

THIS LEASE, made this 20th day of May, 1999, by and between BEAUMONT SE, L.P., a Texas limited partnership, hereinafter referred to as "Landlord," and ECKERD CORPORATION, a Delaware corporation, hereinafter referred to as "Tenant":

WITNESSETH:

Premises

SECTION 1. A. Landlord, for and in consideration of the covenants, conditions, agreements and stipulations herein contained, does hereby lease to Tenant, and Tenant does hereby take and hire from Landlord, those certain premises consisting of building and land, as shown on the site plan marked Exhibit "A" attached hereto and made a part hereof, upon property located at the southeastern corner of College Street and 11th Street, situated in the City of Beaumont, County of Jefferson, State of Texas, and described in Exhibit "B" attached hereto.

B. The land and building (with area inside walls of 10,908 square feet) shown on Exhibit "A" are hereinafter referred to as the "Leased Premises".

C. Subject to the use restrictions in Section 15.C. contained herein, Tenant shall be permitted to use the Leased Premises for the operation of a drug store and/or for any other lawful purpose or purposes, including, but not limited to, an Express Photo and/or photo processing center, a postal substation or package mailing center, and an optical center for the practice of opticianry and optometry. Tenant may also sell alcoholic beverages for off-premises consumption, subject to all applicable governmental approvals.

D. Landlord and Tenant hereby agree that this Lease is expressly conditioned upon Landlord's purchasing of the real property to be covered by this Lease. Should Landlord for any reason not purchase the real property, this Lease shall be null and void and neither party shall have any further obligations hereunder.

Term

SECTION 2. A. The term of this Lease shall commence concurrently with rent commencement as provided in Section 4.A., hereinafter referred to as the "Commencement Date," and shall end at midnight twenty (20) years later, hereinafter referred to as the "Termination Date."

B. Landlord and Tenant agree to execute, acknowledge and deliver instruments to each other in recordable form certifying the Commencement Date and Termination Date of this Lease.

Option Periods and Surrender

SECTION 3. A. Tenant, if not in default beyond any applicable cure period, has the option to renew this Lease for four (4) successive five (5) year periods on the same terms and conditions herein contained, provided Tenant gives Landlord six (6) months notice of its election to exercise an option prior to the end of the term hereof or extended term. Should Tenant neglect to exercise an option on the applicable date as above specified, Tenant's right to exercise said option shall not expire until fifteen (15) days after notice, by Landlord, of Tenant's failure to exercise said option.

B. Tenant will deliver up and surrender to Landlord possession of the Leased Premises upon the expiration or termination of this Lease in good condition and repair (loss by casualty and ordinary wear and tear excepted).

Rent

SECTION 4. A. Rent shall accrue hereunder upon the earlier of the date Tenant opens for business or thirty (30) days after the Leased Premises are completed by Landlord in accordance with the provisions of this Lease and possession thereof has been tendered to Tenant.

B. Tenant shall pay to Landlord, without demand, notice or invoice at the address hereinafter set forth Minimum Rent as follows:

- For the first twenty (20) years: \$229,927.00 per year; \$19,160.58 per month
- For the 1st option period: \$235,381.00 per year; \$19,615.08 per month
- For the 2nd option period:: \$240,835.00 per year; \$20,069.58 per month
- For the 3rd option period: \$246,289.00 per year; \$20,524.08 per month
- For the 4th option period: \$251,743.00 per year; \$20,978.58 per month

in advance on the first day of each and every calendar month during the term of this Lease. If the term shall commence on a day other than the first day of a month, then, Minimum Rent shall be prorated for the balance of the said month on a per diem basis. Tenant shall pay the sales or use tax, if any, assessed against the rentals payable hereunder.

C. Minimum Rent as provided in Section 4.B. shall be considered sufficient consideration for the term of this leasehold. Notwithstanding the foregoing, in addition to the payment of Minimum Rent, Tenant covenants and agrees to pay to Landlord as additional rent for each Lease Year of the term hereof, on the Gross Receipts (as defined in Section 5) made in such Lease Year from Tenant's business or businesses conducted on the Leased Premises, a sum equivalent to the amount by which two percent (2%) of Gross Receipts exceed the Minimum Rent paid by Tenant for such Lease Year, hereinafter referred to as "Percentage Rent." Notwithstanding the foregoing, in no event shall Tenant be obligated to pay more in Percentage Rent than the amount of Minimum Rent paid by Tenant during any Lease Year. Throughout this Lease "Rent" shall mean both Minimum Rent and Percentage Rent.

