shall also be submitted.

The K mart Corporation will review all submitted data and if necessary, visit the site. If in the judgment of the K mart Corporation the proposed site development design would be detrimental to the K mart operation, the design will be returned to the Developer for re-study. Upon approval of the Site Development Design by the K mart Corporation, the Developer may proceed with final engineering drawing.

The Auto Service Center equipment plan and details contained in these documents are for general information and division of responsibility only. At the time this project is formalized and contract documents completed, the Auto Service Center plan and equipment details will be modified, as required, for the specific auto equipment manufacturer selected for this K mart.

The K mart store plans and specifications described above are to be modified as indicated in the revisions outlined in the following paragraphs.

1. Plugmold for Portable TVs & Appliances consisting of drawing E-301 dated revised February 15, 1978.

2. Floor Plan Electric consisting of drawing E1N-8L dated June 26, 1976.

3. Handicapped Parking Sign consisting of drawing TD-47 dated June 23, 1978.

4. Jewelry and Camera Department consisting of drawing E-290 dated revised August 3, 1978.

5. Cafeteria Pest Control Plan consisting of drawing E-331 dated August 10, 1978.

6. Mop Rack consisting of drawing TD-51 dated November 6, 1978.

The drawings and specifications describe a nominal 55,552 square foot, left hand K mart store with an additional 5,290 square feet in the area of the Auto Service Center. We are including a Preliminary Layout B-0667, dated November 30, 1978, for this size store. This drawing also indicates any modifications required by the K mart Corporation for this specific location.

It is contemplated that this K mart store be part of an enclosed mall. If the K mart entrance, storefront and canopy are required to be modified to integrate them with the enclosed mall, these modifications to the Typical criteria, must be reviewed and approved by the K mart Corporation.

Please advise your consultants regarding the following mechanical and electrical information which supplements and/or modifies the enclosed drawings and specifications.

Secondary electric service is acceptable. No power factor correction is required. Utility transformer shall be located where shown on layout.

Snow melting and freeze protection for downspouts at front canopy will be required at this location, only if front canopy is not protected by the mall enclosure.

Delete "Ballast" paragraph 2, page 16E-2 of specifications and substitute the following:

2.1 All ballasts shall be ETL-CBM certified, UL approved, class P, high power factor type as manufactured by Advance or Universal. All ballasts shall be of the same manufacturer.

2.2 Slimline and rapid start ballasts shall be energy saving - full light output type.

2.3 Unless otherwise indicated, two (2) lamp ballasts shall be used whenever possible.

Delete the electrical for Tire & Battery Display Racks consisting of two (2) 120V. outlets, 1-120V. circuit and the mounting and connection of lighting fixtures in racks.

Firm gas, if available, shall be utilized for space heating and domestic hot water heater. Landlord's consulting engineer shall verify availability of firm natural gas and obtain a commitment from North Carolina Natural Gas Co. as soon as possible. When firm commitment is obtained, Landlord shall advise K mart Corporation, Public Utility Department accordingly.

Air Conditioning Units must be sized to provide a minimum of 4.25 air changes per hour for the Sales Area.

Cooking equipment shall be electric.

Air conditioning of the main stock area is required at this location. Power exhausters located in the main stock area designated as "summer ventilation" shall be eliminated due to air conditioning in the stock room.

Provide one (1) meter for each utility to the K mart.

All public utilities (including the sprinkler system) for the co-tenant Food Market and/or other co-tenant facilities, shall be separate and completely independent from the K mart and shall be provided by the Landlord.

The parking lot lighting, sidewalk (under canopy) lighting and service drive lighting shall be on Landlord's separate meter and separate electric service. Landlord shall re-bill appropriate charges for the K mart area to K mart Corporation.

All sprinkler lines shall be run concealed in General Offices, corridors and all other finished areas, avoiding interferences with lights, ducts, pipes, etc. Exposed piping in finished areas will not be acceptable.

Landlord's engineer shall consult the telephone company relative to proper facilities, including conduit, to handle the telephone installation.

NOTE:

The Landlord's consultants shall verify State and Local codes for possible Energy Conservation requirements in effect for new construction at this location.

If an Energy Code is applicable for this building, then it will be necessary to incorporate such requirements into the Heating, Ventilating, Air Conditioning and Electrical systems.

