United States Bankruptcy Court **SOUTHERN DISTRICT OF TEXAS**
P.O.Box 61288, Houston TX 77208 (Houston Division)

PROOF OF CLAIM

Name of Debtors

___ Stage Stores, Inc., a Delaware corporation
✓ Specialty Retailers, Inc., a Texas corporation
___ Specialty Retailers, Inc. (NV), a Nevada corporation

Place an "x" beside the name of the Debtor you are filing a claim against

Case Number

00-35078-H2-11
00-35079-H2-11
00-35080-H2-11

Name of Creditor (The person or other entity to whom the debtor owes money or property):
Surendra P. Agarwal
Kasak Agarwal

__ Check box if you are aware that anyone else a filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Name and address where notices should be sent:
711 St. Anthony Street
Effingham, IL 62401

__ Check box if you have never received any notices from the bankruptcy court in this case

__ Check box if the address differs from the address on the envelope sent to you by the court.

United States District Court
Southern District of Texas
FILED
JUL 25 2000
Michael N. Milby, Clerk

Account or other number by which creditor identifies debtor:

Check here if this claim __ replaces __ amends a previously filed claim, dated: _____

1. Basis for Claim
__ Goods sold
__ Services performed
__ Money loaned
__ Personal injury/wrongful death
__ Taxes
__ Other Lease Agreement

__ Retiree benefits as defined in 11 U.S.C. § 1114(a)
__ Wages, salaries, and compensation (Fill out below)
Your SS#: _____ - _____ - _____
Unpaid compensation for services performed
from _____ (date) to _____ (date)

2. Date debt was incurred:

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $ unliquidated
If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.
__ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim.
__ Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:
__ Real Estate __ Motor Vehicle
__ Other All personal and intangible property of Debtor's Estate

Value of Collateral: $ ____

Amount of arrearage and other charges at time case filed included in secured claim, if any $ _____

6. Unsecured Priority Claim.
__ Check this box if you have an unsecured priority claim
Amount entitled to priority $ _____
Specify the priority of the claim:
__ Wages, salaries, or commissions (up to $4,300),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3)
__ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4).
__ Up to $1,950* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6).
__ Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7).
__ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
__ Other - Specify applicable paragraph of 11 U.S.C. § 507(a-____).
*Amounts are subject to adjustment on 4/1/98 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

7. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.
8. Supporting Documents: *Attach copies of supporting documents,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.
9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

This Space Is for Court Use Only

Date
7-18-00

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):
Surendra Agarwal (SURENDRA P AGARWAL) President

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

98700-001\DOCS_LA:12378.1

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June 30, 1994

To: Beall Ladymon
2000 North West Avenue
El Dorado, Arkansas

Re: Sale of Mellor Park Shopping Center, located at 2000 North West Avenue, El Dorado, Arkansas (the "Property") by the FEDERAL DEPOSIT INSURANCE CORPORATION, as Manager of the FSLIC Resolution Fund, as Receiver for FirstSouth, F.A. ("Seller") to SURENDRA P. AGARWAL and wife, KANAK AGARWAL (hereinafter collectively called "Purchaser")

Effective June 30, 1994 (the "Sale Date"), the Property was sold by Seller to Purchaser. You are hereby notified that Seller has delivered to Purchaser all security deposits which it held in connection with the Property.

By its signature on this letter, Purchaser acknowledges receipt of your security deposit in the amount of $_____ and agrees that it shall hold the same in accordance with the terms of your lease and the provisions of applicable law relating to security deposits. Moreover, Purchaser has assumed all obligations of landlord under your lease as of the Sale Date.

Effective with your July 1, 1994 rent payment, all payments due under your lease should be made by check payable to "SURENDRA P. AGARWAL AND KANAK AGARWAL" and delivered to the following address:

THE HATHAWAY GROUP
3600 CANTRELL ROAD, SUITE 301
LITTLE ROCK, ARKANSAS 72202

Sincerely,

SELLER:

FEDERAL DEPOSIT INSURANCE CORPORATION, as Manager of the FSLIC Resolution Fund, as Receiver for FirstSouth, F.A.

By: _____
Name: PAXTON SANDIDGE
Title: Attorney-in-Fact

PURCHASER:

_____
SURENDRA P. AGARWAL

Kanak Agarwal 6-30-94
KANAK AGARWAL

Ten Notif Ltr (w/Sec Dep) - Solo Page
LF(rev. 4/30/91)/TENOTIF2.FRM
Index #137, Lot #124/12/docs.94/mellor/mellor.tn2

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LANDLORD'S WAIVER

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, DOYLE W. ROGERS ("Landlord"), lessor of the premises and/or real property described on Exhibit "A" attached hereto and incorporated herein for all purposes (the "Premises"), which are now occupied in whole or in part, by BEALL LADYMON CORPORATION, formerly known as W.F. Beall Corporation ("Lessee"), hereby agrees as follows:

1. Landlord waives each and every right which Landlord now has, or may hereafter have, under the laws of the state in which the Premises is located, or by virtue of any lease now in effect or hereafter executed by said Lessee, to levy or distrain upon for rent, in arrears, in advance, or both, or to claim or assert any title or interest or lien in and to the following described personal property (hereinafter called the "Property"):

> All of Lessee's inventory now owned or hereafter acquired by Lessee including all goods, merchandise, raw materials, goods in process, supplies or other personal property held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Lessee's business and all substitutions and accessions for any of the above

which are already on the Premises, or may hereafter be delivered or installed thereon, and are or may hereafter become subject to a security agreement or other type of security instrument (the "Security Agreement") granting an interest in the Property, or any of same, in favor of The Commercial National Bank in Shreveport (the "Secured Party"), as Collateral Agent for the benefit of NCNB Texas National Bank, Deposit Guaranty National Bank and Commercial National Bank in Shreveport (collectively the "Lenders"), or assigns.

2. Landlord recognizes and acknowledges that any claim or claims that the Secured Party has or may hereafter have against the Property by virtue of any Security Agreement is superior to any lien or claim of any nature which the Landlord now has or may hereafter have to such Property by statute, agreement or otherwise.

3. In the event of default by Lessee in the payment of any indebtedness or other obligation to the Secured Party, or in the performance of any of the terms and conditions of any Security Agreement or any extensions or renewals thereof, Secured Party may remove said Property or any part thereof from the above mentioned premises, in accordance with the terms and conditions of any Security Agreement and the Landlord covenants and agrees that the Landlord will make no claim whatsoever to the Property and will not attempt in any way to impede such removal of the Property by Secured Party.

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4. Secured Party or the Lenders, at any time and from time to time, may, without affecting the validity of this Agreement, renew, extend or otherwise modify the terms of payment of any indebtedness of Lessee to Secured Party or the Lenders or the performance of any of the terms and conditions of any Security Agreement, or other agreement with Lessee, without the consent of the Landlord and without giving notice thereof to the Landlord.

5. This Agreement shall inure to the benefit of the successors and assigns of the Secured Party and the Lenders and shall be binding upon the heirs, personal representatives, successors and assigns of the Landlord.

EXECUTED this the 15th day of February, 1991.

DOYLE W. ROGERS

STATE OF ARKANSAS §
§
COUNTY OF Pulaski §

This instrument was acknowledged before me on _____, 1991, by DOYLE W. ROGERS.

(SEAL)

Notary Public Signature

Tommy Lasiter

Notary Public Printed or Typed Name

My Commission Expires:

7-29-00

GW02/48228

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EXHIBIT "A"

The one story concrete block and brick building to be erected according to Tenant's plans and specifications, such building to be One Hundred and Three Feet Four Inches (103'4") wide and One Hundred and Twenty Feet (120') deep, with offset Thirty-Five Feet Six Inches (35'6") wide and Fifty-Eight Feet Two Inches (58'2") deep, a total of approximately Fourteen Thousand Seven Hundred and Twenty-one (14,721) sq.ft., located next to the Mall with Woolco on the north and Lee Shoe Store on the south, and to be a part of the Mellor Park Mall on U.S. Highway 167 in the City of Eldorado, Arkansas.

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STATE OF TEXAS

COUNTY OF Harris

STATE OF LOUISIANA

PARISH OF CADDO

ACT OF ASSIGNMENT

BE IT KNOWN, that before me the undersigned authority and in the presence of the undersigned competent witnesses, personally came and appeared:

> BEALL-LADYMON CORPORATION, a corporation organized and existing under the laws of the State of Louisiana represented by Horace R. Ladymon, its duly authorized President (hereinafter sometimes referred to as "Assignor"); and
>
> PALAIS ROYAL, INC., a corporation organized and existing under the laws of the State of Texas, represented herein by Carl Tooker, its duly authorized President (hereinafter sometimes referred to as "Assignee")

who after being duly sworn did depose and state that for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ASSIGNOR does hereby grant, bargain, sell, transfer, assign and convey unto ASSIGNEE without warranty of title, express or implied, except as against ASSIGNOR'S own acts, all of Assignor's interest in and to the leases described on the attached Exhibit A (hereinafter referred to as the "Leases").

This Assignment shall be effective as of midnight October 31, 1994. Notwithstanding the effective date of this Assignment, Assignor shall have the right to continue to occupy some or all of the premises covered by the Leases for the period from the date hereof through January 31, 1995 (the "Holdover Period"). During the Holdover Period, Assignor shall conduct its operations in a lawful manner and in compliance with the obligations imposed upon the tenant in each of the Leases. Assignor's occupancy of premises during the Holdover Period shall be at Assignor's own risk.

From time to time during the Holdover Period, Assignor may surrender possession of the premises covered by one or more of the Leases to Assignee in the following manner. Assignor shall fax to Assignee a notice of closing ("Notice of Closing") setting forth a date (the "Release Date") not less than seven (7) days from the date of the Notice of Closing on which Assignor shall surrender possession of the premises to Assignee. Assignor shall surrender the leased premises designated in the Notice of Closing to Assignee in broom-clean condition and in reasonable order on the Release Date. To the extent that any of the leased premises covered by the Leases are not previously surrendered to Assignee, Assignor shall surrender those premises to Assignee no later than January 31, 1995, in broom-clean condition and in reasonable order.

Assignor shall reimburse Assignee for the cost of utilities for the premises covered under each of the Leases and for rent, CAM, and percentage rent (collectively "Rent") due the landlord under each Lease from the date hereof through the Release Date for

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each particular Lease. If the Release Date is other than the last day of the calendar month, then Assignor and Assignee shall prorate the Rent as of the Release Date. Assignor shall be deemed to have reimbursed Assignee for the Rent by paying the Rent directly to the landlord under the Lease. Any rent otherwise due and not paid directly to the respective landlord shall be paid to Assignee no later than ten (10) calendar days after demand is made.

During the Holdover Period, Assignor shall cause the inventory, furniture and fixtures in the premises covered by each Lease to be insured against loss by fire or other casualty in amounts reasonably acceptable to Assignee. In addition, Assignor shall keep a policy of liability insurance in full force and effect during the Holdover Period with limits acceptable to Assignee, which policies shall name Assignee as an additional insured.

Subject to reimbursement of Rent and utilities by Assignor as provided herein, Assignee accepts, assumes and agrees to perform all of the tenant's obligations under each of the Leases arising on and after the date hereof. Further, Assignee agrees that it will indemnify and hold Assignor harmless from any claim, demand, cause of action, loss, damage, cost or expense (including attorney fees) which may be asserted against Assignor by any person arising from a breach, violation or failure to perform any provision of the Lease, which is alleged to have occurred on or after the date hereof. Likewise, Assignor agrees to indemnify and hold Assignee harmless from any claim, demand, cause of action, loss, damage, cost or expense (including attorney fees) which may be asserted against Assignee by any person arising from a breach, violation or failure to perform any provision of the Lease which is alleged to have occurred before the date hereof.

Notwithstanding the foregoing, however, the parties agree that during the Holdover Period for any Lease the Assignee's indemnity above shall be limited to claims, demands, causes of action, etc. that arise directly from the acts of Assignee, and Assignee's employees, agents or contractors. Likewise, during such time period, Assignor shall indemnify and hold the Assignee harmless from any and all claims, demands, causes of action, etc. that may arise from a breach, violation or failure to perform any provision of such Lease by Assignor, Assignor's employees, agents or contractors.

