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

UNITED STATES BANKRUPTCY COURT Northern DISTRICT OF Illinois

PROOF OF CLAIM

Name of Debtor	Case Number
K-Mart Corporation, et al.	02-B02474

Name of Creditor (The person or other entity to whom the debtor owes money or property): The Chase Manhattan Bank as Trustee u/w/o Francis S. Appleby f/b/o Edgar O. Appleby and The Chase Manhattan Bank as Trustee u/w/o Edgar T. Appleby f/b/o Edgar D. Appleby

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

- ☐ 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.

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Account or other number by which creditor identifies debtor: 0-00ANC1-KMART 80

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:

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $ 80,129.64

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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TRUMBULL DIVISION
2002 APR -8 PM 2:11
BANKRUPTCY
1089
rec 4-8-02

Date	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).
3/28/02	JPMorgan Chase Bank as Trustee F/K/A The Chase Manhattan Bank Todd H. Dubuyx, VP

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.

The Chase Manhattan Bank as Trustee u/w/o Francis S. Appleby f/b/o Edgar O. Appleby and The Chase Manhattan Bank, as Trustee u/w/o Edgar T. Appleby f/b/o Edgar D. Appleby by its managing agent Brookhill Management Corporation by Robert W. LaRichiuse, Senior Vice President _____

K-Mart Corporation #4703
Brookhill Management Corp as Agent
For Chase Manhattan Bank as Trustee
Pre-Petition Schedule

Description	Amount
Real Estate Tax Billing 7/1/01 - 12/31/01	$70,268.39
Real Estate Tax Billing 1/1/02 - 1/22/02	9,861.25
	$80,129.64

Kmart #4703
North Adams, MA

Parties

THIS LEASE made and entered into as of this 10th day of May, 1993, between NORTH ADAMS CENTER ASSOCIATES LIMITED PARTNERSHIP, a Massachusetts limited partnership, having its principal office at 100 Main Street, Suite 200, Reading, Massachusetts 01867 (herein referred to as "Landlord"), and KMART 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

1. Landlord does demise unto Tenant and Tenant does take from Landlord for the lease term the following property: Tenant's completed building (designated Kmart), together with site improvements to be constructed as hereinafter specified by Landlord at its expense together with land comprising not less than Six and 19/10 (6.19) acres described in Parcel "A" of Exhibit "A", attached hereto and made a part hereof, and situated in the City of North Adams, County of Berkshire, Commonwealth of Massachusetts; said building to be in the locations depicted on Exhibit "B" attached hereto and made a part hereof, and of the following dimensions:

Kmart Building: 381'4" in width by 239'4" in depth
Total Size: 91,266 sq. ft.

In addition, Landlord shall provide a fenced garden shop area having dimensions of 46' in width by 239'4" in depth, as indicated on Exhibit "B", attached hereto.

Said land, completed building and site improvements, together with all licenses, rights, privileges and easements, appurtenant thereto shall be herein collectively referred to as the "demised premises". Tenant acknowledges that the land comprising not less than Nine and 6/10 (9.6) acres described in Exhibit A constitutes the entire Shopping Center owned by Landlord and shown on Exhibit B and that Parcel A described therein has been established solely for the purpose of apportioning costs and responsibilities between Landlord and Tenant as more specifically set forth in this lease.

Landlord hereby gives and grants unto Tenant, in common with others entitled thereto, including Tenant's agents, employees, customers, licensees and invitees the following licenses, rights, privileges and easements: the use of parking areas, common areas (including rest rooms and other facilities, if any), roadways, sidewalks and accessways to public streets and highways indicated on said Exhibit "B", together with the use of any delivery or servicing areas adjoining Tenant's said buildings or designated as such on Exhibit "B", which areas shall be adequate for the passage, unloading and, if necessary, turning around of trailer trucks and other commercial vehicles.

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 pursuant to said Article 12. Should Tenant at any time elect to discontinue the operation of its business in the demised premises, Tenant shall give to Landlord notice in writing of its intention so to do which notice shall specify the date upon which Tenant intends to discontinue the operation of its business (the "Discontinuance Date") and in such event Landlord shall have the option, to be exercised by notice in writing given to Tenant within ninety (90) days after the later to occur of (i) the date of receipt of the Tenant's aforesaid notice to Landlord or (ii) the Discontinuance Date, to terminate this Lease. If Landlord exercises its

said option, this Lease shall terminate on the last day of the third month following the Discontinuance Date. Should this Lease be terminated as herein provided, Tenant shall be relieved of any further obligations under this Lease.

Annual 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 rental of EIGHT HUNDRED NINETY SIX THOUSAND THREE HUNDRED SIXTY NINE AND NO/100 DOLLARS ($896,369.00), 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.

Real Estate Taxes

4. Tenant shall pay and discharge on or before the date the same shall become due all ad valorem real estate taxes and all assessments, general or specific, levied against the taxable premises during the term of the Lease, excluding therefrom payment of general or special assessments which are incurred or levied as a result of Landlord's activity in developing the demised premises for Tenant's occupancy. If the ad valorem real estate taxes and assessments are billed to Landlord by the applicable taxing authority, Landlord shall submit to Tenant a bill for the taxes assessed against or allocable to the taxable premises, together with a copy of the tax bill and a statement of the facts and information needed to calculate the taxes for which Tenant is responsible as soon as practicable after the tax bills are received and Tenant shall pay such taxes to Landlord within thirty (30) days after the receipt of such bill and statement. Any ad valorem real estate taxes and assessments for a real estate tax year, a portion of which is included within the Lease Term and a portion of which is included in the period of time before the Commencement Date or after the Termination Date, shall be equitably adjusted between Landlord and Tenant for the purpose of determining Tenant's tax obligation hereunder.

The term "taxable premises", as used in this lease, shall be that certain land described in Parcel A of Exhibit "A" together with such buildings and other improvements located thereon.

Landlord and Tenant shall use their reasonable efforts to obtain a separate tax assessment with respect to the taxable premises. In the event that a separate tax assessment with respect to the taxable premises cannot be obtained, then for purposes of this lease, the parties shall refer to the office records of the assessing authority including but not limited to worksheets and field reports, in order to obtain the relevant land and building valuations required to calculate Tenant's separate liability for the real estate taxes hereunder.

