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shall have continued for fifteen (15) days after notice shall have been given to the Lessee by the Lessor, and the Lessee shall not, within said fifteen days, have taken measures to correct said default, the said lease and demise and the relation of landlord and tenant, at the option of the Lessor, shall wholly cease and determine, and the said Lessor shall and may reenter the premises and remove all persons there from and in such event the Lessee hereby expressly waives the service of any notice in writing or intention to reenter, notice to terminate the tenancy, notice to quit, or demand for possession.

ARTICLE II (2)

IN consideration thereof, the Lessor hereby covenants and agrees:

(LESSOR'S TITLE AND QUIET ENJOYMENT)

(a) That they hold title to said premises in fee simple, free and clear of all liens and encumbrances and has full power to lease and demise the same, and that the Lessee paying the rent hereby reserved and performing and observing its covenants herein contained, shall peaceably hold and enjoy said demised premises during the said term without any interruption by the Lessor or any person claiming by, under or through them.

(IMPROVEMENTS BEFORE OCCUPANCY)

(b) That the Lessors will erect, at their own expense, a brick building, consisting of one floor, of the same type and construction as the Ranger, Texas store using wood joists and rafters, maple flooring, metal ceiling, Barrett roof, plastered walls with smooth finish, do all necessary painting; wiring for lights, fans and floor plugs; a steam heating plant installed in basement in rear; build office balcony, necessary toilets, rest rooms, coat rooms, candy room and fixture room. Also, install a standard Scott Store front, including window backs. The room is to have one row of steel, or cast iron, columns down the center. The ceiling height is to be fifteen feet, except in the rear forty two feet, which is to be seventeen feet, with a double deck, and of rough construction which is to be used as a stock room. The above described building is to be built in accordance with plans and specifications to be furnished by the Lessee's architect. Further, the Lessor will complete said building within thirty days before the commencement of the term of this lease. In making such improvements, the Lessor will complete the stock room as soon as possible and will permit the Lessee to occupy the same while the improvements are being made upon the other part of the premises, but the Lessee shall be under no obligation to pay any rent or any other sum for the use of and occupancy of said premises, or any part thereof, until thirty (30) days after the completion of all improvements contemplated by this Agreement, it being the intention of this agreement that the Lessee shall be given possession of all of the demised premises immediately upon completion of all of the alterations and improvements contemplated herein and shall occupy the same rent free for a period of thirty (30) days thereafter.

(LESSOR'S FAILURE TO MAKE IMPROVEMENTS)

(c) That in the event that the Lessor fails to start such improvements ninety (90) days before the commencement of the term or fails to complete the same thirty days before the commencement of the term, the Lessee, in addition to any and all other legal or equitable remedies therefor, or in conjunction with any of the same, may but shall be under no obligation so to do - enter upon said premises and make such improvements and deduct the cost thereof from rent then or thereafter due.

(EXTERIOR REPAIRS)

(d) That the Lessor will, at his own cost and expense maintain the sidewalks, alleys, areaway and exterior of the building, including outside walls, roof, gutters, downspouts, and plate glass, in good and tenantable condition and repair, except that the Lessee shall be liable for the cost of all repairs made necessary by reason of any act or omission of the Lessee. If the Lessor shall fail or neglect to do, after (10) day's written notice by the Lessee of necessary repairs which the Lessor is required hereunder to make, the Lessee may - but shall be under no obligation so to do - make such repairs and deduct the reasonable cost thereof from rent then or thereafter due.

(INTERIOR REPAIRS)

(e) That the Lessee shall, at its own cost and expense make all necessary repairs on the interior of said demised premises and do all decorating therein provided, however, that the Lessor shall be liable for the cost of all repairs and re-decorating and for all injury and damage to persons or property in the demised premises caused by any act or omission of the Lessor or of his agents or servants or of any other tenant or tenants in the building of which the demised premises are a part,

(ALTERATIONS AND IMPROVEMENTS)

(f) That the Lessee shall have the right to make any alterations, improvements or additions to the demised premises for the purpose of its business or the

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BUSINESS of its subtenants, provided said alterations, improvements or additions are made in accordance with the requirements of public authorities having jurisdiction thereover, and, provided that the value of the property shall not be diminished thereby; and provided further, that if the Lessee, in making such alterations, shall remove or break through exterior walls of the demised premises to connect the same with any adjacent premises which may be under the control of the Lessee, the Lessee shall, at the expiration of the term of this lease or any renewal or extension thereof, if the then Lessor shall so require and shall notify the Lessee ninety days prior thereto of such requirement restore said walls and block up said openings so that the demised premises may again be used separately.