D. For purposes of calculating the Percentage Rent due hereunder, Tenant's Lease Year shall run concurrently with each year of the term of the Lease per Section 2.A. hereof. If Tenant is open for business during any period when Minimum Rent is abated as provided in this Section 4, all Gross Receipts during such period shall be added to the Gross Receipts of the first Lease Year for the purpose of calculating Percentage Rent, if any, as provided in Section 4.C.

E. The Minimum Rent provided for in this Lease was calculated based on the estimation that the hard costs for construction of the building will total Sixty-One and No/100 Dollars (\$61.00) per square foot (the "Projected Building Costs"). In the event the actual building costs as per the approved plans and specifications as described in Section 6.A. hereof, and as set forth in Landlord's contract with the general contractor, are more or less than the Projected Building Costs, the Minimum Rent shall be increased or decreased, as the case may be, by the sum of the additional costs or the reduction in the costs, multiplied by ten and one-half percent (10.5%). Landlord shall notify Tenant of the actual building costs at least two (2) weeks prior to the commencement of construction by Landlord and Tenant shall have the right to verify such costs and negotiate directly with the contractor to reduce the construction costs and/or change the scope of construction. Immediately following the written approval by Tenant of Landlord's actual building costs, Landlord may commence construction. If the actual building costs as described herein exceed Seventy and 15/100 Dollars (\$70.15) per square foot, Tenant may elect to terminate this Lease. Any building cost increase incurred after commencement of construction shall not result in an increase in Minimum Rent unless the increased costs are incurred as a result of a change requested by Tenant, and any change requested by Tenant after Tenant's written approval of the actual building costs will not give Tenant the right to terminate this Lease.

Gross Receipts

SECTION 5. A. "Gross Receipts" is hereby defined as the total receipts from all business conducted by Tenant, its subtenants, licensees or concessionaires, in, from or on the Leased Premises for cash or credit except as follows:

B. Gross Receipts shall not include: Sales of merchandise for which cash has been refunded or allowance made; the sales price of merchandise returned by customers for exchange; the amount of any luxury, excise, sales, use or gross receipts tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers; sales of magazines, newspapers and tobacco products; services provided to customers for which Tenant derives no profit, including the operation of a drivers license bureau (if any) or utilities payment center (if any); the operation of a blood laboratory station (if any); sales to Senior Citizens; sales to nursing homes and nursing home patients; merchandise transferred between stores owned or controlled by Tenant; discount sales to employees of Tenant and its affiliates; discount sales to doctors; fees derived from the professional services of an optometrist; all eyewear sold under an industrial safety eyeglass program; one-half (1/2) of the gross receipts collected between the hours of midnight and eight o'clock in the morning; charges made for customers' alterations and repairs; financing or carrying charges on balances due on repossessed items and trade-in allowances; gift wrapping charges; telephone commissions; sales of public transportation tickets; any funds derived from a state-supported lottery system; postage and delivery charges to customers; amounts received as coupons; layaway items not paid for and not delivered; the amount of any credit sales deemed uncollectible by Tenant; sales of merchandise ordered through the use of mail order catalogs or filled through catalog order channels operated by Tenant or by a parent, subsidiary or affiliated corporation of Tenant, regardless of the place of the order, payment or delivery; receipts from snack bars and cafeterias operated solely for the use of Tenant's employees, weighing machines, vending and other coin machines maintained for the convenience of Tenant's employees and the incidental convenience of customers, amusement devices and public telephones; premiums, commissions, payments and other amounts received from or in connection with (i) the sale of policies of insurance, mutual funds, stocks, bonds and other securities, travelers' checks, money orders, and similar items, (ii) the making of personal loans, (iii) the operation of savings plans, (iv) the cashing or issuing of checks; (v) the sale or rendition of any and all other financial services, and (vi) the sale of postage stamps, fishing and hunting licenses, and tickets (including but not limited to, those customarily sold by travel and theater agencies); sales of any items (not among those listed above) which are owned by others than Tenant, its departmental lessees,

cessionaires, or licensees and for which Tenant receives a commission or brokerage fee, provided, however, that there shall be included in net retail sales the amounts received as commission or brokerage fees on such sales; and sales of prescription items pursuant to third party prescription plans. For the purposes of this Section, third party prescription plans shall be deemed to be those health benefit plans under which all or any portion of the cost of prescription items and pharmaceuticals is paid or reimbursed by a governmental agency, insurance carrier, health maintenance organization, union, trust or benefit organization, employer or employer group, or any similar organization pursuant to an agreement between Tenant and such organization.