In the event that neither a separate tax assessment for the taxable premises can be obtained nor an accurate tax liability established from the assessing office records can be determined, the taxes allocable to the taxable premises (and Tenant's share of taxes attributable to the Common Areas) shall be equal to: (1) Tenant's pro rata share of taxes attributable to the Tenant's Building, plus (2) Tenant's pro rata share of the taxes assessed against the total land described in Exhibit "A". Tenant's pro rata share of taxes attributable to the Tenant's building shall be computed by multiplying the total tax liability against the buildings located within the land described in Exhibit "A" by a fraction the numerator of which shall be the number of square feet of ground floor area of Tenant's Building at the end of such real estate fiscal tax year (excluding the garden shop) unless the same shall be enclosed by Tenant or at Tenant's request following initial construction of Tenant's buildings and assessed as a part of Tenant's building assessment and the denominator of which shall be the total number of square feet of ground floor area of all of the buildings located within the land described in Exhibit "A" at the end of such real estate fiscal tax year. Tenant's pro rata share of the taxes assessed against the total land described in Exhibit "A" shall be computed by multiplying the total tax liability against the land described in Exhibit "A" by a fraction, the numerator of which shall be the number of square feet of land within the demised premises and the denominator of which shall be the number of square feet of land within

the land described in Exhibit "A". In no event shall Tenant be responsible for the payment of taxes and assessments incurred or levied on other buildings existing on the land other than the taxable premises.

The date of levy of all ad valorem real estate taxes shall be deemed to be the date specified by each applicable taxing jurisdiction for which such taxes become a lien on the taxable premises. The Tenant's liability and obligation hereunder to pay such ad valorem real estate taxes shall be fully accrued, fixed and final on the date of levy thereof.

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 years in which this lease commences and terminates shall be prorated proportionately.

Tenant shall not be chargeable with, nor be obligated to pay any income, profit, inheritance, estate, succession, gift, franchise, or transfer taxes which are or may be imposed upon Landlord, its successors or assigns, by whatsoever authority imposed or howsoever designated.

If Tenant shall pay and discharge such ad valorem real estate taxes and assessments directly to the applicable taxing authority, written evidence of the payment of taxes and assessments hereunder shall be furnished by Tenant to Landlord upon Landlord's written request therefor.

The Tenant shall have the right to participate in all negotiations of tax assessments. Tenant shall have the right to contest at Tenant's expense the validity or the amount of any tax or assessment levied against the taxable premises or the Shopping Center by such appellate or other proceedings as may be appropriate in the jurisdiction, and may 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, at Tenant's expense, 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 Shopping Center, the Tenant will cooperate in such proceedings; provided, however, that Landlord shall take no action which will cause or allow the institution of any foreclosure proceedings or similar action against the demised premises which might result in the termination of this Lease.

Should any of the proceedings referred to in the preceding two paragraphs of this Article 4 result in reducing the total annual real estate tax and assessment liability against the taxable premises, the Tenant shall be entitled to receive the balance of all refunds paid by the taxing authorities attributable to the taxable premises after deducting therefrom all of Landlord's and/or Tenant's actual "out of pocket" expenses incurred in such proceedings. If no refund shall be secured in any given proceeding, the party instituting the proceeding shall bear the entire cost.

New Building by Landlord

5. Tenant's said building and site improvements shall be completed and delivered to Tenant promptly and with due diligence. If the performance by Landlord of any of its obligations hereunder is delayed by reason of the act or neglect of Tenant, act of God, strike, labor dispute, boycott, governmental restrictions, riot, insurrection, war, catastrophe, or act of the public enemy, the period for the commencement or completion thereof shall be extended for a period equal to such delay. Landlord warrants that a general contract for construction of said buildings and improvements referred to in Articles 1 and 11 hereof shall be let, rough site grading shall be completed and foundations and footings commenced not later than August 1, 1993. If for any

reason whatever Landlord shall fail to comply fully with this warranty, Landlord shall so notify Tenant in writing and in such event Tenant shall have, in addition to other remedies which may be available to it by law or otherwise, the option to terminate this lease within sixty (60) days thereafter 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 working drawings and specifications prepared by Landlord as approved in writing by Tenant's Construction Department, and possession thereof tendered to Tenant prior to September 1, 1994, 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.

Drawings and Specifications

6. Tenant's said building and site improvements shall be constructed by Landlord, at its sole cost and expense, in accordance with the working drawings 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 drawings and specifications, prior receipt of which Landlord hereby acknowledges and which are identified as Set No. K-1260 containing such additions, changes, and modifications as are more particularly set forth in that certain letter dated December 18, 1992, written by Stephen K. Li, A.I.A., Director, Design Division, Construction Department to Mr. James T. Chadwick, JDC Properties, 100 Main Street, Suite 200, Reading, MA 01867, a copy of which letter is attached hereto and marked Exhibit "C".

Said typical drawings 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 store layout drawings 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.

Said working drawings and specifications shall be submitted to Tenant in time to permit a review and approval by Tenant prior to commencement of construction. Such approval shall not be unreasonably withheld. Within sixty (60) days after receipt of such working drawings and specifications, Tenant shall in writing, inform Landlord of required revisions or corrections thereto which are necessary to conform said working drawings and specifications to the Tenant's typical store drawings and specifications hereinbefore referred to, 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 drawings and specifications shall be deemed approved and accepted for the purposes hereof.

Said typical drawings and specifications, and working drawings and specifications as approved by Tenant shall constitute a part of this lease.

Subsequent to approval of the typical drawings and specifications, in the event that changes to the typical drawings and specifications shall be requested by Tenant, which result in a savings to the Landlord in construction costs, then, Landlord shall pay Tenant an amount equal to the savings. In the event such changes result in extra construction costs to the Landlord, then Tenant shall pay Landlord the extra construction costs resulting from such

changes. In either event, Tenant shall pay the actual cost of architectural and engineering services resulting from and directly attributable to such requested changes.

Guarantee of Materials

7. Landlord shall unconditionally guarantee all work performed by or for the Landlord in the construction of Tenant's building and site improvements within the Demised Premises against defective workmanship and materials for a period of one (1) year from commencement of lease term or date of final acceptance by Tenant, whichever is later, unless a different period of time is expressly stated under a section of the criteria documents and/or job specifications. Landlord shall assign to Tenant any and all guarantees of workmanship and materials which it may receive.

Advance Possession for Fixturing and Merchandising

8. For a period of sixty seven (67) days after completion of Tenant's building by Landlord, as set forth in Article 10 (b), Tenant shall have the privilege, rent free of entering said buildings for the purposes of installing stockroom equipment and salesfloor trade fixtures, storing merchandise, training personnel and other pre-opening activities. The Landlord's completion of the building shall be construed to mean the building is substantially complete except connections to Tenant's equipment, i.e. permanently enclosed, completely decorated inside and out, floor covering installed, electrical system complete, mechanical systems functioning on controls, toilet facilities complete for both sexes, fire protection system including alarms complete. During such sixty seven (67) day period, Tenant shall pay all charges for utility raw materials (as defined in Article 17) furnished to the demised premises.

