

ing to said lessee, whether the same be exempt from execution and distress by law or not. Should the said term at any time be ended by the election of the lessor under the terms and conditions hereof, or in any other way, the lessee hereby covenants and agrees to surrender and deliver up the said premises and property peaceably to the said lessor immediately upon the termination of said term.

The lessee covenants and agrees that at the expiration of the term of this demise and lease, it will yield up the said premises to the lessor in as good condition as when the same were entered upon by it, less by fire, the elements, war, insurrection, riots, explosions, or other unavoidable casualty, ordinary wear and depreciation excepted.

If the lessee shall have observed and complied with all the terms and conditions of this lease, it is agreed that it shall have the right to renew this lease upon the same terms and conditions as those herein specified for a further period of ten years from February 1st, 1950, provided it shall have notified the lessor in writing on or before February 1st, 1949, that it desires such renewal; and provided further that the rent to be paid by the lessee during such additional years shall be at the same rental as that specified herein for the last year of the term hereof.

If any payment required to be made under the terms of any mortgage which is now a lien on the demised premises, is not paid when the same becomes due and payable, then, lessee may make any such payment or payments and the amount thereof shall be immediately owing from lessor to lessee and lessee may deduct the amount thereof together with interest thereon from the date of payment from the next installment or installments of rent due hereunder.

If any taxes, assessments or other charges to be paid by the lessor which may be levied, assessed or charged against the demised premises, or the building of which the demised premises are a part, are not paid when the same become due and payable, then lessee may make any such payment or payments,

Lessor May Make Certain Payments

and the amount thereof shall immediately be due and owing from lessor to lessee, and lessee may deduct the amount thereof, together with interest thereon from the date of payment, from any subsequent installment or installments of rent coming due hereunder.

The word "lessor" as used in this lease shall be interpreted so as to include all of the lessors named in the paragraph hereof opposite the marginal heading "Parties", whether the lessor or lessors named in said paragraph are corporations or individuals, and if individuals, whether male or female. If more than one lessor is named in said paragraph the obligations of said lessor herein contained shall be joint and several obligations.

It is further hereby expressly agreed and understood that all covenants and agreements therein made, shall extend to and be binding upon the heirs, devisees, executors, administrators, successors in interest and assigns of both the said lessor and the said lessee, and that no modifications of this lease shall be binding unless evidenced by an agreement in writing between the parties hereto.

In witness whereof, this indenture has been executed in triplicate by the parties hereto, and the lessors have hereunto set their hands and seals, and the lessor has caused the same to be executed in its corporate name by its Vice President, and attested by its Asst. Trust Officer, and the lessee has caused the same to be executed in its corporate name by its 2nd Vice President, and attested and sealed by its Secretary, the day and year first above written.

Attest
 Witnesses: J. Frank Hunt (L.S.)
 H. E. Thomas George Norwood V.P. (L.S.)
 A. H. Johnston James J. Davenport (L.S.)
 Asst. Trust Officer

Attest J. C. Penney Company, Inc.
 L. A. Barnes By: J. M. McDonald,
 Secretary 2nd Vice President



Lessor, J. C. Penney Company, Inc., of North Carolina, et al.