C. Tenant shall submit to Landlord on or before the ninetieth (90th) day following the end of each Lease Year a statement showing the amount of Gross Receipts during the preceding Lease Year. Upon delivery of such statement, Tenant shall pay to Landlord any Percentage Rent required by Section 4. C.

D. Tenant shall make available to Landlord at Tenant's Florida headquarters Tenant's business records of its Gross Receipts for the preceding Lease Year. Not more than once each year, Landlord may, at its own expense (except if such audit reveals actual gross receipts were three percent (3%) or more greater than as reported by Tenant in which event such reasonable costs of audit shall be at Tenant's expense), examine and audit Tenant's records for the sole purpose of ascertaining the amount of such Gross Receipts from the Leased Premises during the preceding Lease Year. Landlord shall notify Tenant and proceed with such audit within one hundred eighty (180) days after receipt of Tenant's statement. Should Landlord fail to examine and audit said records within the above 180-day period, Landlord shall have no further right of access to the records of Tenant, and Tenant's statement shall be deemed final.

E. Landlord agrees that all information concerning Tenant's affairs shall remain confidential, and shall not be divulged or published by Landlord, except to the mortgagee or prospective purchasers of the Leased Premises, or to Landlord's attorneys, accountants or other professional representatives or consultants who have also agreed to be bound by the provisions of this Section 5.E.

Construction

SECTION 6. A. Landlord will, at its own expense, prepare and deliver to Tenant three (3) sets of detailed plans and specifications for construction of the Leased Premises in accordance with guide plans furnished by Tenant. Landlord acknowledges receipt of Tenant's guide plans heretofore delivered by Tenant. Such construction plans shall be subject to approval by Tenant, initialed by the parties hereto and considered a part hereof. If Landlord elects to proceed with construction prior to obtaining Tenant's approval of plans, any changes required by Tenant shall be at Landlord's sole cost and expense. Tenant shall have fifteen (15) days from receipt of construction plans from Landlord to review and approve or object, in writing, to the plans.

B. Immediately upon execution of this Lease, Landlord shall proceed with due diligence to obtain all requisite permitting for development of the Leased Premises, including any sign variance required pursuant to the terms of Section 9.E. hereof. Landlord shall commence construction within thirty (30) days of closing on the purchase of the Leased Premises, but in any event no later than July 1, 1999, or thirty (30) days after receipt of the executed Lease by Landlord, whichever occurs later (the "Construction Commencement Date") and shall complete the Leased Premises in accordance with the approved plans and specifications on or before December 31, 1999, or one hundred eighty (180) days after receipt of the executed Lease by Landlord, whichever occurs later (hereinafter referred to as the "Completion Date"), provided that at least thirty (30) days prior to completion, written notice has been given by Landlord to Tenant that the Leased Premises will be completed and ready for Tenant's occupancy. Any general contractor or project architect retained by Landlord to perform Landlord's construction obligations hereunder shall be approved in advance by Tenant. Landlord shall obtain from the authority having jurisdiction the street address to be assigned to the Leased Premises and provide Tenant with such information in writing no later than thirty (30) days after commencement of construction. If construction is delayed for a period of six (6) months or longer, plans shall be resubmitted by Landlord for approval by Tenant prior to construction or recommencement of construction.

C. The Leased Premises shall be deemed to have been fully completed and ready and available for occupancy by Tenant when all of the following have been accomplished: (a) a certificate of occupancy or an equivalent use permit is issued by and obtained from the governmental authority having jurisdiction, to the extent that one is available prior to Tenant's completion of its work within the Leased Premises and provided such governmental authority issues certificates of occupancy or equivalent use permits; (b) either the architect who prepared the plans and specifications or an inspecting architect approved by Tenant has certified in writing to Tenant that the Leased Premises have been completed in accordance with the plans and specifications approved by Landlord and Tenant as set forth in this Section 6; (c) Landlord has tendered possession of the Leased Premises to Tenant with the store cleaned, including the cleaning and waxing of floors; (d) all mechanical systems servicing the Leased Premises have been completed and are in good working condition; and, (e) the Leased Premises are free and clear of all liens as provided in Section 16 of this Lease, and Landlord has delivered to Tenant satisfactory evidence of Landlord's title to the Leased Premises and non-