Landlord shall advise Tenant's Regional Construction Manager in writing ninety (90) days prior to his projected completion date to allow Tenant to place orders for fixtures, arrange for personnel and order merchandise.

Parking and Other Common Areas

9. Prior to commencement of the lease term, Landlord shall construct, in accordance with said working drawings and specifications approved by Tenant, on the premises described in Exhibit "A", all of the sidewalks, service drives, parking areas, driveways, streets, curbs, directional signs (not Tenant's pylon) and related improvements, substantially as shown on said working drawings and specifications (all of which improvements shall hereinafter, along with the land thereon constructed, be referred to as the "common areas").

Landlord shall also construct or cause to be constructed upon certain property or rights-of-way contiguous to the premises described in Exhibit "A", all sidewalks, driveways, streets, curbs, acceleration, deceleration and stacking lanes, traffic controls, and signals, directional signs and related improvements in accordance with said working drawings and specifications and the requirements of any governmental bodies.

Landlord covenants and represents that at the commencement of the lease term, there shall be adequate sidewalks, driveways, roadways and entrances for automotive and pedestrian ingress and egress to and from the demised premises and adjacent public streets and highways, as shown on said working drawings and specifications.

Landlord also covenants that the area within the demised premises provided for the parking of automobiles shall during the lease term be sufficient to accommodate not less than three hundred fifty (350) automobiles on the basis of arrangement depicted on Tenant's working drawings and specifications.

Landlord further covenants that the aggregate area depicted on Exhibit "B" provided for the parking of automobiles shall during the lease term be sufficient to accommodate not less than five hundred (500) automobiles on the basis of arrangement depicted on Tenant's working drawings and specifications.

At least sixty-seven (67) days prior to the commencement of the lease term, Landlord shall provide in accordance with said working drawings and

specifications as approved by Tenant and as shown on Exhibit "B" all of the sidewalks, service drives, parking areas and entrances, from adjoining public streets to permit receiving and delivering of fixtures, merchandise and other property and to permit parking for persons involved in the pre-opening activities of the Tenant. Notwithstanding the foregoing, Landlord and Tenant acknowledge that Tenant's existing store is situated within the common areas within Parcel A. The demolition of Tenant's existing store and the construction of common area facilities thereon will not be completed within the aforementioned sixty seven (67) day period. The closing of Tenant's existing store, the demolition thereof and the construction of the common area facilities upon the area occupied by such store are governed by the terms of this lease and the terms of Exhibit "D" attached hereto and made a part hereof.

Liability Insurance. During the lease term, Landlord at its sole expense shall keep Tenant insured against all statutory and common law liabilities for damage to property or injuries, including loss of life, sustained by any person or persons within or arising out of said common areas, whether caused by Tenant's negligence or otherwise, in a policy or policies with minimum coverage of One Million and No/100 Dollars ($1,000,000) with respect to injury to any one person and Two Million and No/100 Dollars ($2,000,000) with respect to any one accident or disaster, and Five Hundred Thousand and No/100 Dollars ($500,000) with respect to damage to property. All such policies shall bear endorsements to the effect that Tenant is named an additional insured and 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.

During the Lease term, Tenant shall reimburse the Landlord for its pro rata share of the liability insurance Landlord shall maintain for the common areas of the Shopping Center premises. Tenant's pro rata share shall be computed by dividing the square footage of Tenant's building (excluding the unenclosed portion of Tenant's garden shop), by the square footage of the total number of additional buildings (including Tenant's building but excluding the unenclosed portion of Tenant's garden shop) that are actually located on the Shopping Center premises depicted on Exhibit "B" and described in Exhibit "A". Tenant shall pay said pro rata share within thirty (30) days after receipt of a statement from Landlord, which statement shall include a bill for the premium, a copy of the policy and a breakdown as to Tenant's pro rata share. In the event Landlord obtains the foregoing insurance with regard to the demised premises only, the Tenant shall pay the cost thereof.

Indemnification. Landlord further agrees at its sole expense to defend, indemnify and hold Tenant (and all of its officers, agents and employees) harmless against any and all liabilities for damages for claims arising out of said common areas or Tenant's use thereof, by reason of any act, action, neglect or omission on the part of Landlord.

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 the demised premises for parking or other purposes to an extent which shall be objectionable to Tenant, Landlord shall at its sole expense, 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. Anything to the contrary herein contained notwithstanding, it is acknowledged by Tenant that the land described in Exhibit A (including Parcel A) is owned and operated as an integrated shopping center and that Landlord reserves unto itself, to those to whom Landlord grants rights and to other tenants of the Shopping Center or purchasers thereof, their agents, employees, customers, licensees and invitees, if any, the right to use all of the common areas within the land described on Exhibit A including the common areas situated within Parcel A, in common with Tenant, its agents, employees, customers, licensees and invitees. Neither Landlord nor Tenant shall have the right to erect fences or barricades along the driveways, roadways, sidewalks, parking or other common areas of the Shopping Center including, without limitation,

along the boundary line between Parcel A and the remaining portions of the Shopping Center land. Utilization of the common areas by Tenant shall not obstruct the sidewalks, driveways, roadways, and entrances providing ingress and egress to and within the Shopping Center; provided, however, that nothing contained herein shall be construed to prohibit Tenant from utilizing the sidewalk immediately adjacent to its building for the display and sale of merchandise. Tenant acknowledges that the land described in Exhibit A constituting the Shopping Center is situated within an urban renewal project and that in accordance with Landlord's Contract for Sale of Private Land for Redevelopment with the North Adams Redevelopment Authority, Landlord is required to make the parking areas within the Shopping Center available to the general shopping public; provided, however, that long-term parking, i.e. in excess of two (2) hours, may be prohibited.

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-seven (67) 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 building and site improvements shall be completed in accordance with said working drawings and specifications subject to the provisions of Article 9 and Exhibit "D" hereof relating to the area occupied by the existing Kmart store occupied by Tenant under the terms of a Lease dated November 21, 1980 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 20 and January 9, the lease term shall not commence until January 10 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 drawings 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 areas 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".

Landlord further represents, warrants and covenants that: the land described in Exhibit "A" will, at the commencement of the lease term, be properly zoned for Tenant's intended use (which shall include, without limitation, a retail department store, a garden shop and outdoor sales of patio furniture, plants and lawn and garden supplies); the sale of patio furniture, plants and lawn and garden supplies on the sidewalks is permitted by applicable laws and regulations without additional permits or applications or change in zoning classification; and all necessary governmental consents, permits and approvals for Tenant's intended use have been obtained. Landlord shall deliver to Tenant a Certificate of Occupancy prior to the commencement of the lease term. Notwithstanding the foregoing, it is understood and agreed that the Certificate of Occupancy to be issued prior to the commencement of the lease term may be a temporary or final Certificate of Occupancy. If a temporary Certificate of Occupancy is issued, then Landlord shall use its best efforts to diligently pursue the issuance of a permanent Certificate of Occupancy as soon as possible thereafter.