All notices and other communications provided for under this Assignment shall be in writing and transmitted by facsimile transmission to the other party as set forth below:

Beall-Ladymon Corporation	Palais Royal, Inc.
Attn: Horace B. Ladymon	Attn: Mel Ward
Ph: (318) 861-0019	Ph: (713) 713/669-2761
Fax: (318) 869-8978	Fax: (713) 713/669-2709

Such notices shall be effective when sent, answer back received, in the manner set forth above.

This Assignment shall be binding upon Assignor and Assignee, their successors and assigns.

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THUS DONE AND SIGNED at Caddo Parish, Louisiana, in the presence of the undersigned competent witnesses and me, Notary, on this 31st day of October, 1994, to be effective as of October 31, 1994.

WITNESSES:

BEALL-LADYMON CORPORATION

Charles Post

Wade Wilkerson

By: Horace R. Ladymon
Horace R. Ladymon

NOTARY PUBLIC

THUS DONE AND SIGNED at Harris County, Texas, in the presence of the undersigned competent witnesses and me, Notary, on this 28 day of October, 1994, to be effective as of October 31, 1994.

WITNESSES:

PALAIS ROYAL, INC.

Mel Ward

By: Carl Tooker
Carl Tooker

Nancy Thomas
NOTARY PUBLIC

MY COMMISSION EXPIRES: 11/13/96

NANCY THOMAS
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
NOVEMBER 13, 1996

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THIRD AMENDMENT TO LEASE AGREEMENT

AMENDMENT dated as of the 2nd day of March, 19 89, to original Lease Agreement dated as of November, 1973, First Amendment to Lease Agreement dated January 21, 1986, and Second Amendment to Lease Agreement dated February 15, 1988 between DOYLE W. ROGERS, TRUSTEE, (the "Landlord") and BEALL-LADYMON CORPORATION, a Louisiana Corporation, formerly known as W. F. Beall Corporation, (the "Tenant").

WHEREAS, Landlord leased to Tenant and Tenant hired from Landlord certain premises located at Mellor Park Mall in El Dorado, Arkansas, more particularly described in said lease; and,

WHEREAS Landlord now intends to amend the Lease Agreement, the First Amendment to Lease Agreement and Second Amendment to Lease Agreement as hereinafter provided;

NOW THEREFORE, in consideration of the Lease, First Amendment to Lease Agreement and Second Amendment to Lease Agreement the mutual covenant contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby agree to amend the Original Lease Agreement and First Amendment to Lease Agreement (which was rendered null and void per Section XI of the Second Amendment To Lease Agreement) and Second Amendment To Lease Agreement as follows:

I.

PREMISES: Landlord and Tenant herein agree to relocate the existing Demised Premises (the "Demised Premises") within the Mellor Park Mall with the end result being the occupancy of the New Demised Premises (the "New Demised Premises"), commonly referred to as the former "Kroger" location within the Mall. The total square footage to be occupied by the Tenant within these New Demised Premises shall be 23,160 square feet. Via Exhibit I of this Third Amendment of the Lease Agreement shall result the site plan of the Mall with the New Demised Premises so highlighted.

II.

TERM: The term of this lease shall commence on March 1, 1989 and end on February 28, 2009.

III.

ADDITIONAL RENTALS: For purposes of calculations of all pro rata charges, the Landlord and Tenant herein agree to use a total square footage of 23,160. This results from an actual computation of square footage by Landlord.

A. COMMON AREA MAINTENANCE: The paragraph of the Second Lease Amendment captioned Common Area Maintenance is hereby deleted in its entirety and the following new paragraph substituted therefore:

COMMON AREA MAINTENANCE: Landlord agrees to keep the common area including the parking lot clean, sightly in appearance, good lighting and in good repair including striping of the parking lot. Tenant agrees to pay in equal monthly installments its pro rata portion (in that same portion as 23,160 square feet bears to the total square footage of the Shopping Center including the newly agreed Wal-Mart Addition) of the cost of such common area maintenance expenses in an amount not to exceed twenty-one and one-half (21 1/2) cents per square foot per annum during the current calendar year, it being understood and agreed by both Landlord and Tenant that this amount shall be subject to annual adjustment based on the Consumer Price Index during the primary

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term of this Lease and Amendment, or any option hereto, if exercised. Any part-year shall be prorated.

Within sixty (60) days of the end of each calendar year, Landlord shall furnish Tenant with an annual report verified by landlord as correct showing the total amount of common area charges for the year just ended. Such costs shall include only those directly related to day-to-day maintenance of common area and common facilities. Copies of all relevant invoices and the calculation of Tenant's pro rata share of such expense shall be submitted by the Landlord to the Tenant. It is herein agreed that common area charges shall not include expenditures of a capital nature (e.g., the complete resurfacing of the parking lot). In the event the payments made by the Tenant during any year toward the cost of maintaining the common area and common facilities of the Shopping Center exceed Tenant's pro rata share as herein above computed, any such excess shall be reimbursed by the Landlord to the Tenant at the time Landlord furnishes Tenant with the annual report of common area maintenance charges.

B. TAXES: The paragraphs of the Second Lease Amendment captioned "TAXES" are hereby supplemented as follows:

TAXES: Tenant agrees that it will continue to pay taxes in the same amount as originally agreed upon in the Original Lease Agreement for the original Demised Premises, (i.e., 14,721 square feet). In addition, Tenant agrees that it will pay a pro rata portion (in that same proportion as 8,439 square feet bears to the total square footage of the floor area of the entire shopping center) of any increase in the ad valorem real estate taxes levied on the Shopping Center over the base year (using the calendar year 1988 as the base year), provided that Landlord forwards to Tenant within thirty (30) days following the termination of the calendar year for which such real estate taxes were paid an invoice showing Tenant's pro rata share, together with copies of all relevant invoices. Tenant shall pay such invoice within sixty (60) days after notice of amount due from Landlord.

C. INSURANCE: The paragraph of the Second Lease Amendment captioned INSURANCE is hereby deleted in its entirety and the following new paragraphs substituted therefore:

INSURANCE: The Landlord shall keep the building of which the New Demised Premises are a part or the whole insured against loss or damage by fire to the extent of one hundred percent (100%) of the full insurable value thereof, including all improvements and additions.

Tenant agrees that it will pay an increase in the insurance premium on 8,439 square feet of floor area in the New Demised Premises, such total shall be derived by dividing the 8,439 square feet by the total square footage of the Shopping Center and applying this resultant percentage to the increase in the insurance premium, if any, for the total Shopping Center (such base premium year to be the calendar year 1988 or the premium year commencing during 1988), provided that Landlord submits an invoice for such amount annually together with copy of relevant invoices from insurance company, within thirty (30) days following termination of premium year. Tenant shall pay such invoice within sixty (60) days after notice of the amount due from the Landlord.

IV.

EXISTING TERMS AND CONDITIONS: Except as specifically changed herein or repealed as a result of conflicting terms as provided for hereinabove, all the terms and conditions of the Original Lease and the Second Amendment To Lease Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, Landlord and Tenant have caused this Third Amendment to Lease Agreement to be duly executed this 2nd day of March, 1989.

Landlord

Landlord

BEALL-LADYMON CORPORATION

By Horace R. Ladyman
Tenant

Attest:

J. Max Reibold

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STATE OF LOUISIANA

PARISH OF CADDO SS:

On this 2nd day of March, 1989 before me, a Notary Public within and for said Parish, personally appeared H. R. Ladymon to me personally known, who being by me duly sworn, did say that he is the President of the corporation named in the foregoing instrument and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and said H. R. Ladymon acknowledged said instrument to be the free act and deed of said corporation.

Dan A. Griffith
Notary Public

My Commission Expires: Life

STATE OF ARKANSAS

COUNTY OF PULASKI SS:

On this 23rd day of March, 1989 before me, a Notary Public within and for said County, personally appeared Doyle W. Rogers + Josephine Rogers to me known to be the person(s) described in, and who executed, the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Notary Public

My Commission Expires: 8-13-90

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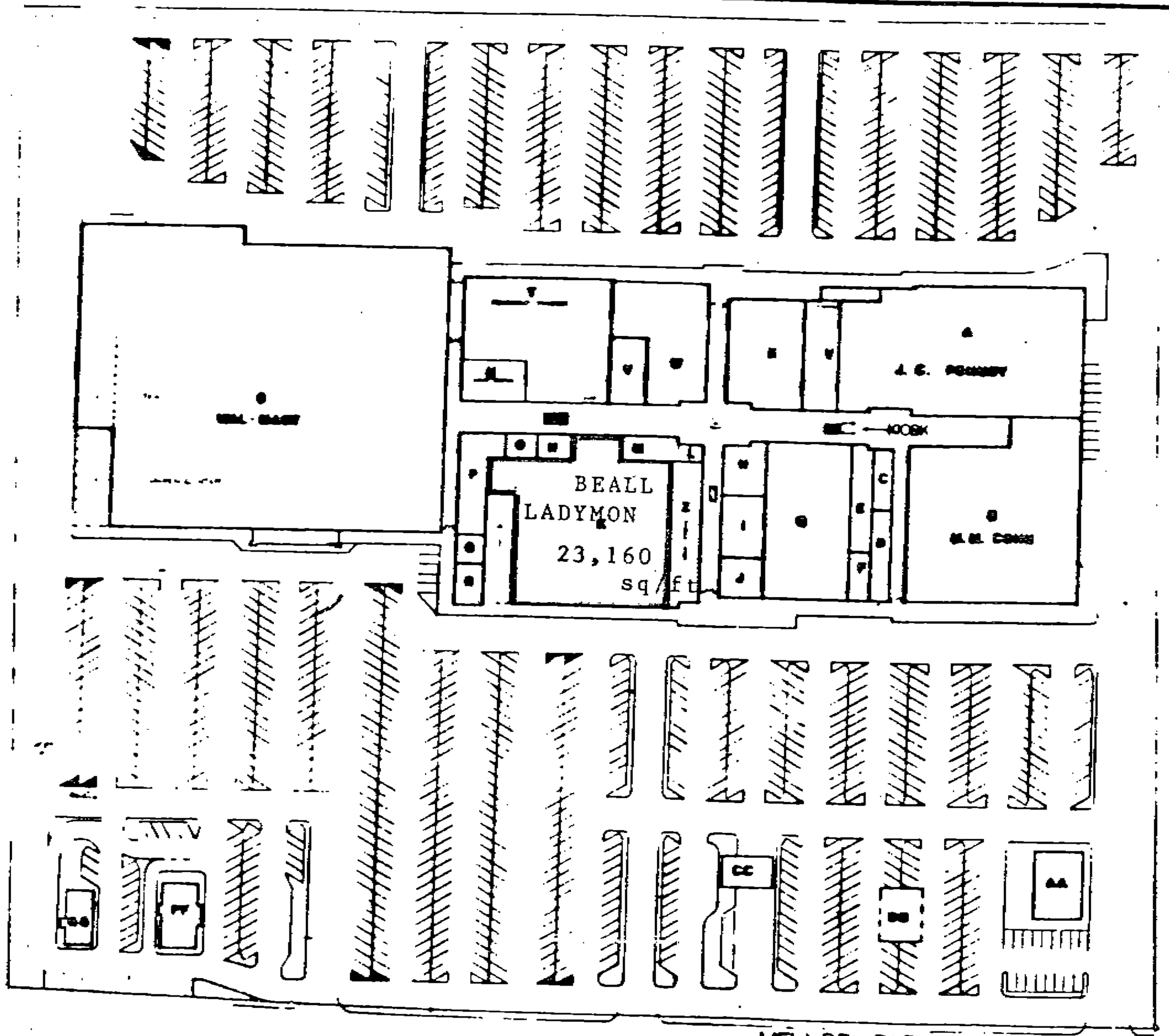
EXHIBIT I

SPACE	NAME of BUSINESS	SQ FT
A	J C PENNEY	37,777
B	M M CONS	26,175
C	LEASABLE	1,300
D	WILDCAT CITY	1,770
E	RADIO SHACK	2,000
F	TIMMY'S	[illegible]
G	SUPER X	12,400
H	SALES	2,000
I	HALLMARK	2,040
J	EXCHANGE BANK	1,000
K	BEALL - LADYMON	23,160
L	MAR JEWELRY	[illegible]
M	MERLE NORMAN	1,000
N	LEASABLE	[illegible]
O	T-SHIRTS UNLIMITED	750
P	FOLLOWS FASHIONS	2,700
Q	LEASABLE	[illegible]
R	TEXAS STATE OPTICAL	1,200
S	WAL - MART	97,607
T	LEASABLE	14,575
U	LEASABLE	2,000
V	LEASABLE	2,200
W	EL POSADO HOUSE	5,520
X	LEASABLE	7,500
Y	PAUL'S SHOES	2,504
Z	LEASABLE	4,000
AA	JOHNNIE'S PIZZA	2,000
BB	PROPOSED SITE	(3,000)
CC	EXCHANGE BANK	1,000
DD	HUGGRY BEAR	120
EE	PERSONALLY YOURS	120
FF	LONG JOHN SILVER	2,341
GG	TACO BELL	1,794
	TOTAL	264,096

AVAILABLE PARKING 1,246 STALLS



SECOND AMENDMENT TO LEASE AGREEMENT

AMENDMENT dated as of the 15th day of February, 1988, to original Lease Agreement dated as of November, 1973, and First Amendment to Lease Agreement dated January 21, 1986, between DOYLE W. ROGERS, TRUSTEE, (the "Landlord)" and BEALL.LADYMON CORPORATION, a Louisiana Corporation, formerly known as W. F. Beall Corporation, (the Tenant").