disturbance agreements, if applicable, in accordance with Section 14 of this Lease. Landlord agrees to provide Tenant with an as-built survey of the Leased Premises as soon as practical after completion of the Leased Premises. Landlord warrants that the Leased Premises shall be free from defects in materials or workmanship for a period of one (1) year following the Commencement Date. Upon completion of the Leased Premises as provided herein, Landlord will not thereafter paint, decorate or change the architectural treatment of any part of the exterior of the Leased Premises, nor make any structural alterations, additions or changes to the Leased Premises without Tenant's prior written approval.

D. Subject to the provisions of Section 31 of this Lease, if Landlord shall fail to deliver the Leased Premises to Tenant in the manner provided herein on or before the Completion Date, Tenant shall deduct as liquidated damages from Minimum Rent, one day's rent (calculated at a daily rate based on a thirty (30) day month) for each day the Completion Date is delayed. It is hereby agreed that the liquidated damages to which Tenant is entitled hereunder is a reasonable forecast of just compensation for the harm that would be caused by Landlord's failure to satisfy the conditions for acceptance of the Leased Premises provided in Section 6.C. by the Completion Date.

E. At Tenant's sole risk, Landlord will afford Tenant reasonable access to the Leased Premises prior to the Commencement Date for the purpose of inspecting, measuring, installing or arranging for the installation of fixtures, but only to the extent that such activity proceeds without interfering with Landlord's contractors, subcontractors, and their respective employees. By giving Tenant access to the Leased Premises prior to the Commencement Date, Landlord assumes no responsibility whatsoever for injury to persons entering the Leased Premises, or damage to property brought in, or upon, the Leased Premises, nor shall Landlord be entitled to any rent by reason of such access.

F. Subject to the provisions of Section 31 of this Lease, and notwithstanding anything in this Lease to the contrary, including but not limited to Section 6.D. above, in the event (i) Landlord fails to commence construction of the Leased Premises within one hundred eighty (180) days from the date hereof, or (ii) the Commencement Date has not occurred within three hundred sixty (360) days from the date hereof, Tenant may, without liability or further obligation, terminate this Lease upon written notice to Landlord and this Lease shall have no further force or effect.

Exterior Facilities

SECTION 7. A. Prior to the Commencement Date, Landlord shall construct the sidewalks, service drives, parking aisles, driveways, private streets and parking area (hereinafter referred to as the "Exterior Facilities") as shown on Exhibit "A". The area provided for the parking of automobiles shall be as shown on Exhibit "A". All sidewalks shall be concrete and all service drives, parking aisles, driveways, streets and parking areas shall be graded, leveled and paved with concrete or asphalt, clearly marked with painted lines as of the Commencement Date. Landlord agrees there shall be unobstructed use (other than temporary obstructions due to repairs) of sidewalks, driveways and roadways for automotive and pedestrian traffic to and from the Leased Premises and adjacent public streets and highways. All of the Exterior Facilities shall be constructed in a good and workmanlike manner by Landlord.

B. Landlord shall construct paved driveways at the rear of the Leased Premises in accordance with plans approved by Tenant.

Ingress and Egress

SECTION 8. Landlord warrants as a consideration for this Lease that it will initially provide and maintain for the term of this Lease and any extension thereof, ingress and egress facilities to public highways in the number and the locations depicted on Exhibit "A", subject to unavoidable temporary closings or relocations necessitated by public authority or other circumstances beyond Landlord's control.

Signs and Antenna

SECTION 9. A. Landlord agrees that Tenant shall have the right at its own cost and expense to erect and maintain signs advertising its business and the services it provides on the exterior of the Leased Premises. Any signs erected by Tenant shall conform to the requirements of local ordinances and shall be signs generally used by Tenant to advertise its business from time to time, including, but not limited to, its standard capsule sign. Tenant shall obtain all required sign permits.

B. Tenant shall be permitted, as soon as possible after the date hereof, to install sign foundations with conduits as shown in the Plans and at the locations shown on Exhibit "A" upon which Tenant may install its readerboards and sign panels. Landlord shall extend electrical service to such pylon signs as soon as practical thereafter.