The lease term shall not commence and said annual 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 rental; provided, further, in lieu thereof, Tenant shall pay monthly in arrears one percent (1%) of gross sales as defined herein 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 set forth in Article 3 hereof Notwithstanding the foregoing, in the event that the foregoing representations and warranties shall have been fulfilled with the exception of completion of the site improvements to be completed by Landlord within the area occupied by Tenant's existing building, then Tenant shall not be relieved of its obligation to pay the annual rental in accordance with Article 3 hereof (and to pay percentage rent as above defined in lieu thereof) unless said site improvements are not completed within the time set forth in Exhibit D hereof.

The term "gross sales", as used herein, shall be the total sales of merchandise or services made by Tenant or any occupant of the demised premises, whether wholesale or retail, cash or credit (including merchandise ordered on the 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 demised premises, 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, 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;

(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 food market which shall occupy any portion or portions of the demised premises; and

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

In the event Landlord's representations and warranties shall not be fulfilled within ninety (90) days after commencement of the lease term, Tenant thereafter shall have the option of (i) completing said representations and

warranties at Landlord's cost and expense including, without limitation, overhead plus interest at the lower rate of eighteen percent (18%) per annum or the highest rate not prohibited by law, (ii) continue to pay monthly in arrears one percent (1%) of said gross sales until Landlord's said representations and warranties shall be fulfilled or (iii) terminating the 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.

Options to Extend Lease

12. (a) Tenant shall have five (5) 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.

First Refusal to Purchase Option and Purchase Option

13. INTENTIONALLY OMITTED

Repairs

14. Tenant shall at its own expense, carry out all replacements, repairs and maintenance as it deems necessary to keep the demised premises in good order and repair, including, without limitation, (a) all maintenance, replacement and repair to the roof, outer walls and structural portion of Tenant's building (including painting if required) which shall be necessary to maintain same in a safe, dry and tenantable condition and in good order and repair and (b) all repairs, maintenance or replacement of or to the utility services and any underground storm sewers, sanitary sewers, water lines or electrical lines under Tenant's building, but in no event shall Tenant be required to make any repairs or replacements (or be liable for the cost thereof) which shall be the obligation of Landlord under Article 7.

Notwithstanding the foregoing provisions of Article 14 herein set forth, Landlord shall contract for sweeping, striping and snow removal for the parking areas, driveways, sidewalks and streets of the premises and maintain same in a clean, safe, sightly and serviceable condition. The Landlord shall further maintain all landscaped areas.

Tenant shall pay the Landlord its pro-rata share of the costs of maintaining the common areas as herein provided. Tenant's said share shall be based upon the ratio that the ground floor area of Tenant's building bears to the total gross ground floor area contained in all buildings actually erected on any portion of the land described in Exhibit "A", and depicted on Exhibit "B".

For purposes of this Article, the costs of maintaining the common areas and common facilities shall mean the following: (1) all amounts paid for cleaning and sweeping (which shall be performed as often as necessary but not less than once weekly) and restriping (which shall be done not less than once every two years) of the parking areas, sidewalks and driveways, including snow and ice removal, which shall be performed as often as necessary; (2)

maintenance and repair of planted or landscaped areas; (3) maintenance, repair and replacement of bulbs and light standards with respect to the parking lot lighting and electrical cost of lighting if Tenant's parking lot lighting is not metered directly into Tenant's meter as provided in this Article; (4) wages and salaries of persons directly and actually performing services described herein; (5) patching of the parking areas and driveways (but not the replacement thereof) and (6) if requested by Tenant or if required by the City of North Adams or by the North Adams Redevelopment Authority, the cost of providing security for the common areas or of policing long term parking therein. The cost of maintaining the common areas and common facilities shall not include real estate taxes, capital expenses, depreciation, permit fees, electric lighting charges beyond Tenant's normal business hours unless Tenant is operating during extended hours, rubbish removal for other tenants, or other administrative expenses, including overhead.

Tenant shall pay to Landlord on account of the aforesaid costs, an amount equal to one-twelfth (1/12) of Tenant's pro rata share of the estimated annual costs of such work performed by Landlord on the first day of each month in advance along with the monthly installment of minimum rental. Said amount shall be adjusted and revised by Landlord as of the end of the initial Lease Year and each subsequent Lease Year during the term hereof on the basis of the actual maintenance costs incurred during the immediately preceding Lease Year plus reasonably anticipated increases in such costs. Upon Landlord's furnishing to Tenant a written statement setting forth such revised estimate of maintenance costs to be incurred by Landlord pursuant to Article 14, Tenant shall pay to Landlord such revised estimated share in monthly installments, in advance, on the first day of each month in each Lease Year until the next succeeding revision of such estimate. Landlord agrees to provide Tenant, within thirty (30) days after the end of each Lease year, a written statement signed by Landlord setting forth in reasonable detail the items and amounts by major category of the cost of reimbursable items incurred by the Landlord pursuant to this Article and the calculations for determining the pro rata share of Tenant then due. Such written statement shall be certified by Landlord as to the truth and accuracy of such items and the accuracy of such calculations. If Tenant's pro rata share of the maintenance costs incurred exceed Tenant's payment in that Lease Year, Tenant shall pay to Landlord the deficiency within thirty (30) days after receipt of the statement. In the event of a dispute between Landlord and Tenant concerning the dollar amount or method of allocation contained in the statement of Landlord, initially, Tenant shall be responsible only for that portion of the billing not in dispute. Upon request, Landlord must provide copies of all paid receipts which form the basis for the statement. If Tenant's payment exceeds Tenant's pro rata share of the costs incurred, Tenant shall be entitled to a credit for such excess against estimated payment next thereafter due to Landlord on account of Tenant's pro rata share of the costs incurred by Landlord pursuant to this Article.

Tenant may, upon seven (7) days notice, have Landlord's records of common area expenditures for the previous twelve (12) month period audited by Tenant's accountant; should such audit disclose any overpayment by Tenant, Landlord shall remit said overpayment upon demand.