WHEREAS, Landlord leased to Tenant and Tenant hired from Landlord certain premises located at Mellor Park Mall in El Dorado, Arkansas, more particularly described in said lease; and,

WHEREAS Landlord leased to Tenant and Tenant hired from Landlord certain additional premises (to be constructed as additional premises) to the existing square footage at Mellor Park Mall in El Dorado, Arkansas. More particularly described in the First Amendment to Lease Agreement; and,

WHEREAS Landlord now intends to amend the Lease Agreement and the First Amendment to Lease Agreement as hereinafter provided;

NOW THEREFORE, in consideration of the Lease and First Amendment to Lease Agreement, the mutual covenant contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby agree to amend the Original Lease Agreement and First Amendment to Lease Agreement as follows:

I.

FIRST AMENDMENT OT LEASE AGREEMENT: In that the Landlord and Tenant are herein agreeing to the Tenant's complete relocation within the Shopping Center, it is further agreed that with the execution by both parties of this Second Amendment to Lease Agreement, the First Amendment To Lease Agreement shall become fully null and void. Therefore, any further references in this Amendment to previous Agreements (i.e., the Original Lease Agreement or the First Amendment shall necessarily not have to specifically name or have alludence to the First Amendment.

II.

PREMISES: Landlord and Tenant herein agree to relocate the existing Demised Premises (the "Demised Premises") within the Mellor Park Mall with the end result being the occupancy of the New Demised

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Premises (the "New Demised Premises"), commonly referred to as the former "Kroger" location within the Mall. The total square footage to be occupied by the Tenant within these New Demised Premises shall be 26,980 square feet. Via Exhibit I of this Second Amendment of the Lease Agreement shall result the site plan of the Mall with the New Demised Premises so highlighted.

III.

PERFORMANCE OF CONSTRUCTION, RENOVATION AND FIXTURING WORK: In that the Tenant shall assume occupancy of the New Demised Premises (formerly the old Kroger location), Tenant shall perform the basic construction/renovation work necessary to ready these premises for Tenant's fixturing and occupancy with the intent of opening to conduct business to the public. Tenant shall have access to these New Demised Premises prior to the commencement of its rental payment responsibility and shall have up to one hundred eighty (180) days from April 1, 1988 to complete such construction/renovation and fixturing work and relocate its existing store within the mall to its new location. At no time during this period of construction/renovation work or up to the time Tenant opens the New Demised Premises to the public shall it be obligated for any rental payments pertaining to the New Demised Premises. In addition, Tenant shall continue to operate at the Demised Premises during this period of construction/renovation at the New Demised Premises and shall be subject to rental payments therein only under the parameters of the Original Lease Agreement.

The New Demised Premises shall be released to the Tenant for this construction/renovation work free of all fixturing and equipment existent when the Kroger store was in operation. Tenant shall not be responsible for the removal of any such fixturing or equipment and if such exists at the time of Tenant's initial occupancy, Tenant shall notify Landlord of same and Landlord shall assume responsibility for the prompt removal of these items. The extent of Tenant's construction/renovation work shall be as described in Exhibit II, Construction/Renovation Work. Such construction/renovation work shall not include responsibility toward any basic structural condition of the New Demised Premises. Landlord shall be responsible and shall provide to the Tenant the New Demised Premises in a structurally sound condition. This shall pertain to the following items but shall not be limited to these major areas if it is determined that such a problem was structural in nature: foundation, concrete flooring, walls, and roof. Any structural problems related directly or indirectly to improper conditions found to be existent at the existing ceiling shall also be the responsibility of the Landlord, subject to the Tenant

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notifying Landlord and a proper inspection taking place. Landlord may then correct the problems as it best deems necessary.

If upon Tenant's occupancy of the New Demised Premises for the construction/renovation work, Tenant discovers that any major structural problems which have not been outlined within Tenant's responsibility in Exhibit II exist, Tenant shall notify Landlord of same and Landlord shall promptly correct such structural problems at its expense (not a part of Landlord's contribution to the construction/renovation work indicated in the following paragraph).

In consideration for Tenant's construction/renovation work (so noted in Exhibit II) Landlord herein agrees to contribute One Hundred Thousand and 00/100 ($100,000.00) Dollars. Landlord agrees to reimburse Tenant this amount in two increments; the first being Fifty Thousand and 00/100 ($50,000.00) Dollars to be remitted to Tenant upon Tenant submitting to Landlord copies of invoices supporting the expenditure of at least Fifty Thousand and 00/100 ($50,000.00) Dollars. The final Fifty Thousand and 00/100 ($50,000.00) Dollars installment shall be remitted to the Tenant upon Tenant's completion of the last or final $50,000.00 of such expenses and the corresponding submission of copies of all invoices supporting the total expenditure. In both cases, Landlord shall reimburse Tenant within ten (10) working days of the appropriate submission of supporting invoices and requests for remittance.

IV.

<u>TERM:</u> With the completion of the New Demised Premises and the opening for business to the public of same, Landlord and Tenant herein agree to revise the term of the Lease Agreement and its options, if exercised. Upon this occurance the term shall become: A new primary term of twenty (20) years shall commence on the beginning of the month subsequent to the Grand Opening date (any part month shall be pro rated as to rental charges) followed by two (2) five (5) year option renewals of which shall be under the same parameters outlined in the Lease (see Section V).

Notwithstanding any provision to the contrary herein, the term shall not commence until:

(i) Sixty (60) days after the construction/renovation work has been substantially completed upon the New Demised Premises or,

(ii) Tenant opens the New Demised Premises for business to the public and has terminated its operations to the public at the Demised Premises.

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Upon commencement of the term of this lease, hereinafter called "Rental Commencement Date," the first month's rent as pro rated, shall be due and payable.

V.

RENTAL: Upon the Rental Commencement Date, annual base rental upon the New Demised Premises shall be Ninety Thousand Seven Hundred and Twenty-six and 07/100 ($90,726.07) payable in equal monthly installments of Seven Thousand Five Hundred Sixty and 50/100 ($7,560.50) Dollars due on the first day of each month (any part month shall be pro rated). During each of the Two (2) five (five) year option periods, annual rental shall be Ninety Thousand Seven Hundred Twenty-Six and 07/100 ($90,726.07) Dollars payable in equal monthly installments of Seven Thousand Five Hundred Sixty and 50/100 ($7,560.70) Dollars due on the first day of each month.

VI.

ADDITIONAL RENTALS: For purposes of calculations of all pro rata charges the Landlord and Tenant herein agree to use a total square footage of 25,851. This results from an equal compromise of the New Demised Premises total square footage of 26,980 and that originally agreed upon in the First Amendment to the Lease Agreement of 24,721 square feet.

A. COMMON AREA MAINTENANCE: The paragraph of the Lease captioned Common Area Maintenance is hereby deleted in its entirety and the following new paragraph substituted therefore:

COMMON AREA MAINTENANCE: Landlord agrees to keep the common area including the parking lot clean, sightly in appearance, good lighting and in good order and repair including striping of the parking lot. Tenant agrees to pay in equal monthly installments its pro rata portion (in that same portion as 25,851 square feet bears to the total square footage of the Shopping Center including the newly agreed Wal-Mart Addition) of the cost of such common area maintenance expenses in an amount not to exceed twenty-one and one-half (21½) cents per square foot per annum during the current calendar year, it being understood and agreed by both Landlord and Tenant that this amount shall be subject to annual adjustment based on the Consumer Price Index during the primary term of this Lease and Amendment, or any option hereto, if exercised. Any part-year shall be prorated.

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Within sixty (60) days of the end of each calendar year, Landlord shall furnish Tenant with an annual report verified by Landlord as correct showing the total amount of common area charges for the year just ended. Such costs shall include only those directly related to day-to-day maintenance of common area and common facilities. Copies of all relevant invoices and and the calculation of Tenant's pro rata share of such expense shall be submitted by the Landlord to the Tenant. It is herein agreed that common area charges shall not include expenditures of a capital nature, (e.g., the complete resurfacing of the parking lot). In the event the payments made by the Tenant during any year toward the cost of maintaining the common area and common facilities of the Shopping Center exceed Tenant's pro rata share as herein above computed, any such excess shall be reimbursed by the Landlord to the Tenant at the time Landlord furnishes Tenant with the annual report of common area maintenance charges.

(B) TAXES: The paragraphs of the Original Lease captioned "TAX CLAUSE" and "TAX INCREASE" are hereby supplemented as follows:

TAXES: Tenant agrees that it will continue to pay taxes in the same amount as originally agreed upon in the Original Lease Agreement for the original Demised Premises, (i.e., 14,721 square feet). In addition, Tenant agrees that it will pay a pro rata portion (in that same proportion as 11,130 square feet bears to the total square footage of the floor area of the entire shopping center) of any increase in the ad valorem real estate taxes levied on the Shopping Center over the base year (using the calendar year 1988 as the base year), provided that Landlord forwards to Tenant within thirty (30) days following the termination of the calendar year for which such real estate taxes were paid an invoice showing Tenant's pro rata share, together with copies of all relevant invoices. Tenant shall pay such invoice within sixty (60) days after notice of amount due from Landlord.

(C) INSURANCE: The paragraph of the original Lease Agreement captioned INSURANCE is hereby deleted in its entirety and the following new paragraphs substituted therefore:

INSURANCE: The Landlord shall keep the building of which the New Demised Premises are a part or the whole insured against loss or damage by fire to the extent of one hundred percent (100%) of the full insurable value thereof, including all improvements and additions.

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Tenant agrees that it will pay any increase in the insurance premium on 11,130 square feet of floor area in the New Demised Premises, such total shall be derived by dividing the 11,130 square feet by the total square footage of the Shopping Center and applying this resultant percentage to the increase in the insurance premium, if any, for the total Shopping Center (such base premium year to be the calendar year 1988 or the premium year commencing during 1988), provided that Landlord submits an invoice for such amount annually together with copy of relevant invoices from insurance company, within thirty (30) days following termination of premium year. Tenant shall pay such invoice within sixty (60) days after notice of the amount due from the Landlord.

(D) MERCHANTS' ASSOCIATION DUES: Upon Tenant's occupancy and opening for business of the New Demised Premises, Tenant shall be a member of the Shopping Center Merchants' Association and agrees to pay annual dues totaling One Thousand Seven Hundred Thirty-Six and 46/100 ($1,736.46) Dollars per year payable in equal monthly installments of One Hundred Forty-Four and 70/100 ($144.70) Dollars during the New Primary Term and option periods, if exercised. Landlord agrees to contribute at least twenty-five (25%) of all total contributions to the Merchants' Association and to allow Tenant to have specific input to direct the usage and expenditure of such dues for the benefit of any subject mall promotions. Any proposed increases in Tenant's contribution must be brought about by the Landlord also increasing its contribution proportionately and any such adjustments must be mutually agreed upon, in writing, by both the Landlord and the Tenant.

VII.

PERCENTAGE RENTAL: In addition to the annual rental payments provided for in this Second Amendment to Lease Agreement or any option hereto, if exercised, Tenant agrees to pay the Landlord the following Contingent Rental payments based upon Tenant's net retail sales (as defined in the Original Lease Agreement) in the herein New Demised Premises:

During the term of this lease, or any option hereto, if exercised, an amount for each lease year equivalent to two and one-half (2½%) of the net retail sales for each such lease year in excess of Three Million Five Hundred Twenty Nine Thousand forty-two and 80/100 ($3,529,042.80) Dollars.