These sets of drawings and specifications are to be used as the lease documents and are to be amended as may be required to meet local code requirements.

Very truly yours,

James A. Kilgore, A.I.A.
Manager, Design Division
Construction Department

JAK:klk
cc: Mr. G. L. Hostetter
Mr. W. J. Mottershaw
Mr. J. E. Dinkins
Mr. A. D. Kerkau
Mr. R. N. Combs
Mr. P. Leonard - K.E.I.
Public Utilities

Kmart Corporation

International Headquarters
3100 West Big Beaver Road
Troy, Michigan 48084

February 6, 1979

RECEIVED
FEB 9 1979
ATLANTA D. E. OFFICE

Plaza Associates
P. O. Box 2208
Chapel Hill, NC 27514

Attention: Mr. Sam Longiotti

Re: K mart #9656 - Roanoke Rapids, NC
SWC Becker and E. 10th

Dear Mr. Longiotti:

Attached are two (2) prints of the preliminary layout which was originally issued to you with the date of November 30, 1978. This project has now been assigned a number (#9656) and pending approval of your site development design package you are at liberty to proceed with the preparation contract drawings and specifications.

Please notify the writer and Mr. W. J. Mottershaw, Manager, Building Division, of the names and addresses of your architect, engineers and contractors as soon as possible.

Please advise your consultants regarding the following mechanical and electrical information which supplements and modifies the information and/or drawings forwarded to you under my letter dated December 12, 1978.

Air conditioning branches for the Preparation Room, extending from roof top A.C. unit serving main sales area, shall be deleted.

NORTH CAROLINA

HALIFAX COUNTY

SECOND LEASE AMENDMENT

THIS SECOND LEASE AMENDMENT, made this the _____ day of February, 1981, by and between BECKER VILLAGE, a North Carolina general partnership, having its principal office at 100 Becker Drive, Post Office Box 1030, Roanoke Rapids, North Carolina 27870 (hereinafter "Landlord"), party of the first part, and K mart CORPORATION, a Michigan corporation, having its principal office at 3100 West Big Beaver Road, Troy, Michigan 48048 (hereinafter "Tenant"), party of the second part;

W I T N E S S E T H :

WHEREAS, Landlord and Tenant entered into that certain Lease dated as of June 21, 1979 and as amended by Lease Amendment dated January 20, 1981, demising certain property in the Becker Village Mall at Roanoke Rapids, North Carolina (the "Lease"), and

WHEREAS, the parties desire to make further amendments to the Lease as is hereinafter set forth.

NOW, THEREFORE, in consideration of the actual premises, covenants and conditions of the parties as contained in the Lease and as also contained herein, the parties do hereby amend the Lease as follows:

1. By deleting therefrom Exhibit "A", Legal Description", and Exhibit "B", Site Plan, and substituting therefor, as new Exhibits "A" and "B", the Legal Description and Site Plan attached hereto and incorporated by reference herein.

Except as herein amended, the Lease remains in full force and effect.

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

BECKER VILLAGE, a North Carolina General Partnership

By: _____ (SEAL)
Seby B. Jones, General Partner

By: _____ (SEAL)
Charles M. Edwards, General Partner

K mart CORPORATION, a Michigan Corporation

By: _____
President

ATTEST:

_____
Secretary

(Corporate Seal)

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, Anne M. Lozier, a Notary Public for said County and State, do hereby certify that SEBY B. JONES, acting as general partner of BECKER VILLAGE, a North Carolina general partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the 5 day of March, 1981.

Anne M. Lozier
Notary Public

My commission expires: My Commission Expires June 1, 1983

STATE OF NORTH CAROLINA
COUNTY OF

I, _____, a Notary Public for said County and State, do hereby certify that CHARLES M. EDWARDS, acting as general partner of BECKER VILLAGE, a North Carolina general partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the _____ day of _____, 1981.