Notwithstanding anything contained herein to the contrary, Tenant reserves the right upon thirty (30) days prior written notice to Landlord specifying the default (or, if such default by its nature cannot cured within such thirty [30] day period, if Landlord shall not within such period commence to cure such default and thereafter prosecute the curing of same to completion with due diligence) to cure any default on the part of Landlord in maintaining the common areas and common facilities and any amount incurred by Tenant in so doing shall be deemed paid or incurred for the account of Landlord, Landlord agreeing to reimburse Tenant therefor. Tenant may cure any such default as aforesaid prior to the expiration of said thirty (30) day period, but after notice to Landlord, if the curing of such default is reasonably necessary to protect the demised premises or to prevent injury or damage to persons or property or to Tenant's business. If Landlord shall fail to reimburse Tenant upon demand for any amount paid for the account of Landlord hereunder, such amount may be deducted by Tenant from the next or any succeeding payment of

Annual Rent or any other amount due hereunder, but Tenant shall not in any given month offset an amount which shall be more than seventy-five percent (75%) of the Annual Rent due for such month.

The lighting standards located within the land described in Exhibit A shall be metered into Landlord's meter. Landlord shall provide illumination of the parking and other common areas during Tenant's business hours and for a reasonable period prior to and subsequent thereto. A portion of the lighting standards as designated by the City of North Adams and/or the North Adams Redevelopment Authority as security lighting shall remain lit from dawn to dusk. Tenant's pro rata share of the electrical cost of providing such illumination shall be paid by Tenant. In the event that the parking and other common areas shall be illuminated beyond the hours set forth above, the electrical cost of providing illumination during such extended hours shall be the responsibility of Landlord or those tenants (including Tenant) requiring such extended hours of illumination.

Alterations and Additional

15. Tenant may, at its own expense and at any 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 drawings and specifications for any structural changes which consent shall not be unreasonably withheld or delayed; provided, further, Landlord shall not withhold its consent thereto if the structural integrity of the building will not be impaired by such work. The term "structural changes", as used herein, shall include (i) alterations, additions or changes to the vertical loadbearing walls, (ii) expansion or reduction of the roof or modification of the roofing system, and (iii) modifications to the building foundations or expansion or reduction of the concrete floor. Landlord shall cooperate with Tenant in securing building, sign and other permits or authorizations required by appropriate authorities for any work permitted hereunder by Tenant. Any costs connected with filing applications for such permits shall be borne by Tenant. In the event Tenant constructs any such additions or new construction, the number of parking spaces shall not be reduced below the number of parking spaces then required within the land described in Exhibit A by the applicable zoning laws and ordinances (unless Tenant shall first obtain a variance or other required zoning relief). Upon completion of any work performed by Tenant pursuant to this Article 15, the land described in Exhibit A shall be free of any mechanic's, contractor's, subcontractor's, materialmen's or other liens instituted due to such work and, such any such lien be made or filed (whether during construction or upon completion), it shall be discharged by Tenant within thirty (30) days following receipt of written notice from Landlord. Tenant shall have the right to contest all such liens so long as enforcement thereof is stayed and provided that while contesting the same as aforesaid Tenant shall deposit with Landlord or Landlord's mortgagee a bond in an amount sufficient to cover the amount of such lien and all interest, penalties or costs that would be required to discharge such lien of found to be valid.

Utilities

16. Landlord covenants and agrees that the demised premises shall be properly serviced with gas, electric, telephone, water, sewer and other utilities sufficient to meet Tenant's requirements as of the commencement of the lease term. Tenant shall pay all charges for utility raw materials (gas, water, sewage, telephone, electricity, etc.) furnished to the demised premises during the lease term and any fire sprinkler supervisory charges placed or charged by the City of North Adams.

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 clear and maintain said system at all times in good and serviceable condition at its sole expense.

Governmental Regulations

17. After completion of Tenant's new building by Landlord and Tenant's occupancy thereof, Tenant shall observe and comply with all requirements of rules, orders and regulations of the federal, state and municipal governments or other duly constituted public authority affecting said demised premises including the making of structural or non-structural alterations, insofar as they are due solely to Tenant's occupancy; provided, however, in the event

such rules, orders and regulations shall require structural or non-structural changes which would have been required irrespective of the nature of the tenancy, then in such event, the same shall be complied with by Landlord at its sole expense.

Exculpation

18. 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 the fee simple or leasehold estate which Landlord has in the demised premises; provided, however, the obligations imposed upon Landlord by Article 7 of this lease shall be personally binding upon Landlord.

Damage to Demised Premises

19. 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), Tenant shall procure fire insurance with extended coverage endorsement upon the building erected by Landlord pursuant to Article 5 hereof in an amount equal to eighty per cent (80%) of the replacement value of the building including any additions, alterations or changes made thereto pursuant to Article 11 hereof 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.

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.

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 its Kmart stores 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. There shall be no abatement of Annual Rent or any other charge payable by Tenant hereunder during such period of repairing, rebuilding or restoration. 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 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, as herein above provided 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 the replacement value of the building. In either such event, Tenant shall pay to Landlord and/or Landlord's mortgagee the difference between the insurance proceeds and the proceeds which would have been payable had the building been insured for one hundred percent (100%) of its replacement value. 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, at 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.

Each party hereto has hereby remised, released and discharged the other party hereto and any officer, agent, employee or representative of such party of and from any liability whatsoever hereafter arising from loss, damage or injury caused by fire or other casualty irrespective of the negligence of such party, or any officer, agent, employee or representative of such party.

Eminent Domain

20. In the event all of Tenant's buildings constructed by Landlord shall be expropriated or the points of ingress and egress to the public roadways substantially as depicted on Exhibit "B" be materially impaired by a public or quasi-public authority, Tenant shall have the option to terminate this lease as of the date Tenant shall be deprived thereof.

In the event that less than the whole but more than ten percent (10%) of Tenant's buildings constructed by Landlord 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.

In the event of an expropriation of any portion of Tenant's buildings, constructed by Landlord, and 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 rental and other charges shall abate during the period of demolition and restoration, and thereafter the annual rental 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.

Without limiting the foregoing, in the event that any of the land described in Parcel A of Exhibit "A" shall be expropriated by public or quasi-public authority, Landlord shall make every effort to substitute equivalent and similarly improved lands contiguous to and properly integrated with the remainder of the site depicted on Exhibit "B". If Landlord shall be unable to substitute such lands and if one or more expropriations shall in total deprive Tenant of the use of more than ten percent (10%) of the land described in Parcel A of Exhibit "A", then, in such event, the Tenant shall have the option to terminate this lease at any time within twelve (12) months after such deprivation becomes effective by giving notice to Landlord.

In the event this lease shall be terminated pursuant to this Article, any annual 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 that portion 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.

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, buildings 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.

Use, Assignment and Subletting

21. The premises hereby demised may be used for any lawful purpose. Tenant may assign this lease or sublet the whole or any part of the demised premises, but if it does so, it shall remain liable and responsible under this lease. Notwithstanding the foregoing, Tenant hereby agrees not to use or allow the Demised Premises to be used for a massage parlor, funeral parlor, automotive showroom, car wash, any manufacturing or industrial use, or as a warehouse or office (except that incidental storage and offices incidental to retailing shall be permitted) nor for the operation of an amusement gallery or the selling or exhibiting of pornographic materials (except to the extent incidental to the operation of a Kmart store).