(HEAT) (g) That the Lessor will, at his own cost and expense, deliver to the Lessee, installed upon or in connection with the demised premises, a steam heating plant in good order and condition and ready for operation of sufficient capacity to heat the demised premises to at least seventy degrees Fahrenheit in any weather.

(PROTECTION) (h) That the Lessor will not, during the term hereof, or any renewal or extension hereof, lease or permit to be used, any portion of the building in which the demised premises are situated or any portion of any other building or premises owned or controlled by the Lessor located within 100 feet of the herein demised premises, for any business similar to the business of the Lessee, that is to say, for any limited price variety or department or dry goods store, or any business conducted under the name of a five-and-ten-cent store, five-cents to one dollar store, or similar name.

(TAXES AND INSURANCE)

(i) That the Lessor will pay all taxes and assessments on the demised premises and all fire insurance premiums on the building and in the event that the Lessor shall fail to pay, with reasonable promptness, such taxes and assessments, insurance premiums, principal or interest due on mortgages, or to fulfill any of the obligations of the Lessor with respect to the demised premises or the building in which said premises are located, the Lessee may discharge such obligations and deduct the cost thereof from the rental then or thereafter due hereunder with interest from date of payment at the rate of six per cent per annum, and in the event that the Lessee shall pay and discharge interest or principal of any mortgage indebtedness, the Lessee shall be subrogated to all of the rights of the mortgagee or obligee with respect to such indebtedness and the security or enforcement thereof.

(TOTAL OR PARTIAL DESTRUCTION OF BUILDING)

(j) That in case the building shall be wholly or partially destroyed by fire, flood, act of God, or other casualty, the Lessor shall promptly repair and, or rebuild the same, and until such repairing and, or rebuilding is completed, the rent payable hereunder shall be abated. Provided, however, that if because of such total or partial destruction it shall become necessary to rebuild the building at any time within two years prior to the expiration of the term of this lease, the Lessee shall have the option of terminating the lease by giving written notice to the Lessor within thirty days after such destruction, of its election to terminate the lease.

(ASSIGNMENT) (k) That this lease may be assigned, in whole or in part, and said premises may be sublet, subject to all the terms and conditions respecting occupancy and use herein contained, provided that the Lessee shall remain liable hereunder, with this exception, however, that the Lessor specifically agrees that in the event of the merger or consolidation of the Lessee with another corporation in the same or a similar business, or the sale of the Lessee's business to another corporation in the same or a similar business, the Lessee shall have the right to assign this lease to its successor corporation and the Lessee herein shall then be relieved of all obligations hereunder, providing the successor corporation shall have as great or greater net assets as the Lessee herein at the date of such assignment, and providing that the successor corporation shall at that time deliver to the Lessor a properly executed agreement to fully assume and carry out all of the obligations of the Lessee under this lease.

(REMOVAL OF FIXTURES) (l) The Lessee may remove any and all fixtures and goods installed and owned by it during and at the end of the term of this lease.

(SIGNS) (m) That the Lessee shall have the right to erect and maintain, its usual signs and signs of its subtenants on or about the demised premises, including the right to attach said signs to the building of which the demised premises are a part, provided said signs are erected in accordance with the requirements of laws, ordinances and public authorities having jurisdiction thereover, and providing that the Lessee shall indemnify and save harmless the Lessor from and against any liability for damage to persons or property occasioned by or in any way connected with the erection, maintenance and operation of said signs.

ARTICLE III

NOTICES (a) All notices required hereunder shall be served by depositing the same in a United States Post Office to be sent by registered mail to the Lessor at the last

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