

OPTION TO
ENLARGE
(Cont'd)

(a) Landlord shall procure all building and other permits required for said work. Said enlarged area, and all other changes, alterations, improvements and repair hereinabove provided for shall, when completed, comply with all laws, ordinances, rules, regulations, and orders of City, County, State or other duly constituted authority applicable thereto and be in a condition ready for Tenant's occupancy and suitable for Tenant's use as an integral part of Tenant's stockroom in the demised premises.

(b) Said work shall be performed in accordance with plans and specifications to be prepared and approved in the same manner as those provided for in clause hereof entitled "PLANS AND SPECIFICATIONS".

(c) Landlord shall pay the cost of said work and shall pay the fees of architects and engineers (other than Tenant's regular employees) in planning and supervising the work. It is agreed, however, that Tenant shall furnish and install its own store and trade fixtures in said new enlarged area at its expense.

(d) All contracts in connection with said work shall be made by and in the name of and carried out by the Landlord. Tenant agrees, if requested by Landlord, to assist in obtaining bids and letting contracts, but shall be subject to Tenant's prior written approval.

(e) Landlord shall upon receipt of said notice from Tenant exercising such option proceed with due diligence to perform and complete said work as soon thereafter as reasonably possible, subject to delays caused by strikes, acts of God, Governmental restrictions or shortages of materials or labor arising by reason of war or other national emergency, or any other cause beyond Landlord's control (it being agreed that inability or failure to finance said work shall not be considered a cause beyond Landlord's control).

(f) Said enlarged area, and all other changes, alterations, improvements and repairs hereinabove provided for shall, upon completion, become a part of the demised premises covered by this lease and shall thereafter be held and enjoyed by Tenant upon and subject to all terms and conditions of this lease.

EXTENSION
OF TERM

Upon completion of the work provided for in clause hereof entitled "OPTION TO ENLARGE", the term of this lease shall be automatically extended so that the term thereof will run for a period of eight (8) years from and after the first day of the month following such completion upon the same terms and conditions as those specified in this lease, provided, however, that if such automatic extension period would not extend beyond the end of the original term herein provided for, then there shall be no such automatic extension, and the term of this lease shall in that event run until the expiration of the original term herein provided for, subject to any and all of Tenant's extension options under this lease. In the event this lease is automatically extended for eight (8) years as herein provided, then, in lieu of the options set forth in the clause herein captioned "Successive Options to Extend", Tenant shall have and is hereby given three (3) separate and successive options to further extend this lease upon the same terms and conditions as those herein specified for periods of five (5) years each. If Tenant elects to exercise any of said options, it shall do so by giving Landlord written notice of its election to exercise any such option at least twelve (12) months before the beginning of the additional period covered by the option Tenant elects to exercise. If Tenant gives such notice, the term of this lease shall thereupon be automatically extended for the additional period of years covered by the option as exercised without execution of an extension or renewal lease.

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INITIALED BY
LANDLORD

[Handwritten signature]

S. C. PENNER
COMPANY
BY *[Handwritten signature]*
BY *[Handwritten signature]*