Signs

22. The demised premises shall be referred to by only such designation as Tenant may indicate. Landlord expressly recognizes that the service mark and trademark "Kmart" 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 "Kmart", 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 subject to applicable governmental laws, statutes and ordinances upon any portion of the demised premises signs of such height and other dimensions as Tenant shall determine, bearing such legend or inscription as Tenant shall determine.

Landlord shall not permit any other signs, billboards or posters to be displayed on any portion of the demised premises.

Without limiting the foregoing, Tenant may, subject to applicable governmental laws, statutes, and ordinances, install one (1) pylon sign at the location designated as "Tenant Pylon" on Exhibit "B". Landlord warrants that, except for Tenant's pylon, no additional pylon type signs shall be permitted on any portion of the shopping center premises located within Parcel "A" of the land described in Exhibit "A". If Tenant elects to erect a pylon sign as herein provided, Tenant hereby agrees to repair and maintain said sign in good order and repair throughout the term of this Lease.

Ingress and Egress

23. 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 the adjoining public streets and highways in the number and substantially in the locations depicted on Exhibit "B", subject to unavoidable temporary closings or temporary relocations necessitated by public authority or other circumstances beyond Landlord's control.

Landlord's Remedies

24. 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 such default, then Landlord may, by giving notice to Tenant at any time thereafter during the continuance of such default, (a) terminate this lease, or (b) re-enter the 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

25. 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 of 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

26. 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.

Landlord further covenants, represents and warrants that it is seized of an indefeasible estate in fee simple, has a good and marketable leasehold title, or has a binding contract to purchase with closing to take place June 1, 1993 for the land described in Exhibit "A", free and clear of any liens, encumbrances, title exceptions, restrictions and violations (or claims or notices thereof), except public utility and other easements which do not impair Tenant's intended use of the demised premises.

Landlord shall, without expense to Tenant and within thirty (30) days after written request by Tenant, at any time following commencement and completion of construction of the improvements required hereunder furnish (a) an ALTA leasehold policy of Title Insurance in form acceptable to Tenant in an

amount not less than One Million Dollars ($1,000,000.00) showing that Landlord's title is as herein represented, (b) an as-built survey by a licensed surveyor of the land described in Parcel A of 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.

In the event Landlord's estate is derived from a leasehold interest in a ground lease, Landlord shall, prior to the commencement of construction of the improvements required hereunder, deliver to Tenant an agreement executed by the fee owner of the demised premises wherein the fee owner recognizes this lease and Tenant's rights hereunder and agrees that, notwithstanding any default by the Landlord and subsequent termination of said ground lease, Tenant's possession and right of use under this lease in and to the demised premises shall not be disturbed by such fee owner 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

27. Upon written request by Landlord, 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

28. During the lease term Tenant shall indemnify and save Landlord and Landlord's ground lessor, if any, harmless against all penalties, or demands of whatsoever nature arising from Tenant's use of the Tenant's buildings except those which shall result, in whole or in part, directly or indirectly, from the default or negligence of Landlord or Landlord's ground lessor, if any.

Tenant's Right to Cure Landlord's Defaults

29. In the event Landlord shall neglect to pay when due any obligations on any mortgage or encumbrance affecting title to the 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 fifteen (15) days after notice thereof by Tenant, pay said 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 lower rate of eighteen percent (18%) per annum or the highest rate not prohibited by law, and Tenant may to the extent necessary withhold any and all rental payments and other payments thereafter due to Landlord and apply the same to the payment of such indebtedness. Notwithstanding the foregoing, with respect to any default which does not involve the payment of money, if such default cannot reasonably be cured within said fifteen (15) day period, Landlord shall have a reasonable time to cure so long as Landlord shall commence said cure within thirty (30) days following receipt of said notice and thereafter shall use its best efforts to pursue such cure to completion with due diligence as soon as practical.

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 provide such holder with a duplicate copy of any notice sent to Landlord covering a default hereunder, and such holder shall be granted sixty (60) days after receipt thereof to correct or remedy such default.

Condition of Premises at Termination

30. At the expiration or earlier termination of the lease term Tenant shall surrender the 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. 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 in respect to such trade 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.

Holding Over

31. In the absence of any written agreement to the contrary, if Tenant should remain in occupancy of the 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.

Investment Tax Credit

32. Landlord hereby agrees to elect under the applicable provisions of the Internal Revenue Code, 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 said Code. 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 to enable Tenant to obtain such tax credit 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

33. 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, Attention: Vice President Corporate Facilities or to any subsequent address which Tenant shall designate for such purpose. Date of notice shall be the date on which such notice is deposited in a post office of the United States Postal Service.

Captions and Definitions

34. Marginal captions of this lease are solely for convenience of reference and shall not in any way limit or amplify the terms and provisions hereof. The necessary grammatical changes which shall be required to make the provision 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

35. 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.

Severability

36. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, unenforceability shall not affect any other provision of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

Choice of Law

37. This Lease shall be construed and enforced in accordance with the laws of the Commonwealth (State) of Massachusetts. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

Waiver and Modifications

38. The failure of either party to insist in any one or more instances upon the strict performance of any one or more of the agreements, covenants, conditions or obligations of this lease, or to exercise any right, remedy or election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more of this lease or of the right to exercise such right, remedy or election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. This lease may be changed or amended only by a writing signed by the party against whom enforcement thereof is sought.

Memorandum of Lease

39. 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.

Hazardous Waste

40. Landlord represents that it has made a thorough investigation of the physical condition of the Demised Premises, that it is fully familiar with the present and prior uses of the Demised Premises and that there have not now nor have there been any toxic or hazardous wastes or substances wastes or substances used, generated, stored, treated or disposed of on the Demised Premises. Landlord hereby indemnifies Tenant from and against any loss, liability, claim or expense, including, without limitation, clean-up, engineering and attorneys fees and expenses that Tenant may incur by reason of the above representation being false or by reason of any investigation or claim of any governmental agency in connection therewith. Landlord's representations and indemnity to Tenant under this paragraph shall survive the cancellation or termination of this lease.

At any time from the date of this Lease until Commencement Date, Tenant (or Tenant's contractor) may inspect the Demised Premises for the presence of such wastes or substances. If toxic or hazardous wastes or substances are discovered in the Demised Premises, Tenant may cancel this lease by giving notice to Landlord and returning possession of the premises to the Landlord prior to the Commencement Date, if Tenant has taken possession.