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Landlord and Tenant further agree that the following exceptions to the above shall be existent:

(1) Tenant agrees to pay the Landlord the same amount of percentage rental that is paid after having been calculated from the parameters of the Original Lease Agreement and for the Lease Year ending March 31, 1988. However, such amount shall be due and payable only if the Tenant produces net retail sales in excess of Three Million ($3,000,000) Dollars for the prior lease year for which the percentage rental is applicable and being calculated in the New Demised Premises. If Tenant achieves this level of sales, (i.e. $3,000,000) the amount of percentage rental as calculated from the last lease year, (i.e., March 31, 1988), under the Original Lease Agreement for the Demised Premises shall be due and payable. Any additional percentage rental which would be subject to the above noted calculation over and above the annual sales of Three Million Five Hundred Twenty-Nine Thousand Forty-Two and 80/100 ($3,529,042.80) Dollars would be so calculated and the base percentage rental subject to the attaining of sales of Three Million ($3,000,000) Dollars would be subtracted from this calculation.

Any sums which shall become payable pursuant to the foregoing provision shall be paid within sixty (60) days following the termination of the lease year on the net retail sales of which said additional payment is based. All other terms and conditions of the paragraph captioned RENTAL to the paragraph in the Original Lease Agreement pertaining to percentage rental shall continue to be effective and binding upon both Landlord and Tenant.

VIII.

AIR-CONDITIONING: The paragraph entitled AIR-CONDITIONING on Page 5B of the Original Lease Agreement dated November, 1973, is hereby deleted in its entirety.

Landlord, however, does agree to warrant all existing air conditioning equipment as to all parts, labor and equipment replacement for one (1) year from the time the Tenant takes occupancy of the New Demised Premises (starts its construction/renovation work). If Tenant discovers any problem with any existing air conditioning equipment during this period it shall notify the Landlord who shall be responsible for its complete repair.

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IX.

OPTION TO RENEW: As so noted above in Section IV, TERM, the Tenant at its option shall be entitled to the privilege of two renewals of this lease. Each renewal shall be for a period of Five (5) years and for the same rental as set forth above and subject to all the terms and conditions herein expressed. The Tenant, by continuing to occupy the New Demised Premises after the expiration of the original term of its tenancy hereunder, or after the expiration of any renewal period thereof except the last period, shall be deemed and considered to have elected to avail itself of its then current right to exercise its option to renew this lease unless it shall have given written notice of the contrary intention at least ninety (90) days before the expiration of the current term but it shall never be obliged to give any notice of its election to renew this lease. By such continued occupancy alone and without further contracts or agreements, this lease shall be renewed and the New Demised Premises shall be deemed and considered to have been again demised by the Landlord to the Tenant for the term of its current renewal privilege beginning upon the day following the date of the expiration of the Tenant's immediately proceeding tenancy subject to all the terms and conditions herein expressed.

The foregoing paragraph entitled OPTION TO RENEW herein replaces the paragraph entitled OPTION TO RENEW in the Original Lease Agreement.

X.

REPRESENTATION: Landlord hereby represents to Tenant it has terminated its lease agreement with the Kroger Company for the New Demised Premises and has full right to lease such space herein to the Tenant. Landlord agrees that Tenant shall not in any way have to deal with the former tenant, (i.e., Kroger Company) rather its sole recourse shall be with the Landlord. Any matters relating to the former Kroger lease or with the structure as left by Kroger which shall require consultation or need to be resolved shall be dealt with totally between the Landlord and the Kroger Company.

XI.

REPEALER: Any terms or provisions of the Original Lease Agreement which are contrary to the provisions in this Second Amendment to the Lease shall be and hereby are deleted. However, it is again acknowledged herein that all terms and provisions of the First Amendment to the Lease Agreement are hereby deleted and that First Amendment to the Lease Agreement is therefore null and void.

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XII.

EXISTING TERMS AND CONDITIONS: Except as specifically changed herein or repealed as a result of conflicting terms as provided for hereinabove, all the terms and conditions of the Original Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Second Amendment to Lease Agreement to be duly executed this 15th day of February, 1988.

Landlord

Josephine Roye Rogers
Landlord

BEALL.LADYMON CORPORATION

By H R Ladymon President
Tenant

ATTEST:

J. Max Reibold
Secretary

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STATE OF LOUISIANA

PARISH OF CADDO SS:

On this 15th day of February 1988 before me, a Notary Public within and for said Parish, personally appeared H. R. Ladymon to me personally known, who being by me duly sworn, did say that he is the President of the corporation named in the foregoing instrument and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and said H. R. Ladymon acknowledged said instrument to be the free act and deed of said corporation.

NOTARY PUBLIC

My Commission Expires: at death

STATE OF ARKANSAS

COUNTY OF ~~UNION~~ PULASKI SS:

On this 18th day of February 19 88 before me, a Notary Public within and for said County, personally appeared Doyle Rogers and Josephine Rogers to me known to be the person(s) described in, and who executed, the foregoing instrument and acknowledged that he executed the same as his free act and deed.

NOTARY PUBLIC

My Commission Expires: 8-13-90

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EXHIBIT "I"

SPACE	NAME OF BUSINESS	SQ. FOOTAGE
A	J.C. PENNEY	27,777
B	M.M. COHN	26,178
C	SUPER X	14,450
D	ZALES	2,020
E	EXCHANGE BANK	1,250
F		25,900
G	MERLE NORMAN	1,084
H	SHOE PALACE	1,848
I	T-SHIRTS UNLIMITED	708
J	HOLLOWS FASHIONS	2,705
K	WAL-MART	
L		14,721
M	FACTORY FIRSTS	2,400
N		2,268
O	EL DORADO HOUSE	6,634
P	POST OFFICE	—
Q	UNLEASED SPACE	8,827
R	PAUL'S SHOES	1,975
S		500
T	JOHNNIE'S PIZZA	2,000
U	EXCHANGE BANK	1,000
V	HALLMARK	2,640
W		1,200
X	RADIO SHACK	2,060
Y	DRISKELL'S FINE TOBACCO	262
Z		1,779
AA	FIRST SOUTH ATM	1,000
BB	LONG JOHN SILVER	2,241
CC	TACO BELL	1,764
DD	TWIGGY'S HAIR STYLING	960
		—
FF	TEXAS STATE OPTICAL	1,258
GG	M&S JEWELRY	400

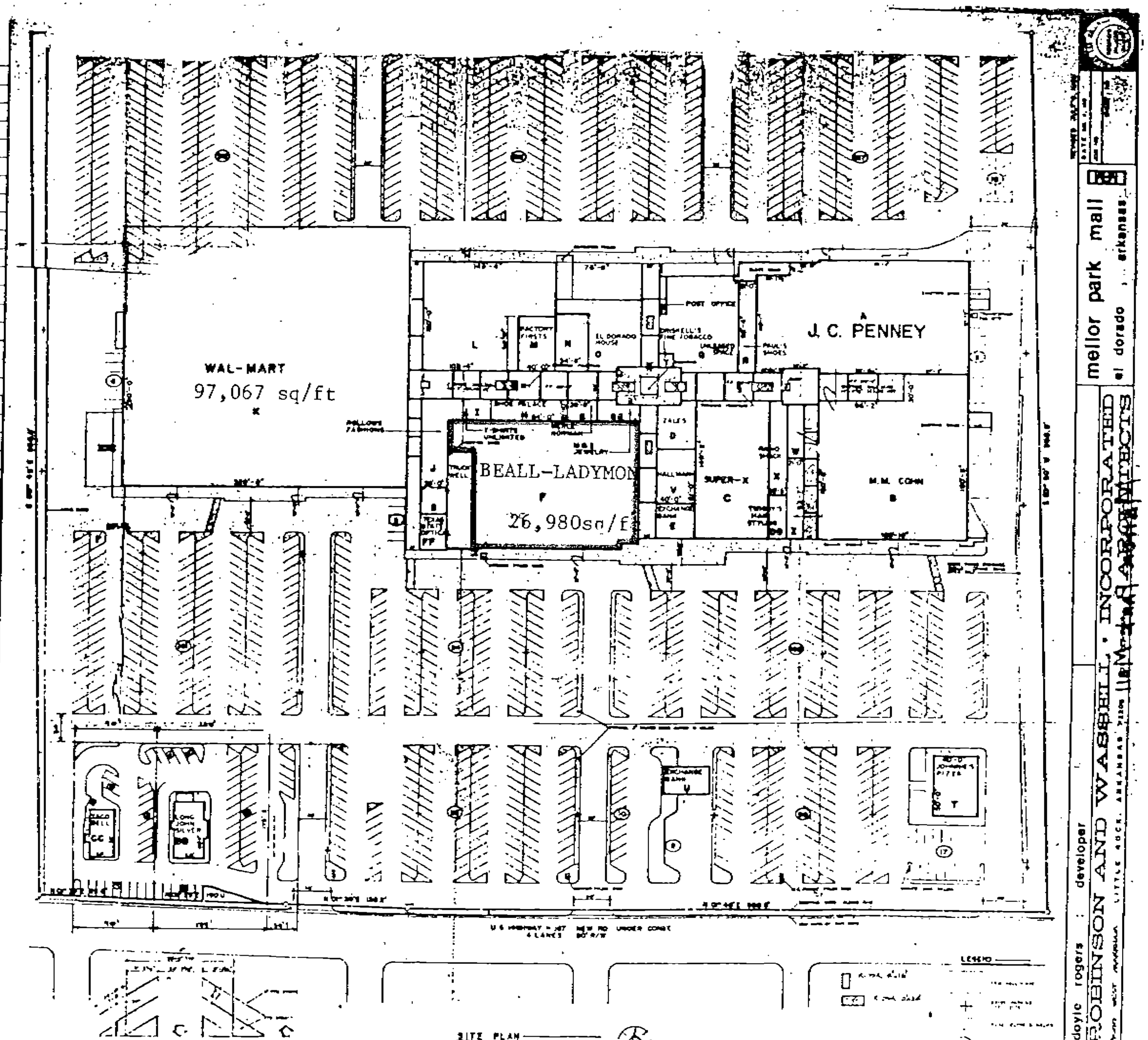

EXHIBIT II
CONSTRUCTION/RENOVATION WORK
EL DORADO, ARKANSAS

The following outlines the specific construction/renovation work which is to be completed by the Tenant upon the New Demised Premises outlined in the Second Amendment to the Lease Agreement herein. It is understood that this construction/renovation work shall be performed by the Tenant, under the supervision of the Tenant but shall not include responsibility toward any major structural work which is not specifically outlined below or is later determined upon Tenant's occupancy of the New Demised Premises and commencement of the construction/renovation work.

The Plans and Specifications in accordance with this particular project shall be the additional governing instrument over the construction/renovation work. These plans call for the specific work to be performed and, as agreed to by both the Tenant and Landlord, shall be inclusive with the specific points as outlined below as to construction/renovation work necessary:

1. Provide an electrical system adequate for Tenant's requirements, including all components necessary for operation of its retail department store.

2. Provide a new entrance from the parking lot per the Plans and Specifications with two sets of double glass doors creating a vestibule. Build an entire new store front from the parking lot entrance, including the providing of a canopy in front of the building.

3. Move two exterior signs to the New Demised Premises.

4. Remove all existing interior partitioning.

5. Paint interior building with two coats of paint.

6. Provide a broom clean floor leveled for carpet and vinyl and tile installation.

7. Replace old ceiling tile.

8. Provide offices, stock rooms, fitting rooms, alteration rooms and restrooms. Existing restrooms and plumbing shall be utilized where possible.

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9. Box in all exposed posts in sales areas with sheetrock.

10. Renovate sprinkler system to make sure it is in adequate performing condition.

11. provide abrasive quarry tile at outside (parking lot) entrance.

The following outlines the specific structural requirements of the New Demised Premises which should already be existent whenever the Tenant acquires occupancy to complete the above noted construction/renovation work:

1. All major structural components of the New Demised Premises shall be completely functional and not in need of structural repair. This is to include the foundations, concrete flooring, walls, ceiling and roof.

2. All existing Kroger equipment and fixturing shall be removed from the building prior to the commencement of Tenant's construction/renovation work.