_____
Notary Public

My commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION

BECKER VILLAGE
Roanoke Rapids, North Carolina

All that certain tract or parcel of land lying and being situated in the City of Roanoke Rapids, Roanoke Rapids Township, Halifax County, North Carolina, more particularly described as follows:

BEGINNING at an iron pipe, said iron pipe being located at the intersection of the eastern line of East Tenth Street and the southern line of Becker Drive; thence along the southern line of Becker Drive South 77 degrees 39 minutes East 118.8 feet to a rod; thence continuing along the southern line of Becker Drive, a curve to the right with a radius of 400.74 feet, a distance of 164.01 feet to a stake; thence continuing along the southern line of Becker Drive South 54 degrees 12 minutes East 961.52 feet to an iron pipe, said iron pipe being the northwest corner of Section VII, Becker Farm; thence continuing along the southern line of Becker Drive South 54 degrees 12 minutes East 50 feet to a point, said point being the northwest corner of Lot No. 14, Section VII, Becker Farm, as shown on map recorded in Map Book 17, at Page 72, Halifax Public Registry; thence along the western boundary of Lot No. 14 South 35 degrees 48 minutes West 160 feet to a point; thence South 54 degrees 12 minutes East 105 feet to a point, said point being the northwest corner of Lot No. 7, Section VI, Becker Farm, as shown on map recorded in Map Book 17, at Page 62, Halifax Public Registry; thence along the western line of Lot No. 7 South 21 degrees 07 minutes West 132.7 feet to a point in the northern line of Devonshire Circle; thence along the right-of-way of Devonshire Circle a curve to the left with a radius of 85 feet, a distance of 111.8 feet to a point; thence continuing along the western line of Devonshire Circle South 35 degrees 48 minutes West 365 feet to a point; thence continuing along the line of Devonshire Circle, a curve to the left with a radius of 88 feet, a distance of 91.3 feet to a point; thence South 66 degrees 19 minutes West 156.7 feet to a point in the southern margin of the 30-foot easement to North Carolina Natural Gas; thence along the southern boundary of the 30-foot easement to North Carolina Natural Gas South 44 degrees 18 minutes East 104.33 feet to an iron pipe, said iron pipe being the northwest corner of property previously conveyed by Becker Farms, Inc. to Roanoke Rapids Sanitary District; thence along said western boundary of said Sanitary District property South 35 degrees 46 minutes West 217.10 feet to an iron pipe in the northern right-of-way of the Seaboard Coastline Railroad, said iron pipe being also the southwest corner of property previously conveyed by Becker Farms, Inc. to Roanoke Rapids Sanitary District; thence along the northern margin of the 80-foot right-of-way of Seaboard Coastline Railroad North 56 degrees 53 minutes West 1,077.23 feet to a railroad spike in the centerline of an old road; thence North 30 degrees 53 minutes East 146 feet to an iron pipe; thence North 18 degrees 07 minutes East 189.3 feet to an iron pipe; thence North 27 degrees 03 minutes 30 seconds East 80 feet to a point; thence North 25 degrees 23 minutes 30 seconds East 68 feet to an iron pipe; thence North 25 degrees 23 minutes 30 seconds East 9.97 feet to a point; thence North 29 degrees 16 minutes 30 seconds East 48.6 feet to a point; thence North 33 degrees 26 minutes East 129.4 feet to a point; thence North 58 degrees 25 minutes West 18.8 feet to a point; thence North 34 degrees 08 minutes 30 seconds East 150 feet to a point; thence North 35 degrees 49 minutes 30 seconds East 129.2 feet to a point; thence North 9 degrees 19 minutes West 304.3 feet to the POINT OF BEGINNING, containing 31.625 acres, more or less, as shown and designateed on the Plat Showing As-Built Survey, Becker Village Mall, prepared By Cyril C. Waters, dated February 5, 1980, revised December 14, 1980, reference to said plat being hereby made for greater certainty of description.

STATE OF MICHIGAN
COUNTY OF OAKLAND

I do hereby certify that on this _____ day of _____, 1981, before me, _____, a Notary Public in and for the County and State aforesaid, and duly commissioned, personally appeared _____ and _____, known to me to be the _____ President and _____ Secretary of K mart CORPORATION, who, being by me duly sworn, did depose and say that they reside in _____ _____ respectively; that they are the _____ President and _____, Secretary respectively of K mart CORPORATION, the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names by like order.

In Witness Whereof, I have hereunto set my hand and official seal the day and year in this certificate first above written.