Tenant hereby covenants and agrees that Tenant will not use, generate, store, treat or dispose of any toxic or hazardous wastes or substances wastes upon the Demised Premises, except in accordance with all laws, regulations and ordinances governing the same but, nevertheless, Tenant hereby indemnifies Landlord from and against any loss, liability, claim or expense, including, without limitation, clean-up, engineering and attorney fees and expenses that Landlord may incur by reason of the above representation, being false or by reason of any investigation or claim of any governmental agency in connection therewith. Tenant's representations and indemnity to Landlord under this paragraph shall survive the cancellation or termination of this lease only as to breaches of the aforementioned covenants occurring during the Lease Term and prior to the time of such cancellation or termination.

Property Appraisals

41. It is understood that, in conjunction with securing the construction financing, Landlord shall obtain a Member Appraisal Institute, hereinafter "M.A.I." appraisal on the Kmart store and/or the shopping center of which the Kmart store is a part. Landlord covenants that it shall, prior to commencement of the lease term, at no cost to Tenant, provide Tenant with a complete and certified copy of said M.A.I. appraisal.

Landlord and Tenant agree that it would be impractical and difficult to determine Tenant's damages in the event Landlord failed to provide a copy of said appraisal. As a consequence, in the event Landlord fails to provide said M.A.I. appraisal, Tenant may upon thirty (30) days written notice to Landlord, make a one time charge to Landlord of Twenty-Five Thousand and No/100 ($25,000.00) Dollars, which amount Tenant may subtract from rents due and

payable under the Lease. Landlord and Tenant agree that said $[illegible],000 shall be deemed liquidated and fixed damages for Landlord's default with respect to the M.A.I. appraisal.

Further, it is understood that in conjunction with securing its permanent financing, Landlord may obtain an additional appraisal of the Kmart store and/or the shopping center of which the Kmart store is a part. Landlord covenants that, in the event it obtains such an appraisal, it will provide Tenant with a complete and certified copy of said appraisal report to Tenant, immediately upon receipt same by Landlord. Notwithstanding anything to the contrary in this lease, Landlord understands and agrees that should Landlord fail to provide said appraisal, Tenant may withhold any requested estoppel letters or subordination agreements with respect to the demised premises.

Urban Renewal Regulation

42. Tenant acknowledges that the property described in Exhibit A and upon which Tenant's building is being constructed has been acquired by Landlord from the North Adams Redevelopment Authority as a part of an urban renewal project known as the North Adams Main Street Urban Renewal Project, Plan, Mass. R-19 and is therefore subject to the terms and conditions imposed by the Urban Renewal Act and the Urban Renewal Plan prepared and approved by the North Adams Redevelopment Authority and approved by the City Council of the City. To the extent that the same are applicable to Tenant and Tenant's use and occupancy of its building, Tenant hereby agrees to use and occupy its building and to conduct its business therein in conformity with the terms and conditions of the Urban Renewal Act, the Urban Renewal Plan and all applicable regulations issued by the Secretary of Housing and Urban Development, the Secretary of Labor or any other party or agency having jurisdiction thereunder.

Landlord warrants and covenants that such terms and conditions of the Urban Renewal Act and Urban Renewal Plan shall not prevent Tenant from conducting its usual business nor unreasonably affect Tenant's use of the Demised Premises.

Termination of Existing Lease

43. Upon the commencement of the term of this Lease and the payment by Tenant of annual rent and other charges hereunder, the Lease dated November 21, 1980 between Landlord, as successor to North Adams, Associates, and Tenant for the Demised Premises described therein situated in the City of North Adams, Berkshire County, Massachusetts (Kmart #9624) shall terminate and Tenant shall be relieved of any further obligations thereunder. Such termination shall be governed more specifically as outlined in Termination Agreement attached hereto and incorporated herein as Exhibit M. It may be recorded by either party thereto.

IN WITNESS WHEREOF, the parties hereto have executed [illegible] in triplicate and affixed their seals as of the day and year first written.

WITNESSES:

NORTH ADAMS CENTER ASSOCIATES LIMITED PARTNERSHIP

Shirley A Morin
Print Name:

By _____
James T. Chadwick, General Partner

Shirley A. Morin
Print Name:

Attest _____
David J. Wahr, General Partner

KMART CORPORATION

Susan Macko

By _____
M. L. Skiles, Vice President

Susan Macko

Attest _____
C. C. Lotzar, Jr., Assistant Secretary

ACKNOWLEDGMENT

STATE Mass)
) SS
COUNTY OF Middlesex)

On the 10th day of 1993, before [illegible] came James T. Chadwick and David J. Wahr, to me [illegible] who being by me dul[illegible] depose and say that they are partners in the fir[illegible] NORTH ADAMS CENTER [illegible] LIMITED PARTNERSHIP, a limited partnership, and that [illegible] executed the fore[illegible] [illegible]ent on behalf of said firm.

My commission expires: 5/22/96

[illegible]
Notary Public

STATE OF MICHIGAN)
COUNTY OF OAKLAND) SS:

I do hereby certify that on this [illegible] day of June [illegible], before me, Patricia A. Briskey, a Notary Public in and [illegible] County and State aforesaid, and duly commissioned, personally appeared [illegible] and C.E. Lotzar, JR, known to me to be [illegible] President and Assistant Secretary of Kmart Corporation, who, being by me duly swo[illegible] [illegible]pose and say that they reside in Rochester & Birmingham [illegible]ectively; that they are the Vice President and Assistant Secretary respectively of [illegible] Corporation, the corporation described in and which executed the foregoing instrument [illegible] they know the seal of said corporation; that the seal affixed to said instrument [illegible] corporate seal of said corporation; that, on behalf of said corporation and by orde[illegible] [illegible] board of directors, they signed, sealed and delivered said instrument for the [illegible] purposes therein set forth, as its and their free and voluntary act; and that [illegible] 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. Briskey
Notary Public

PATRICIA A. BRISKEY
Notary Public, Macomb County, Mich
Acting in Oakland County, Mich
My Commission Expires November 7, 1[illegible]

LD-SC.NOA 3/29/93

Shopping Center Description

A certain parcel of land situated on the southerly Main Street in the City of North Adams, Berkshire County, Massachusetts, being bounded and described as follows:

Beginning at a point in the southerly line of Main Street at the northwesterly corner of land now or formerly of First Agricultural Bank, said point of beginning being the northeasterly corner of the parcel to be described;

Running thence N 76°51'22" W, along the southerly line of said Main Street, 328.80 feet to a point,

Running thence along a curve to the left, on a radius of 25.00 feet, a distance of 39.38 feet to a point in the easterly line of American Legion Drive;

Running thence S 12°53'39" W, along said easterly line of American Legion Drive, a distance of 287.92 feet to the northwesterly corner of land of the City of North Adams,