C. Landlord shall not, without Tenant's written consent, utilize or permit others to utilize the exterior of the Leased Premises, or the space above it, for sign display purposes.

D. Subject to all applicable governmental regulations, Tenant may install satellite receiving/transmitting equipment on the roof of the Leased Premises provided such installation does not penetrate the roof or otherwise adversely affect the integrity of the roof structure. Tenant agrees to indemnify and hold Landlord harmless from and against any and all claims and demands arising from the installation, removal or repair of such equipment, unless such claims or demands are due to the negligence of Landlord, its agents, employees or contractors.

Utilities and Maintenance and Repairs

SECTION 10. A. Tenant shall pay for all sewerage and trash disposal services, water, gas, heat, electric current and other utilities consumed by it, in or upon the Leased Premises, at rates set by local public utility as approved by public authority having jurisdiction. Landlord agrees to furnish the Leased Premises with separate meters for measuring consumption of water and electricity. Tenant will keep the Leased Premises in good order and repair (excepting, however, all repairs made necessary by reason of fire or other unavoidable casualty) at its own cost and expense. Without limiting the generality of the foregoing, Tenant shall be responsible for the maintenance and repair of all items located on the Leased Premises, including, but not limited to, plate glass windows, doors, signage, plumbing, painting, building exterior, roof, structural members of the building, HVAC, lighting, all equipment and the Exterior Facilities located on the Leased Premises including the parking lots, driveways, landscaping, lighting, drainage and trash dumpsters. In the event Tenant fails to maintain the Leased Premises as required by this Lease then Landlord may, after giving Tenant thirty (30) days written notice to correct such a failure, perform such maintenance and Landlord shall be reimbursed within thirty (30) days after delivering a receipt to Tenant evidencing Landlord's costs for such maintenance. Notwithstanding the foregoing, Landlord shall make all necessary repairs to the Leased Premises, including all fixtures and systems (except for fixtures and systems installed by Tenant) located therein, for a period of one (1) year following the Commencement Date; provided, however, Landlord shall not be required to make any repairs necessitated by the negligence of Tenant, its agents or employees. Landlord hereby warrants and represents that all contractor warranties will be for one (1) year and Landlord agrees to assign to Tenant all warranties for any labor and materials used on or in the Leased Premises.

B. Landlord shall make all repairs required due to Landlord's failure to comply with the terms of this Lease. Notwithstanding the foregoing, if any of the aforementioned repairs are made necessary by reason of Tenant's use or occupancy of the Leased Premises in any manner inconsistent with the reasonable use and occupancy thereof, or by reason of alterations made by Tenant, such repairs shall be made by Tenant at its own cost and expense. Tenant agrees to use its best efforts to give Landlord notice as soon as practical of the need for repairs.

C. In the event the need for emergency repairs arises, in order to prevent harm to persons or property and such repairs are the obligation of Landlord, Tenant, in its sole discretion, may proceed to have such repairs promptly made and Landlord shall reimburse Tenant for the reasonable costs of such repairs within thirty (30) days of written demand with copies of invoices and reasonable backup. Upon failure of Landlord to reimburse Tenant within said 30-day period, Tenant may deduct the cost of such repairs from Rent due or to become due. Tenant agrees to provide Landlord's Mortgagee, upon written request, with a copy of any notice or demand given Landlord hereunder and said Mortgagee shall have ten (10) days following the expiration of said 30-day period to reimburse Tenant, if Landlord has failed to do so, in which event, if said Mortgagee fully reimburses Tenant, there shall be no deduction from Rent. By undertaking the performance of Landlord's repair obligations pursuant to this paragraph, Tenant assumes no responsibility for the performance of future repairs which are the obligation of Landlord.

Limit of Landlord's Obligation to Make Repairs

SECTION 11. Landlord shall not be liable for any damages from plumbing, gas, water, steam or sewage leaks or stoppage, nor for damage arising from acts of negligence of owners or occupants of contiguous property, unless such damage is occasioned by the negligence of Landlord, or its agents or contractors.

Tenant's Right To Make Changes

SECTION 12. A. Tenant, at its own expense during the term of the Lease, may make any alterations or additions to the Leased Premises which it may deem necessary, except roof or structural changes unless approved by Landlord, but it shall make them in accordance with all applicable governmental regulations. All salvage from such work shall belong to Tenant. All permanent improvements shall belong to Landlord.