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SHORT FORM LEASE

STATE OF LOUISIANA

PARISH OF CADDO

BE IT KNOWN, That effective as of the 22nd day of April, 19 86, before the undersigned authorities Notaries Public duly commissioned and qualified, and in the presence of the undersigned competent witnesses, personally came and appeared:

DOYLE W. ROGERS, Trustee, of the City of Batesville, County of Independence, State of Arkansas,

(hereinafter referred to as "LESSOR") and

BEALL-LADYMON CORPORATION, a Louisiana corporation having its principal place of business in Shreveport, Louisiana, herein represented by its duly authorized undersigned representative,

(hereinafter referred to as "LESSEE,"), both of which parties, having been duly sworn, declared:

By Lease Agreement entered into and executed the _____ day of November, 19 73*, by and between LESSOR and LESSEE, LESSOR has leased and let unto LESSEE that certain tract of real property, together with the improvements thereon and appertaining thereto, located in the City of El Dorado, State of Arkansas, more particularly described as follows:

* as amended the 21st day of January, 1986,

The one-story concrete block and brick building One Hundred and Three Feet Four Inches (103'4") wide and One Hundred and Twenty Feet (120') deep, with offset Thirty-Five Feet Six Inches (35'6") wide and Fifty-Eight Feet Two Inches (58'2") deep, a total of approximately Fourteen Thousand Seven Hundred and Twenty-One (14,721) sq.ft., plus an extension thereto enlarging the demised premises by Ten Thousand (10,000) additional square feet, such extension to be erected according to Tenant's plans and specifications, located in the Mellor Park Mall on U.S. Highway 167 in the City of El Dorado, Arkansas.

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for an initial term of twenty (20) years commencing on October 1, 1986, with the option and privilege of extending the said lease for two (2) consecutive renewal periods of five (5) year(s) each, at the rental, for the purposes and uses, and on the terms and provisions set forth in the said Lease Agreement.

This instrument is hereby executed by LESSOR and LESSEE for the express purpose of recording the same in the public records of Union County, Arkansas, thereby giving public notice to all parties of the existence of the above described Lease Agreement.

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STATE OF

OF

THUS DONE AND SIGNED in the said _____ and State, in the presence of the undersigned competent witnesses, who have hereunto set their hand with the said undersigned party and me, Notary, after due reading of the whole on this the _____ day of _____, 19_____.

Witnesses:

LESSOR

NOTARY PUBLIC

expires 8-13-90

STATE OF LOUISIANA

PARISH OF CADDO

THUS DONE AND SIGNED in the said Parish and State, in the presence of the undersigned competent witnesses, who have hereunto set their hand with the said undersigned party and me, Notary, after due reading of the whole on this the 22nd day of April, 19 86.

BEALL-LADYMON CORPORATION

By _____

LESSEE President

Witnesses:

NOTARY PUBLIC

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FIRST AMENDMENT TO LEASE AGREEMENT

AMENDMENT dated as of January 21, 1986, to original Lease Agreement dated as of November, 1973, between DOYLE W. ROGERS, TRUSTEE, (the "Landlord") and BEALL.LADYMON CORPORATION, a Louisiana Corporation, formerly known as W. F. Beall Corporation, (the "Tenant").

WHEREAS, Landlord leased to Tenant and Tenant hired from Landlord certain premises located at Mellor Park Mall in El Dorado, Arkansas, more particularly described in said lease; and,

WHEREAS Landlord and Tenant desire to amend the Lease as hereinafter provided;

NOW THEREFORE, in consideration of the Lease, the mutual covenant contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby agree to amend the original Lease Agreement as follows:-

I.

Landlord shall expand and enlarge the leased premises, according to Tenant's specifications, as set forth in Exhibit "A" annexed hereto and incorporated by this reference, thereby enlarging the demised premises from 14,721 square feet to 24,721 square feet.

II.

TERM. Landlord hereby leases the said premises, together with all and singular the improvements, appurtenances, rights, privileges and easements thereunto belonging to or in anywise appertaining unto the said Tenant for a new primary term of twenty (20) years, which term shall commence on October 1, 1986, or from such prior or subsequent date upon which the Tenant opens its store for business in the area enlarged and improved as set forth above.

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Notwithstanding any provision to the contrary herein, the term shall not commence until:

(i) Sixty (60) days after the Landlord substantially completes construction of Tenant's store building; and,

(ii) Tenant opens its extended store area for business.

Upon commencement of the term of this lease, hereinafter called "Rental Commencement Date," the first month's rent, as pro rated, shall become due and payable.

III.

RENTAL. The amount of rental and the contingent rental payments specified in the paragraph of the original lease captioned RENTAL shall be changed to the following:

RENTAL. Tenant shall pay to Landlord as rental for said demised premises hereinabove described, effective the Rental Commencement Date, the sum of Ninety Thousand Seven Hundred Twenty-Six and 07/100 ($90,726.07) Dollars per annum, payable in sums of Seven Thousand Five Hundred Sixty and 50/100 ($7,560.50) Dollars per month, monthly in advance on the first day of each month.

In addition to the annual rental payments provided for in this lease, or any option hereto, if exercised, Tenant agrees to pay the Landlord the following Contingent Rental payments based upon Tenant's net retail sales (as defined in the original lease agreement) in the herein demised premises:

During the term of this lease, or any option hereto, if exercised, an amount for each lease year equivalent to two and one-half (2½) percent of the net retail sales for each such lease year in excess of Three Million Five Hundred Twenty-Nine Thousand Forty-two and 80/100 ($3,529,042.80) Dollars.

Landlord and Tenant further agree that exceptions to this would be only if:

(1) The net retail sales in any one lease year shall

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be as much as, or higher than, the net retail sales for the lease year ending March 31, 1986, then the contingent rental payment shall be at least the amount of the net contingent rental payment for the lease year ended March 31, 1986.

(2) The net retail sales in any one lease year shall be less than the net retail sales for the lease year ended March 31, 1986, then the contingent rental payment would be equivalent to two and one-half (2½) percent of the net retail sales for such lease year in excess of One Million Two Hundred Thirty-Six Thousand Five Hundred Sixty-Four and No/100 ($1,236,564.00) Dollars.

In all other instances, as soon as the amount of the net contingent rental payment in any one lease year shall be as much as, or higher than, the net contingent rental payment for the lease year ended March 31, 1986, then the computation provisions as first stated above in this First Amendment to Lease Agreement shall apply and be followed.

Any sums which shall become payable pursuant to the foregoing provision shall be paid within sixty (60) days following the termination of the lease year on the net retail sales of which said additional payment is based.

All other terms and conditions of the paragraph captioned RENTAL in the original lease shall continue to be effective and binding upon both Landlord and Tenant.

IV.

OPTION TO RENEW. The paragraph of the original lease captioned OPTION TO RENEW is hereby deleted in its entirety and the following paragraph substituted therefor:

OPTION TO RENEW. The Tenant, at its option, shall be entitled to the privilege of two (2) renewals of this lease, each renewal to be for a period of five (5) years and for the same rental as set forth above and subject to all the terms and conditions herein expressed. The Tenant, by continuing to occupy the demised premises after the expiration of the original term of its tenancy hereunder, or after the expiration of any renewal period thereof, except the last of such periods, shall be deemed and considered to have

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elected to avail itself of its then current right to exercise its option to renew this lease, unless it shall have given written notice of a contrary intention at least ninety (90) days before the expiration of the current term, but it shall not be obliged to give any notice of its election to renew this lease. By such continued occupancy alone and without any further contracts or agreements, this lease shall be renewed and the leased premises shall be deemed and considered to have been again demised by the Landlord to the Tenant, for the term of the current renewal privilege, beginning upon the day following the date of the expiration of the Tenant's immediately preceding tenancy, subject to all the terms and conditions herein expressed.

V.

COMMON AREA MAINTENANCE. The paragraph of the Lease captioned COMMON AREA MAINTENANCE is hereby deleted in its entirety and the following new paragraph substituted therefor:

COMMON AREA MAINTENANCE. Landlord agrees to keep the common area including the parking lot, clean, sightly in appearance, well-lit, and in good order and repair, including striping of the parking lot. Tenant agrees to pay, in equal monthly installments, its pro rata portion (in that same proportion as the number of square feet in the leased premises bears to the total square footage of the leaseable area in the shopping center) of the cost of such common area maintenance expenses in an amount not to exceed twenty-one and one-half (.21½¢) per square foot per annum during the current calendar year, it being understood and agreed by both Landlord and Tenant that this amount shall be subject to annual adjustment based on the Consumer Price Index during the primary term of this Lease, or any option hereto, if exercised.

Landlord agrees, within sixty (60) days of the end of each calendar year, to furnish Tenant an annual report, verified by Landlord as correct, showing the total amount of Common Area Maintenance charges for the year just ended, such costs to include

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only those directly related to maintenance of common area and common facilities, together with copies of all relevant invoices, and Tenant's pro rata share of such expense. In the event the payments made by Tenant during any year toward the cost of maintaining the common area and common facilities of the shopping center exceed Tenant's pro rata share, as hereinabove computed, any such excess shall be reimbursed by Landlord to Tenant at the time Landlord furnishes Tenant with the annual report of common area maintenance charges.

VI.

TAXES. The paragraphs of the original lease captioned "Tax Clause" and "Tax Increase" are hereby supplemented as follows:

TAXES. Tenant agrees that it will pay its pro rata portion (in that same proportion as the number of square feet of the extended area, i.e. 10,000 square feet, bears to the total square footage of the floor area in the entire shopping center) of any increase in the ad valorem real estate taxes levied on the shopping center over the base year (using the calendar year 1986 as the base year), provided that Landlord forwards to Tenant within thirty (30) days following termination of the calendar year for which such real estate taxes were paid an invoice showing Tenant's pro rata share, together with copies of all relevant invoices. Tenant shall pay such invoice within sixty (60) days after notice of amount due from Landlord.

VII.

INSURANCE. The paragraph of the Lease captioned INSURANCE is hereby deleted in its entirety and the following new paragraph substituted therefor:

INSURANCE. The Landlord shall keep the building, of which the

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demised premises are a part or the whole, insured against loss or damage by fire to the extent of one hundred (100%) of the full insurable value thereof, including all improvements and additions.

Tenant agrees that it will pay any increase in the insurance premium on the additional 10,000 square feet provided by this First Amendment to Lease Agreement over and above the base premium year (said base premium year to be the calendar year 1986 or the premium year commencing during 1986), provided that Landlord submits an invoice for such amount annually, together with copy of relevant invoices from insurance company, within thirty (30) days following termination of premium year. Tenant shall pay such invoice within sixty (60) days after notice of amount due from Landlord.

VIII.

AIR-CONDITIONING. The paragraph entitled AIR-CONDITIONING on Page 5B of the original Lease Agreement dated November, 1973, is hereby deleted in its entirety.

Tenant shall remain responsible for repairs to the air-conditioning provided by Landlord under the terms of the Original Lease Agreement dated November, 1973.

IX.

BETTERMENTS AND IMPROVEMENTS. The Landlord and Tenant further agree that, prior to the commencement date of this lease, the Landlord shall at its own expense, in a workmanlike manner, and in full compliance with all applicable codes and specifications, make alterations, betterments and improvements to the herein demised premises as described in Exhibit "B" attached hereto and incorporated in its entirety by this reference.

Landlord anticipates that total expenditure for these

Betterments and Improvements (which shall also include construction interest, improvements, builders' bond insurance, architectural fees, and mortgage expense) shall not exceed Three Hundred Thousand and No/100 ($300,000.00) Dollars but, in the event that such total costs shall be in excess of said amount, Tenant, at its option, shall have the right to void this First Amendment to Lease Agreement.

THIS AMENDMENT shall be governed by, and construed in accordance with, the laws of the State of Louisiana.

Except as specifically amended hereby, the original Lease, as described above, shall continue in full force and effect in accordance with the provisions thereof as in existence on the date hereof. After the date specified in this amendment, any reference to the lease shall mean the lease as amended hereby.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Amendment to be fully executed as of the day and year first written above.

Landlord

Josephine Paye Rogers
Landlord

BEALL.LADYMON CORPORATION

ATTEST:

By H R Ladymon President
Tenant

J. Mary Reibolt
Secretary

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EXHIBIT "B"

BETTERMENTS AND IMPROVEMENTS

El Dorado, Arkansas

1. Erect a completely lighted and air-conditioned one-story steel frame cinder block, with stucco or brick veneer, building One Hundred Forty-three (143) feet wide and Seventy (70) feet deep, totalling Ten Thousand (10,000) square feet, in accordance with Tenant's final plans and specifications, which plans and specifications must be approved by both Landlord and Tenant prior to commencement of construction.