_____
Notary Public

My commission expires: _____

K mart #9656
Roanoke Rapids, NC

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE is made and entered into this ____ day of _____, 1990, between BECKER MALL PROPERTIES ~~LIMITED PARTNERSHIP~~, a North Carolina General Partnership, having its principal office in c/o Brookhill Management Corporation, 10 East 53rd Street New York, NY 10022 ("Landlord") and K MART CORPORATION, a Michigan Corporation, having its principal office at 3100 West Big Beaver Road, Troy, Michigan 48084 ("Tenant").

WITNESSETH

WHEREAS, by lease agreement dated June 21, 1979, Becker Village, Seby B. Jones, and Charles M. Edwards, a North Carolina Limited Partnership, leased to Tenant a building together with site improvements and land at a shopping center located at East 10th Street and Becker Drive and situated in the City of Roanoke Rapids, County of Halifax, State of North Carolina; and more fully described in Exhibit "A" to the Lease; and

WHEREAS, the lease agreement was modified by Amendment to Lease, dated January 20, 1981, Second Lease Amendment, dated March 5, 1981, and Subordination, Non-Disturbance and Attornment Agreement, dated April 21, 1981. The lease agreement, as modified, is herein referred to as the "Lease"; and

WHEREAS, Landlord, succeeded to the lessor's interest in the Lease; and

WHEREAS, Landlord and Tenant desire to further amend and modify the Lease as herein provided.

NOW, THEREFORE, it is mutually agreed, and the sufficiency of such is acknowledged, as follows:

1. Exhibit "B" of the Lease is deleted and of no further force and effect, and Exhibit"B" attached to this Amendment is hereby substituted in its place.

2. Tenant shall, at its sole cost (including architectural fees, permits, etc.), build an addition on its Building of approximately 22,000 square feet, as shown on Exhibit "B", subject to obtaining all necessary governmental approvals and permits. Tenant, at Tenant's sole cost, shall also relocate the northeasterly most curb cut into the shopping center and reconfigure the parking between K mart and J. C. Penney* as shown on Exhibit "B".

* including but not limited to the parking lot improvements and electrical work associated with relocating the Automatic Teller Machine (ATM) owned by Roanoke Rapids Savings and Loan Association. Tenant will use its best efforts to ensure that the ATM will not be out of service for more than seven (7) days.

3. Tenant hereby exercises its first five (5) year option to extend the term of the lease under Article 12 of the Lease, extending the expiration date of the Lease to August 31, 2010. Landlord hereby grants Tenant one additional five (5) year option to extend the Lease, so that the last option period, if exercised, would expire on August 31, 2055.

4. Commencing with the first day of the month next following after completion of and opening for business in the addition by Tenant, the minimum rent under Article 3 of the Lease shall be increased to Two Hundred Twenty Three Thousand Eight Hundred Seven Dollars ($223,807.00).

5. Upon completion of and opening for business in the Addition by Tenant, Tenant's additional rental obligation pursuant to Article 4 shall be determined by multiplying Tenant's gross sales by a fraction, the numerator of which is the original store size and the denominator is the expanded store size with the resulting product representing gross sales for purposes of calculating Tenant's additional rent obligation. If the day this adjustment starts is not the first day of the lease year, then the original method determining percentage rent and this adjustment will be calculated separately by reducing the gross sales and breakpoint provided in the Lease proportionately for the period being calculated relative to the lease year.

6. After completion of the addition by Tenant, the total square footage of Tenant's enlarged building shall be used for calculation of Tenant's pro rata share of Common Area Maintenance and Real Estate Taxes as provided in the Lease.

7. The excess tax credit provided for in Article 5 of the Lease shall not include any real estate taxes attributed to the expanded portion of the Building. In the event the tax records do not separately identify the portion of taxes attributed to the expansion then the taxes on the Building as expanded shall be multiplied by a percentage representing the ratio of the size of the original building to the size of the Building as expanded.

8. Tenant, at Tenant's cost, shall use its best efforts to obtain all necessary governmental approvals and permits and to commence work on the addition promptly (provided, however, Tenant, is not obligated to commence work prior to January 15, 1991). In the event Tenant has not obtained all necessary approvals and permits and commenced construction of the addition on or before June 1, 1992, this Amendment will become null and void and of no further force and effect, unless extended by Tenant and Landlord in writing.