B. All trade fixtures and equipment and other personal property owned by Tenant and installed or placed by it in the Leased Premises may be removed by Tenant at any time during the term or, provided Tenant gives Landlord prior reasonable notice, within fifteen (15) days after the expiration thereof. Tenant agrees to repair any damage to the Leased Premises occasioned by such removal.

Damages To Premises

SECTION 13. A. Landlord agrees to insure the Leased Premises against all risks of physical loss to at least eighty percent (80%) of the full replacement cost thereof. A copy of such policy or certificate thereof shall be furnished to Tenant upon request. The proceeds from any such insurance shall be utilized to repair and rebuild the Leased Premises as provided in this Section 13.

B. In the event the Leased Premises shall be partially damaged or totally destroyed by fire or other disaster, Landlord shall promptly cause same to be restored, subject to such changes as Tenant may reasonably require, provided that such changes will not increase the cost of restoration unless Tenant agrees to pay for such increased cost. Due allowance shall be made for (1) reasonable time necessary (not to exceed ninety (90) days) for Landlord to adjust the loss with insurance companies, and (2) delay occasioned by strikes, lockouts, and conditions beyond the reasonable control of Landlord, provided such delay does not exceed six (6) months without Tenant's consent. If the extent of the damage is such that immediate emergency repairs are necessary to protect its business and personal property or in order to continue operations, Tenant shall have the right to make such emergency repairs. Tenant shall use its best efforts to give Landlord telephonic or such other notice as may be practical under the circumstances prior to making such emergency repairs. Landlord shall reimburse Tenant for Tenant's total cost and expense of such repairs within sixty (60) days after demand with copies of reasonable backup information. If Landlord fails to make such reimbursement within sixty (60) days after demand, Tenant shall have the right to recover such sums out of Rents due or to become due. Tenant agrees to provide Landlord's Mortgagee, upon written request, with a copy of any notice or demand given Landlord hereunder and said Mortgagee shall have ten (10) days following the expiration of said 60-day period to reimburse Tenant, if Landlord has failed to do so, in which event, if said Mortgagee fully reimburses Tenant, there shall be no deduction from Rent. In the event of partial damage to or total destruction of the Leased Premises, should Landlord fail to give Tenant written notice of its intent within sixty (60) days of such destruction to commence construction and completely restore and rebuild the same promptly, Tenant may, at its option, and upon written notice to Landlord, cancel this Lease, in which event neither party shall thereafter have any further obligation with respect to the other. In the event Landlord fails to perform its obligations under this section, Tenant shall be entitled to specific performance.

C. Should the Leased Premises, or a portion thereof, be rendered untenable by fire or other disaster, then rent shall abate in proportion to the areas of the Leased Premises rendered untenable from the date of the damage to the date of restoration of the Leased Premises. No rent shall accrue for any portion of the Leased Premises unless Tenant is able to conduct its usual business on that portion of the Leased Premises which remains tenable. If such damage occurs during the last two (2) years of the term of this Lease and the cost of restoration of the Leased Premises amounts to more than one-third (1/3) of the replacement value of the Leased Premises, as certified by a registered architect, Landlord and Tenant shall each have the right to terminate this Lease by written notice to the other given within thirty (30) days after such occurrence, unless Tenant shall elect to renew this Lease by exercising any remaining options which are described in Section 3 hereof for an additional period of ten (10) years. If, at the date of the fire or disaster, Tenant shall have paid any rent in advance, Tenant shall be entitled to a proportionate refund.

D. Provided this Lease is not terminated as set forth in this Section 13, the term of this Lease shall be automatically extended for a period of time equal to the period of time the Leased Premises are totally untenable due to fire or other disaster.

Title and Quiet Enjoyment

SECTION 14. A. Landlord warrants that it is, or before the Commencement Date, will be, the owner in fee of the Leased Premises; that the Leased Premises are not presently subject to any liens or mortgages, except:

NONE

and that Landlord has full right and title to execute and perform this Lease. So long as this Lease is in force and effect, Landlord agrees that it will not permit the disturbance of, nor interference with, Tenant's quiet enjoyment of the Leased Premises in accordance with the terms of this Lease.