2. Build store front in accordance with Tenant's plans and specifications and furnish and install two (2) sets of double action glass doors, with aluminum frames, to front of building in accordance with Tenant's final plans and specifications (Kawneer narrow stile entrance with style "B" Coronet hardware equipped with Adams Rite, M.S. 1851A Deadlock with 4042 Cyl. Guard, or equal).

3. Provide canopy in front of building no less than ten (10) feet in width, with ceiling. Parapet wall above canopy to be ten (10) feet high (or as high as any other parapet wall in the shopping center, whichever is the highest). Walls between the buildings on either side shall be four (4) hour fire rated demising walls and qualify for lowest State fire insurance rate and shall extend all the way to underside of roof line. Parapet on front of building shall be properly braced to accommodate Tenant's exterior sign.

4. Finish complete the interior masonry walls, which shall be sheetrocked, painted or covered with 1/4" pre-finished paneling or prepared for wallpaper, all in accordance with Tenant's fixture and decor plan. Tenant to select and name colors if painted (two coats) or finish if paneled. If wallpapered or vinyl papered, selection to be in accordance with Tenant's fixture and decor plan, hanging by contractor.

5. Paint interior of building two (2) coats in color of Tenant's choice where called for in Tenant's decor and fixture plan.

6. Seal off from the store proper with sheetrock, finished similar to the other masonry walls, the stockroom at the rear of the building, and build mezzanine with at least eight (8) feet clearance in the stockroom and at least seven (7) feet clearance above the mezzanine, with stairway and handrails for same leading to the mezzanine. Mezzanine shall be sealed off from the store proper with sheetrock and insulated. Specifications for stairway to mezzanine shall be: Tread 10" - Riser 7" - Height of handrail 32", measured from front of tread, in line with the riser, to the top of the rail, uniform throughout stairway.

7. Furnish and install adequate electrical wiring; wall outlets, outlets on main floor, for cash registers, computer terminals and storage area; telephone jacks, necessary wiring, equipment and conduits (where required) for telephones on main floor, walls and office; switches; time clocks; panels and disconnects necessary for store lights and air-conditioning; wiring for two (2) electric signs on front of building and canopy, if necessary; ceiling junction boxes and wall junction, all as shown on Tenant's final plans and specifications.

8. Provide water supply and electrically cooled drinking fountain and drain for same.

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9. Furnish and install 4-tube, 2 x 4 recessed fluorescent light fixtures on 8 x 12ft. centers, with full 1/8" thick 2 x 4 lay-in prismatic clear lens, with three-year guarantee 35 watt ballast and all Cool White fluorescent tubes Sylvania Super Saver and lights bulbs necessary for the entire store and storage area. Light fixtures to be wired so that there shall be no more than ten (10) fixtures per circuit. Type of fixtures specified on Tenant's fixture plan.

10. Furnish and install adequate electrical summer and winter air-conditioning with three (3) ten (10) ton heat pump roof-top units and one (1) two (2) ton unit, with economizers, totalling not less than thirty-two (32) tons, and duct work for same, with five (5) year warranty on compressors and one (1) year warranty on other equipment (Carrier, York, G.E. or Trane are acceptable) where necessary, including offices, alterations room, fitting-rooms, lounge, receiving-room, stockroom, mezzanine, etc., and heating for winter by gas.

11. Install Armstrong vinyl corlon "Supreme" 1/8" thick, #55502 "Off White," or equal. Carpet in all areas, as called for in fixture and decor plan, to be furnished and installed by Tenant.

12. Provide #Carlyle abrasive quarry tile, 6 x 6 x ½", color Cinnamon, at outside entrance. Provision should be made in pouring the floor in this area so that the 1/2" quarry tile will be on the same level as the 1/8" vinyl tile floor, or approved equal.

13. Furnish and install two (2) toilets with lavatories and necessary plumbing, vent fans, electric air hand dryers, toilet tissue holders, mirrors, etc., all in accordance with Tenant's final plans and specifications. Restrooms must be handicapped equipped.

14. Furnish and install formica-covered receiving-room work tables and storage shelves, as shown on Tenant's plans, including three (3) wall plugs over work tables in receiving area 40" high and two (2) drawers in work tables.

15. Furnish and install Dutch door with window in office area and Dutch door in Alterations room. Provide office space with formica covered desk top and shelving, desk height work table on either side of the room, formica covered ledge in front of office and two (2) levels of book shelving around the room; stock room, alterations room, fitting-rooms and offices, all finished similar to the other masonry walls (except interior of fitting-rooms and all offices shall be constructed of pre-finished vinyl coated 1/4" lt. pecan panels, selection to be approved by Tenant). Provide receiving-room to be painted in accordance with Tenant's decor plan, formica covered work table in alterations room with drawer and two (2) shelves; safety plug with red light in alterations room and wall plugs 40" above floor; two (2) Indiana cash drawers in work table in office; four (4) each wall plugs in office area 40" high above floor and one (1) wall plug in office area 12" high above floor. All in accordance with Tenant's final floor and decor plan, all to be air-conditioned and heated.

16. Furnish and install insulated ceiling with 4" rock or glass insulation (including balcony ceiling) or insulated type roof with a minimum R-factor of nineteen (19). Ceiling height twelve (12) feet. The outside exposed walls are to have a minimum R-factor of fifteen (15).

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17. Provide lounge sink, 12 gal. electric water heater with overflow pan, and mop sink.

18. Provide canopy (rainguard sheet metal) over rear doors. Furnish and install outside photo cell light at stockroom entrance, buzzer for back door and bar across stockroom door, which shall be metal, with Detex safety alarms on both rear doors.

19. Box in all exposed posts, 12" x 12", in sales area with 1/2" sheetrock, prepared for mirror, all in accordance with Tenant's fixture and decor plan, and put rubber baseboard all around. Mirror to be provided by Tenant and installed by contractor.

20. Provide and install exhaust fan for lounge and provide four (4) double wall outlets.

21. Furnish and install sprinkler system.

22. All fitting-rooms, alterations rooms, office areas, are to be finished in accordance with Tenant's fixture and decor plan, with 1/4" lt. pecan pre-finished paneling.

23. Base molding to be installed throughout sales area, fitting-rooms, office areas, stockrooms and lounge by contractor.

24. Landlord shall have its Architect draw final construction plans using this Exhibit "B" and Tenant's fixture and decor plan as guidelines. Landlord shall submit these plans to Tenant for approval before construction starts.

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THE STATE OF **ARKANSAS** ⦚
COUNTY OF UNION ⦚

THIS LEASE, made and entered into this 19 **73**, by and between **DOYLE W. ROGERS, TRUSTEE** day of **November,** of the City of **Batesville,** **County** of **Independence,** State of **Arkansas**, hereinafter called the "Landlord," and **W. F. BEALL CORPORATION** a Corporation existing under the laws of the State of Louisiana, with principal offices at **Shreveport,** Louisiana, hereinafter called the "Tenant,"

WITNESSETH:

That the Landlord does hereby demise and lease unto the Tenant the premises situated in the City of **Eldorado,** **County** of **Union,** State of **Arkansas,** known and described as follows:-

The one story concrete block and brick building to be erected according to Tenant's plans and specifications, such building to be One Hundred and Three Feet Four Inches (103'4") wide and One Hundred and Twenty Feet (120') deep, with offset Thirty-Five Feet Six Inches (35'6") wide and Fifty-Eight Feet Two Inches (58'2") deep, a total of approximately Fourteen Thousand Seven Hundred and Twenty-one (14,721) sq.ft., located next to the Mall with Woolco on the north and Lee Shoe Store on the south, and to be a part of the Mellor Park Mall on U.S. Highway 167 in the City of Eldorado, Arkansas.

TO HAVE AND TO HOLD the said premises, together with all and singular the improvements, appurtenances, rights, privileges and easements thereunto belonging to or in anywise appertaining unto the said Tenant from the **1st** day of **April,** 19 **74**, or from such prior or subsequent date upon which the Tenant opens its store for business but, provided that at least 75% of the center is complete and open for business*, not later than twenty-one (21) days after Landlord completes construction of the building, upon which date the first month's rent shall become due and payable, to and including the **31st** day of **March,** 19 **94**, a term of **twenty (20)** years.

Should the building be completed and ready for occupancy by Tenant at any time between the periods of **May 1,** 19 **74**, to **June 30,** 19 **74**, Tenant may, at its option, refuse to take possession of said premises until **July 1, 1974,** on which date payment of rent shall commence.

COVENANT OF TITLE. The Landlord covenants and warrants that Landlord has full right and lawful authority to enter into this lease for the full term aforesaid, and for all extensions herein provided, and that Landlord is lawfully seized of the entire premises hereby demised and has good title thereto, free and clear of all tenancies, liens and encumbrances.

* **or provided that Woolco, Kroeger, M.M. Cohn and Super X Drug are open and ready for business**

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DELIVERY OF PREMISES. The Landlord covenants that actual possession of the demised premises shall be delivered to the Tenant on the date specified for the commencement of the term hereof, free and clear of all tenancies; provided, however, that if the demised premises shall be vacant and ready for Tenant's occupancy prior to the date herein provided for the commencement of the term, Tenant shall be given possession for the purpose of installing fixtures and preparing the premises for Tenant's occupancy as soon as possible after the signing of this lease, without any rental being charged for such occupancy prior to the beginning of the term hereof.

During the term of this lease, or any option hereto, if exercised, Landlord shall not lease any portion of the center, or any extension thereto, in which the hereinabove described building is to be constructed, to any person, firm or corporation for the purpose of operating a junior department store, Except M.M. Cohn Company.

Landlord further agrees that Tenant shall have access to the rear of its store for the bringing in of merchandise and supplies. All trash, debris and other waste material shall be placed by Tenant in appropriate containers to be disposed of in the normal processes.

FAILURE TO DELIVER PREMISES. Upon the failure of the Landlord to deliver said premises at the time and in the condition provided above, no rent shall be paid or accrue hereunder until the demised premises are delivered to and accepted by Tenant.

RENTAL. In consideration of the demise and leasing of the premises aforesaid by said Landlord, the Tenant covenants, stipulates and agrees to pay to the Landlord as rental for said demised premises hereinabove described the sum of Thirty Thousand Nine Hundred Fourteen and 10/100 - - - - - - ($30,914.10) Dollars per annum, payable in sums of Two Thousand Five Hundred Seventy-Six and 17/100 ($2,576.17)---- Dollars per month, monthly in advance on the first day of each month during the continuance of the term of this lease. Until it receives other instructions in writing from the Landlord, Tenant shall pay such rent by check payable to the order of Doyle W. Rogers, Trustee

addressed to P.O. Box 497, Batesville, Arkansas 75201

Pitt
Ben
Dwr
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In addition to the a[illegible] rental payments provi[illegible] or in this lease, or any option hereto, if exercised, Tenant agrees to pay the Landlord the following contingent rental payments based upon Tenant's net retail sales in the herein demised premises:-

> During the term of this lease, or any option hereto if exercised, an amount for each lease year equivalent to Two and one-half ---- percent (-21/2-%) of the net retail sales for each such lease year in excess of One Million Two Hundred Thirty-Six Thousand Five Hundred Sixty-Four & No/100 Dollars ($1,236,564.00).

Any sums which shall become payable pursuant to the foregoing provision shall be paid within sixty days following the termination of the lease year on the net retail sales of which said additional payment is based.

For the purpose of interpreting this clause, the "lease year" referred to herein shall be considered to commence on the 1st day of April and to expire on the 31st day of March each year.

At the time of the payment of the contingent rental, Tenant agrees to furnish to the Landlord a statement, verified by one of the officers of Tenant's company, specifying the annual net retail sales made by Tenant upon demised premises.

By giving notice within ninety (90) days after the end of the lease year, the Landlord, or its lawful agent, shall have the privilege of auditing Tenant's record of sales for the purpose of verification. If Landlord elects to avail itself of such privilege it shall be given thirty (30) days from date of notice in which to make such audit.

Unless such notice is given and such audit is made within the time specified, it shall be construed that the Landlord accepts the settlement made by the Tenant as final.

