

RENT
FOLLOWING
ENLARGE-
MENT

Upon completion of the work contemplated in the article captioned "OPTION TO ENLARGE" the annual fixed rent shall be increased by adding thereto (1) the amount obtained by multiplying the number of square feet in the additional building area by \$0.475, and (2) 9% of the amount obtained by multiplying the number of square feet in the additional building area by the increase in the cost per square foot to construct the additional building area over the cost per square foot to construct the original building.

COST OF
WORK
(ADDENDA)

Upon the completion of the building and improvements or any additional areas contemplated hereunder, Landlord shall furnish Tenant with a certified statement setting forth in reasonable detail all of the items comprising the cost of constructing the building and improvements and such other information as Tenant may require. Landlord shall keep a detailed record of its costs and Tenant shall have the right to audit the record for a period of one year after the commencement of the term of this lease.

For the purpose of this lease the cost to Landlord of constructing the buildings and improvements or any additional area shall be only the aggregate of all sums paid pursuant to contracts for labor, supervision and materials used in constructing the building, improvements and additional areas contemplated hereunder and shall not include architectural fees, site preparation and land acquisition cost.

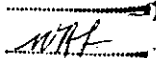
OPTION
TO
CANCEL

Tenant shall have the right and option to cancel this lease at any time after the end of the first full sixty months following the commencement date of the term hereof, by giving Landlord written notice not less than three months in advance of the date on which Tenant elects to terminate the same, and by paying to the Landlord, an amount equal to 10% of the cost of the initial building and architectural fee (but excluding site preparation and land acquisition costs) multiplied by the number of years remaining for the first ten year period of the term of this lease.

INDEMNIFI-
CATION

Tenant agrees to keep, save and hold Landlord free from all liability and claim for damages by reason of any injury to any person or persons, including Tenant, or property of any kind whatsoever, and to whomsoever belonging, including Tenant, arising out of the use of the demised premises by Tenant, or caused by the negligence of Tenant or any of Tenant's agents or employees, or by Tenant's failure to carry out and perform any of the terms, covenants and provisions hereof which, by the terms hereof, are to be performed by Tenant. Landlord shall be liable for damages by reason of injury to any person or persons or property of any kind whatsoever, and to whomsoever belonging, caused by the negligence of Landlord or of the agents or employees of Landlord, or by Landlord's failure to perform any of the terms, covenants and conditions of this lease which, by the terms hereof, are to be performed by the Landlord.

INITIALED BY
LANDLORD

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J. C. PENNEY
COMPANY

BY.....

BY.....

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