B. Prior to the Commencement Date, Landlord shall furnish Tenant with satisfactory evidence of Landlord's title. If on the date Landlord acquires title to the Leased Premises the Leased Premises or any part thereof is subject to any mortgage, deed of trust or other encumbrance in the nature of a mortgage, which is prior and superior to this Lease, Landlord will deliver to Tenant an agreement in the form of Exhibit "C" attached hereto duly executed by such mortgagee or trustee, obligating such mortgagee or trustee or any successor thereto to be bound by this Lease and by all of Tenant's rights hereunder, provided Tenant is not in default beyond any applicable cure period under the terms of this Lease.

Assignment and Subletting

SECTION 15. A. Tenant shall have the right to assign this Lease or sublet the Leased Premises at any time. Tenant shall give notice of any and all assignments and subleases to Landlord, together with a copy of the applicable instrument.

B. No assignment of this Lease or subletting of the Leased Premises shall relieve Tenant of its obligations under this Lease.

C. Notwithstanding the foregoing, in no event shall the use, or proposed use, by Tenant or any sublessee or assignee include any of the following: Any industrial use, gun or fire range, trailer court, junk yard, scrap metal yard, waste material business, any dumping, disposal, incineration, any use involving topless, bottomless or nude performers, waitresses, waiters or personnel, either live or recorded entertainment involving nude or partially nude persons or which regularly shows X-rated or pornographic movies or sells sexually explicit or oriented materials; massage parlor, pool hall, night club, dance club, abortion clinic, abortion referral service, pro-abortion organization, for the sale of gasoline or for the installation of gasoline storage tanks or related gasoline lines or equipment; or for any facility that serves fast food prepared hamburgers as its primary menu item.

D. Landlord may transfer and assign its rights under this Lease for any purpose (including without limitation, as collateral security for a loan to Landlord), and in the event of any such assignment by Landlord, and notification thereof is given to Tenant by or on behalf of Landlord, it is expressly agreed between Landlord and Tenant that this Lease shall not be canceled because of such assignment (Tenant retaining all rights and remedies set forth in this Lease in the event of Landlord's default). The term "Landlord" as used in this Lease, so far as covenants or agreements on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners of Landlord's interest in this Lease at the time in question, and in the event of any transfer or transfers of such interest, except a transfer by way of security, Landlord herein named (and in case of any subsequent transfer the then-transferor) shall be automatically freed and relieved from and after the date of such transfer of all liability of any kind as respects the performance of any covenants or agreements on the part of Landlord contained in this Lease thereafter accruing; provided that any funds in the hands of Landlord or the then-transferor at the time of such transfer, in which Tenant has an interest, shall be turned over to the transferee and the transferee shall be deemed to have assumed, subject to the limitations of this Paragraph, all of the covenants, agreements and conditions in this Lease to be performed on the part of Landlord, it being intended hereby that the covenants and agreements contained in this Lease on the part of Landlord, subject as aforesaid, be binding on Landlord, its successors and assigns, only during and in respect to their respective successive period of ownership. "Landlord's Mortgagee" or "Mortgagee" as used in this Lease shall mean Landlord's primary lender from time to time which is the holder of a loan secured by a first lien on the Leased Premises.

Mechanics Liens

SECTION 16. When completed, Landlord will ensure that the Leased Premises are free and clear of all claims of lien by mechanics and materialmen for and on account of labor and materials furnished in and about the construction by Landlord. Thereafter, if any mechanic's or other liens, or order for the payment of money arising through the fault of either party, shall be filed against the Leased Premises or additions, alterations or extensions thereto, such party shall cause the same to be canceled and discharged of record, by bond or otherwise, and shall also indemnify the other and defend and pay damages and attorney fees, if any, on behalf of the other, for any action, suit or proceeding which may be brought thereupon for the enforcement of such lien, liens or orders. Upon failure of the defaulting party to comply with the provisions of this section, the other party may, after thirty (30) days notice, do so on the defaulting party's behalf, and all sums thereby expended by the other party shall on demand be paid to it by the party in default. In the event Landlord is the defaulting party, Tenant may offset against Rent due or to become due all sums expended by Tenant as a result of Landlord's failure to comply with this Section.