The term "net retail sales" as used in this lease shall be interpreted to mean the aggregate of all moneys received by the Tenant from sales of goods, wares, merchandise and services to the public made upon the demised premises, after deductions of all refunds and allowances made to customers by Tenant in connection with merchandise sold by or returned to Tenant and employee purchases, but shall not include the amount of any sales tax, license or occupational tax, or any other tax measured by the sales or receipts for sales (any income tax excluded) made by the Tenant, or sales to employees at regular employee discounts. In the event adjoining space is rented and combined with this area, the reporting of sales for contingent rental payments shall be on a pro-rated basis of square feet in each area to the then combined total area.

It is understood and agreed by the Landlord that there has been no representation of any kind whatsoever made by the Tenant as to minimum or maximum amount of net retail sales which may or shall be made in said demised premises during any lease year of the term of this lease or any renewal hereof.

The Landlord agrees not to divulge to any person, or persons, firm or corporation, the amount of retail sales made by Tenant in said leased premises.

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SUB-LETTING. It is further stipulated and agreed that Tenant shall have the right to discontinue the use of the demised premises in its business, and shall have the further right to sub-let the demised premises or any part thereof at any time during the term hereof, or any option hereto, if exercised, subject to the provisions of the following paragraphs. The right to sub-let does not extend to establishments selling lines of merchandise, the exclusive rights of which have been given by Landlord to other Tenants operating in the center at the time of such sub-letting.

In the event the Tenant decides to discontinue the use of the demised premises in its business and to offer the premises for sub-lease, it shall ~~thereafter pay~~ give to the Landlord ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ at least thirty (30) days written notice of its intention to do so, and the Landlord shall have a thirty (30) day option beginning upon the date it receives such written notice either to allow the sub-letting and continue this lease or to cancel this lease and repossess the premises, and shall give the Tenant written notice within the period of its thirty (30) day option of which alternative it chooses. If the Landlord does not repossess the building as hereinabove described and Tenant discontinues the use of the entire premises in its business, it shall thereafter pay to the Landlord the following rental:-

The basic monthly rentals plus an amount each lease year until the end of this lease equal to the average of the amounts actually received each lease year by the Landlord under the foregoing provisions for additional rentals during the period between the beginning of the term of the lease and the time when Tenant ceases to use demised premises for its business.

It is understood and agreed that Tenant may lease departments or grant concessions giving other persons, firms or corporations the right to sell goods, wares, merchandise and service in the demised premises, upon the condition, however, that the net retail sales made by any concessionaire or department lessee shall be included for the purpose of determining the rental payable by Tenant hereunder, and on the same basis as if such sales had been made by the Tenant. The leasing of departments or the granting of concessions as aforesaid shall not be construed as a sub-letting under the terms of this lease.

The use of the demised premises for the purpose hereinabove stated by a subsidiary or affiliated company of the Tenant shall not be considered sub-letting or assigning, but the W. F. Beall Corporation shall remain liable and responsible under this lease.

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THE LANDLORD AND TENANT FURTHER STIPULATE, COVENANT AND AGREE AS FOLLOWS:-

USE OF PREMISES. That the premises hereby demised shall not be used for any unlawful purpose during the term of this lease.

CONTINUED POSSESSION OF TENANT. That if Tenant continues to occupy the premises after the last day of any renewal or extension of the term hereof, or after the last day of the term hereof, and, if this lease is not renewed or extended, the Landlord elects to accept rent thereafter, a monthly tenancy terminable by either party on one (1) month's notice shall be created, which shall be upon the same terms and conditions, including rental, as those herein specified.

FIXTURES. That Tenant may, on termination of this lease, or at any time during the continuance thereof, remove from said premises all shelving, counters, tables, show cases, light fixtures, heating or cooling units, and other equipment which Tenant may have installed at its own expense in said premises or otherwise acquired.

UTILITIES. That all charges for water, gas and electricity consumed or used on the demised premises shall be paid by the Tenant, but it shall be the responsibility of the Landlord to maintain the service of such utilities to the building.

SIGNS AND AWNINGS. That the Tenant shall have the right to affix signs and awnings to said building, such signs and awnings to be of such size and character as Tenant may determine, provided the City Ordinance is not violated in so doing; **such sign to be approved by Landlord.**

That the Landlord shall furnish, install and maintain at its own expense illuminated sign properly identifying the Center.

REPAIRS. That the Landlord shall be responsible for and shall at its expense keep and maintain the foundations, **concrete** flooring, walls, ceiling, roof, ~~doors and show windows~~ in and connected to such building in a structurally sound condition, sightly in appearance and in good order and repair. Tenant shall, at its own expense, make other needed repairs not necessitated by structural defect, fire or other casualty for which Landlord carries insurance. Landlord shall not be liable for damages caused by leaks until after having been notified of such leaks and given a reasonable time to repair same.

RCL

BETTERMENTS AND IMPROVEMENTS. The Landlord and Tenant further agree that prior to the commencement date of this Lease, the Landlord shall at its own expense make alterations, betterments and improvements to the herein demised premises as follows:-

1) Erect a one-story concrete block and brick building approximating One Hundred and Three Feet Four Inches (103'4") wide and One Hundred and Twenty Feet (120') deep, with offset approximating Thirty-Five Feet Six Inches (35'6") wide and Fifty-Eight Feet Two inches (58'2") deep, a total of approximately Fourteen Thousand Seven Hundred Twenty-One (14,721) sq. Ft., all in accordance with Tenant's final plans and specifications.

2) Build store front in accordance with Tenant's plans and specifications and furnish and install sliding glass folding doors, with aluminum frames, as detailed on Robinson & Wassel, Inc. working drawings, to front of building in accordance with Tenant's final plans and specifications. Furnish and install customer entrance in rear of building with two (2) double action glass doors and door for stock room area. Double action glass doors to be Kawneer narrow stile entrance with aluminum frames and style "B" Coronet hardware equipped with Adams Rite M.S. 1851A Deadlock with 4042 Cyl. Guard, or equal, all in accordance with Tenant's final plans and specifications.

3) Parapet wall above sliding doors to provide space for Tenant's sign. Walls between the buildings on either side shall be 100% fireproof and qualify for lowest State fire insurance rate and extend all the way to underside of roofline. Parapet on front of building shall be properly braced to accommodate Tenant's exterior sign.

4) Finish complete the interior masonry walls, which shall be plastered or sheetrocked and painted, covered with 3/16" pre-finished paneling or prepared for wallpaper, in accordance with Tenant's decor plan. Tenant to select colors if painted (two coats) or finish if panelled. If wallpapered or vinyl papered, selection to be in accordance with Tenant's decor plan, hanging by contractor. Wallpaper or vinyl covering furnished by Tenant.

5) Seal off from the store proper with sheetrock, finished similar to the other masonry walls, the stockroom at the side of the building, and build balcony floor with at least eight ft. (8') clearance in the stockroom and clearance above the balcony as detailed on Robinson & Wassel, Inc. working drawings., with stairway and handrails for same leading to the balcony. Balcony shall be sealed off from the store proper with sheetrock finished similar to the other masonry walls. (Specifications for stairway to balcony shall be: Tread 10" - Riser 7" - Height of handrail, to be provided on both sides of stairway, 32" measured from front of tread, in line with the riser, to the top of the rail, uniform throughout stairway).

6) Furnish and install adequate electrical wiring; wall outlets, outlets on main floor, for show windows and cash registers and storage area; telephone jacks, necessary wiring, equipment and conduits (where required) for six (6) telephones on main floor, walls and office; switches; time clocks; panels and disconnects necessary for store lights, show windows and air-conditioning; wiring for three (3) electric signs on front of building and canopy, if necessary; ceiling junction boxes and wall junction, all as shown on Tenant's final plans and specifications.

7) Provide water supply and electrically cooled drinking fountain and drain for same.

8) Furnish and install recessed 4-tube 4ft. fluorescent light fixtures on 8ft. centers, of Tenant's selection, with 2 x 4 lay-in prismatic clear diffuser, #M 424 Wakefield, or equal, with a three-year quarantee ballast and all Cool White Fluorescent tubes and light bulbs necessary for the entire store, show windows and storage area.

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9) Furnish and inst[illegible] adequate electrical sum[illegible]nd winter air-conditionir with two 20 ton [illegible]ooftop units, totalling not less than forty (40) tons, and duct work for same, with five-year warranty on compressors and one-year warranty on other equipment (Carrier, York, G.E., Lennox, acceptable) where necessary, including offices, alterations room, lounge, receiving room, stockroom, etc., and heating for winter by gas.

10) Install Armstrong Excelon Tile Floor, color #51841 Castle Greige, or equal, in all areas, including first floor and lounge, tile to be 1/8th inch thick.

11) Furnish and install asphalt C grade tile floor in stockroom, similar to #51841 Castle Greige mentioned above.

12) Furnish and install one-inch plyboard floors in show windows, carpeted, carpet furnished by Tenant, installed by Landlord (indoor/outdoor carpet).

13) Provide #Summittville abrasive quarry tile, 6x6x1/2", Pattern Madrid, color cinnamon, at all front entrances. Provision should be made in pouring the floor in these areas so that the 1/2" quarry tile will be on the same level as the 1/8" vinyl tile floor.

14) Furnish and install show windows, with backs of 5/8" sheetrock window glass height to be approximately 8ft., window ceiling to be recessed 14" above the top of the window glass with 1" plywood in ceiling. Furnish and install exhaust fans, vents in show window doors and hidden door handles. Install ceiling grids to be furnished by Tenant.

15) Furnish and install two (2) toilets with lavatories and necessary plumbing, vent fans, paper towel dispenser, toilet tissue holders, mirrors and soap dishes, etc., all in accordance with Tenant's final plans and specifications.

16) Furnish and install formica-covered receiving-room work tables and work table shelves, as shown on Tenant's plans, including three wall plugs over work tables in receiving area 40" high and two drawers in work tables.

17) Provide office space with formica covered desk top and shelving, desk height work table on either side of the room, formica covered ledge in front of office and two levels of book shelving around the room; stock room; alterations room fitting-rooms and offices, all finished similar to the other masonry walls (except interior of fitting-rooms shall be constructed of prefinished vinyl-coated 3/16" as detailed on Robinson & Wassel, Inc. working drawing. Provide receiving-room to be sheetrocked and painted in accordance with Tenant's decor plan, formica covered work table in alterations room with drawer and two shelves; safety plug with red light in alterations room and wall plugs 40" above floor; two cash drawers in work table in office; four each wall plugs in office area 40" high above floor. All in accordance with Tenant's final floor and decor plan, all to be air-conditioned and heated.

18) Furnish and install adequate electrical wiring for signs on front and back of building and on front of mall entrance.

19) Build covered concrete block trash box 10ft. wide x 6ft. deep, to be located by Landlord within 35ft. of Tenant's rear service entrance.

20) Build and maintain a hard surface drive at the rear of the building for delivery of freight.

21) Provide lounge sink, 12 gal. electric water heater and mop sink.

22) Provide canopy (rain guard-sheet metal) over rear stockroom door.