9. The revised Exhibit "B" attached to this Amendment shows both the K mart expansion and a proposed future expansion of the Mall by

Landlord. If Landlord proceeds with the Mall expansion (which shall be at Landlord's sole cost) and additional parking must be provided to meet city parking ratio requirements (because of the additional K mart and Landlord square footage) Landlord shall provide such additional parking at Landlord's cost in the area marked "Future Parking Area" on Exhibit "B". Upon completion of the Mall expansion and the future parking area (not to exceed approximately 10,000 square feet of paving), Tenant shall reimburse Landlord for one half of the cost of "Future Parking Area." Landlord shall provide such documentation of the actual cost of such additional parking as Tenant may reasonably request. Tenant shall not be charged for any costs associated with the Mall expansion except the costs of the additional parking provided in the "Future Parking Area."

After completion of the Mall expansion the total square footage of the Mall as enlarged shall be used for calculation of Tenant's pro rata share of common area maintenance and real estate taxes, as provided in the Lease.

The Lease as Amended is ratified and confirmed by Landlord and Tenant.

IN WITNESS THEREOF, the parties have executed this Third Amendment to Lease which is to be effective as provided herein.

Signed in our Presence:

BECKER MALL PROPERTIES LIMITED PARTNERSHIP
A North Carolina ~~General~~ Limited Partnership
By: Brookhill Capital Corp., Inc., Partner
By: _____, its
By: _____, its

K MART CORPORATION

Dorothy Warner

Tammy Hall

By: M. L. Skiles
M. L. Skiles, Vice President
By: C. C. Fogg Jr
Asst. Secretary

ACKNOWLEDGEMENTS

STATE OF New York
COUNTY OF New York) SS:

I do hereby certify that on this 15 day of Aug, 1991, before me, Lewis Kuper, a Notary Public in and for the County and State aforesaid, and duly commissioned, personally appeared Ronald B. Binder and _____ known to me to be the* Partners of Becker Mall Properties, _____, who, being by me duly sworn, did depose and say that they reside in c/o 10 E 53rd St, NY NY respectively; that they are the *Partners of Becker Mall Properties Limited Partnership, the General Partnership described in and which executed the foregoing instrument.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

LEWIS KUPER
Notary Public, State of New York
No. 31-4978174
Qualified in New York County
Commission Expires February 25, 1993

My commission expires: _____

Notary Public

* President of Brookhill Capital Resources, Inc., the General

STATE OF MICHIGAN)
COUNTY OF OAKLAND) SS:

I do hereby certify that on this 21 day of AUGUST, 1996, before me, JANINE K. SCHUMACHER, a Notary Public in and for the County and State aforesaid, and duly commissioned, personally appeared C.E. LOTZAR, JR and M.L. SKILES known to me to be the Vice President and Assistant Secretary of K mart Corporation, who, being by me duly sworn, did depose and say that they reside in ROCHESTER & BIRMINGHAM respectively; that they are the Vice President and Assistant Secretary respectively of K mart Corporation, the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that, on behalf of said corporation and by order of its board of directors, they signed, sealed and delivered said instrument for the uses and purposes therein set forth, as its and their free and voluntary act; and that they signed their names thereto by like order.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires: 9-30-92

fas73094

Janine K. Schumacher
Notary Public

JANINE K. SCHUMACHER
Notary Public, Oakland County, Mich
My Commission Expires September 30, 1992

BROOKHILL

THE BROOKHILL GROUP

501 MADISON AVENUE NEW YORK, NY 10022
TELEPHONE (212) 753-3123 FAX (212) 371-9515

March 27, 2002

VIA REGULAR MAIL

Trumbull Services
P.O. Box 426
Windsor, CT 06095

Re: Kmart Corporation, et al.
Case No. 02-B02474

Dear Sir/Madam:

Enclosed please find two (2) copies of the Proof of Claims regarding the above referenced debtor and annexed supporting documents. Please time-stamp one (1) copy of the Proof of Claim and return it in the enclosed self-addressed stamped envelope.

Very truly yours,

Joanne M. Neilson
Assistant General Counsel

JMN:mg

Enc.

cc: Robert W. LoSchiavo, Esq.

F:\WP51\Rob 2002\South Willow\United Stated Bankruptcy Court Proof of Claim 325.doc