

insurance, and such amounts so paid, with interest, at 6% per annum from the date of payment shall be promptly repaid to the Lessor upon demand; and upon default in the part of the Lessee to pay any such taxes, assessments for street or sidewalk improvements as the same become due, or failure to pay any claims for labor, material or amount due to contractors for repairs or improvements on said leased premises before the same are levied on said premises, said Lessor shall have the right, after twenty days written notice to Lessee, to pay off and discharge any such amounts for the protection of the said leased premises and the Lessee agrees to repay the same to the Lessor with interest at 6% per annum thereon from the date of such payments by the Lessor, upon demand, and upon failure or default on the part of the Lessee to so repay such amounts, the Lessor shall have the right to proceed to collect the same in any manner and by such process as may now or then be provided by law for the collection of unpaid or past due rentals. Lessee is hereby given the right to contest in good faith any taxes and assessments levied against the demised premises, and pending the final determination of such contest, failure to pay such taxes or assessments shall not be deemed a default hereunder, provided that the Lessee shall indemnify and save harmless the Lessor of and from all fines, penalties and damage by reason of such non-payment during such contest, provided, that bond to indemnify Lessor shall be deposited with Lessor at time contest is filed and before time for paying such taxes or assessments shall have expired.

And on the failure of said Lessee to pay said rental, or in case tenant violates or fails to perform any of the other provisions of this lease, said Lessor has the right, at his option, to declare this lease void, cancel the same, re-enter and take possession of the premises. Lessor, at his option, upon a breach of this contract, may card for rent, and sub-let the premises at the

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best price obtainable by reasonable effort, under private negotiation, and charge the balance, if any, between said price of sub-letting and the contract price to said Lessee, and to hold it therefor. Such sub-letting on the part of the Lessor will not in any sense be considered a breach of the contract on the part of the Lessor, but will merely be as agent for the Lessee and to minimize the damage. These rights of the Lessor are cumulative and not restricted of any rights under the law. It is agreed, however, that Lessor cannot take any steps with reference to any breach of contract until twenty (20) days after receipt by registered mail to Lessee of notice, addressed Lerner Stores Corporation, 352 Fourth Ave., New York City, that said breach has been committed during which time Lessee may have an opportunity to rectify said breach.

It is further mutually agreed as follows:

First: Lessee agrees to pay ten (10%) per cent attorneys fee on any part of said rental or infringement or violation of this contract, that may be collected by suit or by an attorney after same has become due.

Second: Lessee is to repair, at its own expense, any damage by or through steam or water pipes caused by freezing or any neglect on its part; also shall repair all damage to said leased property and shall be responsible for all damages to the adjoining buildings, tenants of such adjoining buildings, or other persons, caused by the overflow or breakage of water works in said premises during the term of this lease, and shall indemnify to said Lessor against any and all claims for damages therefor. Lessee has the right to sub-let said premises as a whole, or any part thereof, to any reputable mercantile business. Said sub-letting, however, is not to release said Lessee from this, or any part of its obligation under this lease. It is further understood and agreed, however, that a merger of the Lessee with any firm

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