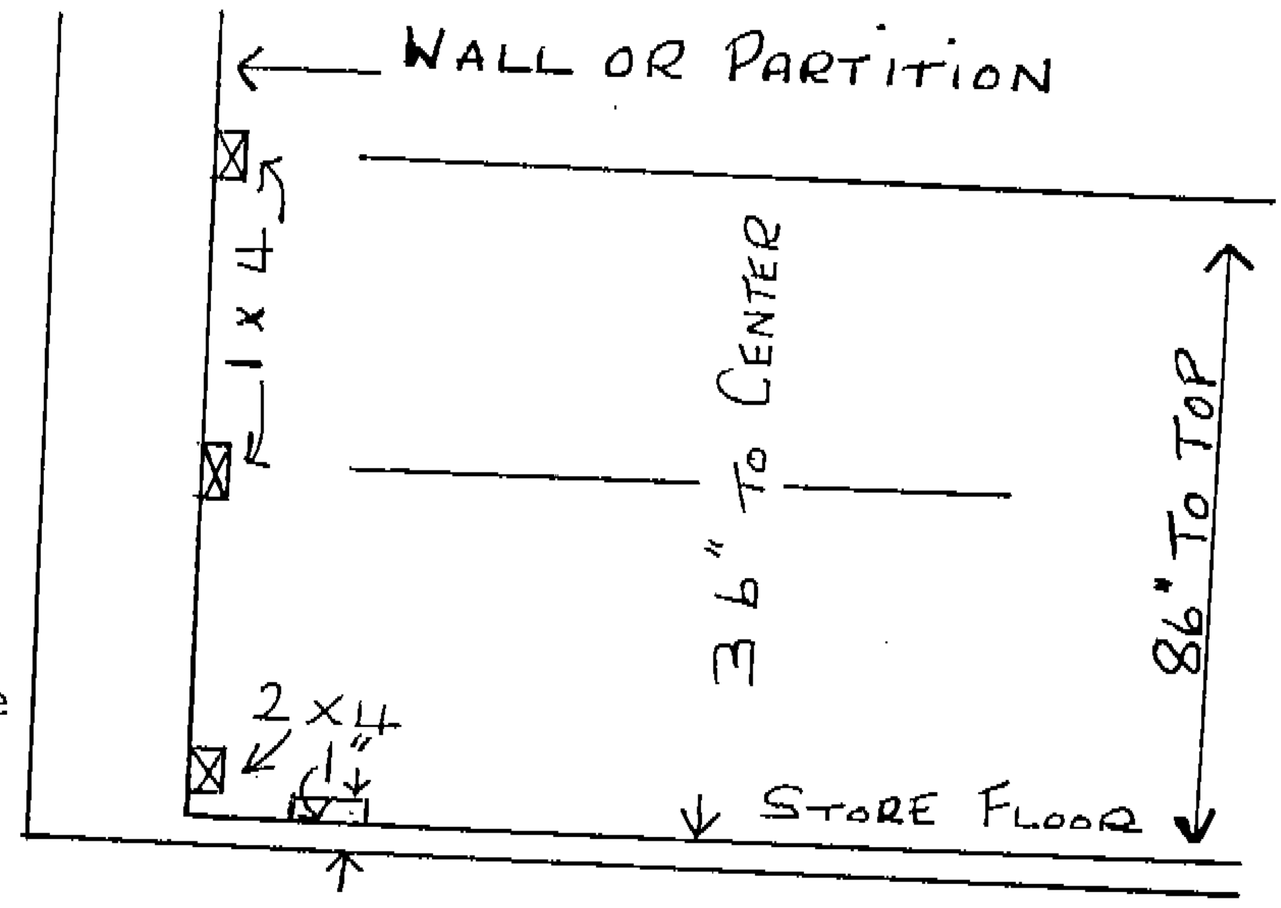
23) Furnish and install outside light at rear stockroom entrance, buzzer for back door and bar across rear stockroom door, which shall be metal, with safety alarm.

RCF

24) **Provide furring strips as detailed below:-**

NOTE TO CONTRACTOR:

Install 2 only 1 x 4 and 1 only 2 x 4 furring strips down both side walls, across rear partition, and across store side of show window backgrounds; locate one strip 36" from store floor to CENTER of 1 x 4, locate one strip 86" from store floor to top of 1 x 4, and locate 2 x 4 one inch from store floor, per sketch opposite.



25) **Furnish and install window in outside office door and louvre. Box in all exposed posts with 1/4" plywood, cover with vinyl and put baseboard (rubber) around all.**

26) **Provide and install exhaust fan for lounge and provide four double floor outlets.**

COMMON AREA MAINTENANCE. Landlord agrees to keep the common area, including the parking lot, clean, sightly in appearance and in good order. Tenant agrees to pay its pro rata portion (in that same proportion as the number of square feet in the leased premises bears to the total square footage of the leaseable area in the shopping center) of the cost of such cleaning, but in no event to exceed Ten cents (.10¢) per square foot per annum, during the first ten years of this lease. Any increase in this amount at the end of ten years would be based on the Consumer Price Index at that time.

ADDITIONAL SPACE. **Landlord will build up to Ten Thousand square feet (10,000 sq.ft.) of additional space at Tenant's request, according to plans furnished by Tenant to Landlord's architect, on the same terms and conditions as set forth herein,** except basic rental will be negotiated between Landlord and Tenant at that time.

Landlord agrees, at the end of fifteen (15) years, to replace the air-conditioning units with at least equal tonnage, if requested to do so by Tenant. Landlord and Tenant shall each pay Fifty percent (50%) of the total cost of any such replacement.

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INSURANCE. That Landlord shall keep the building, of which the demised premises are a part or the whole, insured against loss or damage by fire to the extent of eighty percent (80%) of the full insurable value thereof, including all improvements and additions.

DAMAGE CLAUSE. That if the demised premises, together with any improvements thereto, be damaged by fire or other casualty, they shall promptly be repaired by the Landlord, and an abatement shall be made from the rent corresponding with the time during which it may not be used by the Tenant. If the demised building is destroyed by fire or other casualty, rendering said premises wholly untenantable, the rent payable by the Tenant shall abate until such time as the hereby demised building is restored to a wholly tenantable condition. In the event of the total destruction of said premises, **Landlord or Tenant has the right to cancel this lease or** the Landlord shall rebuild the same, including any improvements or betterments made by the Landlord or Tenant, upon the same plan as immediately before such damage or destruction occurred, within 180 working days after the date of such destruction, and the Tenant shall pay no rent hereunder until said new building is completed and ready for occupancy by the Tenant.

It is further understood and agreed that Landlord and Tenant hereby waive any and all right of recovery against the other party hereto for any loss or damage suffered by either party, in the event of fire, storm, tornado or other causes generally included in extended insurance coverage, whether such loss or damage is occasioned by negligence of the other party to this agreement; the intent being to specifically comply with the **Arkansas** Insurance Laws pertaining to waiver of subrogation.

TAX CLAUSE. That the Landlord agrees to pay, as and when the same becomes due and payable, all taxes, general and specific, assessed against the real estate hereinabove described. In the event of failure of Landlord to pay any such assessment, then the Tenant may pay same and deduct the amount thereof from the rent, interest accruing at the rate of six (6) percent per annum.

ALTERATIONS. That the Tenant shall be privileged, at its expense, to make such alterations, repairs, improvements ~~and additions~~ to the herein demised premises as in its opinion are advantageous to the proper conduct of its business. Tenant shall have the right to salvage

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resulting from any changes or alterations provided for herein. Any improvements, alterations and additions made on or to the building by the Tenant shall immediately become the property of the Landlord and shall be considered as a part of the herein demised premises.

OPTION TO RENEW. That the Tenant, at its option, shall be entitled to the privilege of **two** renewal(s) of this lease, **each** renewal to be for a period of **five (5)** year(s) and for a consideration of **Thirty Thousand Nine Hundred Fourteen & 10/100 ($30,914.10)**------ Dollars per annum, payable in sums of **Two Thousand Five Hundred Seventy-Six and 17/100 ($2,576.17)**------ Dollars per month, monthly in advance on the first day of each month during the continuance of the term of this option, if exercised, and subject to all the terms and conditions herein expressed. The Tenant, by continuing to occupy the demised premises after the expiration of the original term of its tenancy hereunder, or after the expiration of any renewal period thereof, except the last of such periods, shall be deemed and considered to have elected to avail itself of its then current right to renew this lease, unless it shall have given written notice of a contrary intention at least ninety (90) days before the expiration of the current term, but it shall not be obliged to give any notice of its election to renew this lease. By such continued occupancy alone and without any further contracts or agreements, this lease shall be renewed and the leased premises shall be deemed and considered to have been again demised by the Landlord to the Tenant, for the term of the current renewal privilege, beginning upon the day following the date of the expiration of the Tenant's immediately preceding tenancy, subject to all the terms and conditions herein expressed.

FORFEITURE FOR FAILURE TO PAY RENT. That any failure to pay the rent, as aforesaid, or to comply with any one of the foregoing obligations, or in violation of any one of the foregoing covenants, the Landlord may, at its option, declare this lease forfeited and it, or its agent or attorney, shall have the right, power and authority to enter and hold, occupy and repossess the entire premises hereinbefore described, as before the execution of this lease, or the Landlord may sub-lease the same, using due diligence in sub-leasing for the minimum rental shown herein. In the event the rental due from such sub-tenant shall be less than the minimum rental herein, then Tenant shall be liable to Landlord for such difference and shall pay such difference at the times specified herein for payment of the guaranteed rental.

RCL

EMINENT DOMAIN. If there shall be taken during the term of this lease all of the leased premises, or so large a part thereof that the balance is, in Tenant's opinion, rendered unsuitable for continued operation of Tenant's business, or so large a part thereof that the balance cannot be practicably and economically restored to a store unit, then in any of such events this lease shall terminate. If a lesser part of the leased premises should be so taken, then Tenant may elect to terminate this lease or to continue same in effect but, if Tenant elects to continue the lease, the minimum rental shall be reduced in proportion to the area of the leased premises so taken. If this lease should be terminated under any provision of this paragraph, rental shall be payable up to the date that possession is taken by the taking authority, and Landlord will refund to Tenant an equitable portion of any rental paid in advance but not yet earned by such date.

PUBLIC LIABILITY CLAUSE. The Tenant assumes responsibility for the condition of the premises and agrees to save the owners harmless for the condition of the demised premises causing damage to any person or property thereon by reason of any vice or defect, unless the owner knew of such vice or defect, or should within reason have known thereof, or having received notice of such vice or defect failed to remedy same within a reasonable time thereafter.

PARKING AREA. It is further understood and agreed that Landlord, at its sole expense, shall construct and keep in good repair a hard-surfaced illuminated parking area in accordance with plan prepared by

dated which is attached hereto and made a part of this lease. Landlord shall install adequate lighting facilities and provide proper grade level and drainage for said parking area. It is further provided that Landlord shall keep the above referred to parking area as a free parking lot for all customers of this shopping center during the term of this lease or any extensions thereof. Tenant specifically covenants that neither it nor its employees will park their automobiles on any portion of the parking area, but will use such space as Landlord may designate as free parking space for use of Tenants and their employees. Landlord agrees to hold Tenant harmless from any claim of third persons for any accident arising out of any defect in the parking area, latent or otherwise, or any accident incurred on or in conjunction with the use of said parking area.

RCL

INTERPRETATION OF WORD "LANDLORD." That the word "Landlord" as used in this lease shall be interpreted so as to include all of the Landlords named in the first paragraph hereof, whether the Landlord or Landlords named in said paragraph are Corporations or individuals, and if individuals, whether male or female. If more than one Landlord is named in said paragraph the obligations of said Landlord herein contained shall be joint and several obligations.

LEASE BINDING ON HEIRS, ETC. It is further hereby expressly agreed and understood that all covenants and agreements herein made shall extend to and be binding upon the heirs, devisees, executors, administrators, successors in interest and assigns of both the said Landlord and the said Tenant, and that no modification of this lease shall be binding unless evidenced by an agreement in writing signed by the Landlord and signed in Tenant's name by one of Tenant's duly authorized officers.

WRITTEN NOTICES. All written notices herein provided for shall be given by registered mail as follows:-

To Tenant: **1200 Captain Shreve Drive, Shreveport, Louisiana 71105**

To Landlord: **P.O. Box 497, Batesville, Arkansas 75201**

Tenant and Landlord shall notify each other promptly in writing, by registered mail, of any change in its address.

CONTINGENCIES. This lease shall become effective and binding upon the parties hereto only if Landlord leases to others in the same center premises for the purpose of a supermarket **of not less than 26,000 sq.ft.** of the A & P, **Kroeger,** Weingarten or National Foods type, and premises for the purpose of a variety store **of approximately 65,000 sq.ft.** of the type of ~~F. W. Woolworth Company~~ **Woolco**, T. G. & Y. or Morgan-Lindsey, **a 14,000 sq.ft. Super X Drugstore and M. M. Cohn Department Store** and provided this lease and such leases shall run concurrently for the term of this lease, or any option hereto, if exercised.

TAX INCREASE. Tenant agrees that, if the ad valorem real estate taxes levied on the land and building herein leased should be increased any time after the third full calendar year of this lease, or any option hereto if exercised, it will pay the amount of such increase; it being further understood and agreed by Tenant and Landlord that Tenant shall have the right to deduct any such excess real estate taxes paid from any percentage rental due Landlord under this lease, Landlord agreeing to allow such payment as a credit against such rental until same has been fully recouped.

IN WITNESS WHEREOF, Landlord and Tenant have caused this lease to be duly executed and sealed the day and year first above written.

Landlord

Landlord

Landlord

W. F. BEALL CORPORATION

By _____ President.
Tenant

ATTEST:

Secretary

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