Running thence S 77°06'21" E, along the northerly line of land of said City of North Adams, a distance of 152.79 feet to a point;

Running thence S 12°53'39" W, along the easterly line of land of said City of North Adams and the easterly line of Summer Street, a distance of 153.72 feet to a point;

Running thence S 84°18'39" W, 144.16 feet along the southerly line of Summer Street, to a point in the westerly sideline of American Legion Drive;

Running thence southeasterly, along the easterly line of American Legion Drive and along a curve to the left having a radius of 137.00 feet, 45.89 feet to a point;

Running thence S 34°23'43" E, along said easterly line of American Legion Drive, 287.05 feet to a point;

Running thence S 34°23'43" E, along the said easterly line of American Legion Drive, 230.00 feet to a concrete bound;

Running thence along a curve to the left, on a radius of 57.12 feet, a distance of 97.93 feet to a point;

Running thence N 87°49'52" E, along the northerly line of American Legion Drive, 365.11 feet to a point;

Running thence along a curve to the left, on a radius of 5.00 feet, a distance of 41.46 feet to a concrete bound on the westerly line of Ashland Street

Running thence N 07°11'17" W, along the westerly line of said Ashland Street, 240.38 feet to a point;

Running thence S 84°48'43" W, along the southerly line of land of the City of North Adams, 181.60 feet to a point;

Running thence N 07°11'17" W, along said land of the City of North Adams, a distance of 0.27 feet to a point;

Running thence S 82°48'43" W, along the southerly line of land of said City of North Adams, 26.56 feet to a point;

Running thence N 07°11'17" W, along the westerly line of land of the City of North Adams, 302.10 feet to the southerly line of Summer Street;

Running thence S 81°49'50" W, along the southerly line of Summer Street, 18.00 feet to a point;

Running thence N 08°10'10" W, along the westerly line of Summer Street, 50.00 feet to the southwesterly corner of land of St. John's Parish;

Running thence N 07°11'49" W, along said westerly line of land of St. John's Parish, 167.00 feet to the southwesterly corner of land of the First Agricultural Bank;

Running thence N 19°15'25" W, along the westerly line of land of said First Agricultural Bank, 104.51 feet to a point;

Running thence N 11°56'33" E, along the said westerly line of land of said First Agricultural Bank, 69.04 feet to the place of beginning.

Containing 9.602 acres.

PARCEL A

Beginning at a concrete bound in the easterly line of American Legion [illegible] at the southwesterly corner of land now or formerly [illegible] Associates as shown on a plan entitled "Plan of Land Surveyed For JDC Group, North Adams, Massachusetts, Scale [illegible] March 22, 1993, S-K Design Group, Inc., Civil Engineers Surveyors-Consultants [illegible] Drive, Pittsfield, Massachusetts 01201 [illegible] 537, Project No [illegible]

Running thence along a curve to the left on a radius of 97.12 feet a distance of [illegible]93 feet to a point.

Running thence N 87°-49'-52" E along the northerly line of American Legion [illegible] 365.11 feet to a point.

Running thence along a curve to the left on a radius of 25.00 feet a distance of [illegible]46 feet to a concrete bound in the westerly line of Ashland Street.

Running thence N 7°-11'-17" W along the westerly line of said Ashland Street [illegible]38 feet to a point.

Running thence S 82°-48'-43" W along the southerly line of land of the City of North Adams 181.60 feet to a point.

Running thence N 7°-11'-17" W along said land of the City of North Adams a distance of 0.27 feet to a point.

Running thence S 82°-48'-43" W along the southerly line of said City of North Adams runs 26.56 feet to a point.

Running thence N 7°-11'-17" W along the westerly line of the City of North Adams 302.10 feet to the southerly line of Summer Street

Running thence S 81°-49'-50" W along the southerly line of Summer Street 18[illegible] feet to a point.

Running thence N 8°-10'-10" W along the westerly line of Summer Street 50.0[illegible] feet to the southwesterly corner of land of St. John's Parish.

Running thence N 7°-11'-40" W along said westerly line of St. John's Parish 11[illegible]00 feet to the southeasterly corner of Lot 1 on the above mentioned plan.

Running thence S 82°-48'-20" W along the southerly line of said Lot 1 a distance of 42.50 feet to a point.

Running thence N 7°-11'-40" W along the line of said Lot 1 a distance of 10.00 feet to a point.

Running thence S 82°-48'-20" W along the southerly line of said Lot 1 a distance of 71.19 feet to a point.

Running thence S 12°-53'-39" W along the easterly line of said Lot 1 a distance of 8.30 feet to a point.

Running thence N 77°-06'-21" W along the southerly line of Lot 1 as shown on above mentioned plan 164.50 feet to a point in the northeasterly corner of land of the City of North Adams.

Running thence S 12°-53'-39" W along the easterly line of said City of North Adams and the easterly line of Summer Street a distance of 153.72 feet to a point

Running thence N 84°-18'-39" E along the northerly line of Lot 3 as shown on above plan 45.00 feet to a point.

Running thence S 7°-16'-48" E along the easterly line of said Lot 3 a distance of 71.02 feet to a point.

Running thence S 55°-36'-17" W along the southerly line of said Lot 3 a distance of 50.00 feet to the easterly line of American Legion Drive

Running thence S 34°-23'-43" E along the said easterly line of American Legion Drive 230.00 feet to the place of beginning

Containing 6.19 acres.

SECOND AMENDMENT TO LEASE

This Amendment to Lease is dated as of the 28th day of October, 1993 between North Adams Center Associates Limited Partnership, a Massachusetts limited partnership, ("Landlord") and Kmart Corporation ("Tenant"). Reference is made to a lease dated May 10, 1993 between Landlord and Tenant, as amended by First Amendment to Lease dated August 3, 1993 ("Lease"), for certain store premises in a shopping center known as North Adams Center in North Adams, Massachusetts. The parties hereto desire to amend the Lease to modify certain provisions hereof. Accordingly, it is hereby agreed as follows:

1. The third sentence of Article 5 of the Lease is hereby amended by deleting "September 1, 1993" and substituting therefor "November 15, 1993".

2. In all other respects, Landlord and Tenant hereby ratify and confirm the terms of the Lease.

LANDLORD:

NORTH ADAMS CENTER ASSOCIATES LIMITED PARTNERSHIP, a Massachusetts limited partnership

WITNESS:

Shirley A. Morin

By: James T. Chadwick
James T. Chadwick
General Partner

TENANT:

KMART CORPORATION

Patricia A. Brinkley

By: M. L. Skiles
Name: M. L. Skiles
Title: Vice President

Attest: D. H. Burdick II
Name: D. H. Burdick II
Title: Asst. Secretary

BROOKHILL

THE BROOKHILL GROUP

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

April 4, 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.