Law, Regulations

SECTION 17. Subject to the provision that this Section shall not be applicable to any condition which existed prior to the Commencement Date, Tenant agrees to comply with all orders, rules, regulations and requirements of any governmental body relating to the manner of Tenant's use and occupancy of the Leased Premises, or alterations made by the Tenant, and Tenant will pay all costs and expenses incidental to such compliance and will indemnify and save harmless Landlord therefrom. In the event compliance with any governmental orders, rules, regulations or requirements is not the responsibility of Tenant as provided in this Section, Landlord shall comply with such orders, rules, regulations and requirements at its sole cost and expense and will indemnify and save Tenant harmless therefrom.

Insurance

SECTION 18. A. Tenant, in its name and at its own expense, shall procure and continue in force, general liability insurance against damages occurring on the Leased Premises during the term of this Lease and any extension thereof. Such insurance shall be in an amount not less than One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage. Such insurance shall

name Landlord and Landlord's Mortgagee, if requested, as additional insured(s) in respect to the Leased Premises and shall be written in a company or companies authorized to engage in the business of general liability insurance in the state in which the Leased Premises are located. Such policies shall provide for thirty (30) days notice of cancellation or material changes to the parties named as additional insureds.

B. Tenant covenants to keep in good order and repair the plate glass in the Leased Premises, and to replace all broken glass with same quality as that broken; provided, however, should damage or breakage occur due to fire or windstorm (subject to reimbursement from Tenant for any applicable insurance deductible up to \$1,000 per occurrence), structural defect, or the fault or neglect of Landlord, then Landlord shall be responsible for replacing the damaged or broken glass.

C. Should Tenant desire to carry coverage described in Section 18.A. together with other property owned or controlled by Tenant or its affiliated companies, and/or self-insure in part, such shall be deemed compliance with Tenant's obligations under this Section, as to both original coverage and renewals. Tenant agrees that such insurance will afford Landlord no less coverage or rights than the insurance described above and such self-insurance shall be deemed insurance for all purposes, including waiver of subrogation.

D. Landlord agrees to defend, indemnify and save harmless Tenant from and against any and all claims and demands whether from injury to person, loss of life, or damage to property, occurring within the Leased Premises as may result from any injury or damage caused by acts or omissions of Landlord.

E. Tenant agrees to defend, indemnify and save harmless Landlord from and against any and all claims and demands whether from injury to person, loss of life, or damage to property, occurring within the Leased Premises, excepting, however, such claims or demands as may result from any injury or damage caused by acts or omissions of Landlord.

Waiver of Subrogation

SECTION 19. A. Tenant hereby agrees not to assign to any insurance company any right or cause of action for damage to the property of Tenant located in the Leased Premises which Tenant now has or may subsequently acquire against Landlord during the term of this Lease, and expressly waives all rights of recovery for such damage.

B. Landlord hereby agrees not to assign to any insurance company any right or cause of action for damages to the property of Landlord located in the Leased Premises which Landlord now has or may subsequently acquire against Tenant during the term of this Lease, and expressly waives all rights of recovery from such damage.

C. It is specifically understood this Section shall only apply (1) where such insurance as described herein allows the insured to enter into an agreement waiving recovery rights, and (2) to the extent insurance proceeds are recovered.

Default

SECTION 20. A. Each of the following shall be deemed a default by Tenant and a breach of this Lease:

1. Any of the following being filed voluntarily against Tenant, or if filed involuntarily and is not dismissed within ninety (90) days thereafter:

- a) The filing of a bankruptcy petition by or against Tenant for adjudication, reorganization or arrangement;
- b) Any proceedings for dissolution or liquidation of Tenant; or
- c) Any assignment for the benefit of Tenant's creditors.

2. Failure to:

- a) pay Rent or any other monetary charge for a period of fifteen (15) days after receipt of notice. Upon the third failure by Tenant to pay rent when due within any twelve (12) month period, Landlord shall be entitled to charge interest on said late rental payment at the rate of eighteen percent (18%) per annum; or
- b) perform any other covenant or condition of this Lease for a period of thirty (30) days after receipt of notice.

B. In the event of any non-monetary default, if steps have, in good faith, been commenced promptly by Tenant to rectify the same, and are prosecuted to completion with diligence and continuity and if the matter in question shall involve building construction and if Tenant shall be subject to unavoidable delay by conditions beyond the control of Tenant, Tenant's time to perform shall be extended for a period commensurate with such delay but to a maximum of sixty (60) days after notice.

C. Upon Tenant's default, Landlord or its agents may either (i) terminate this Lease by written notice to Tenant, (ii) terminate Tenant's right of possession of the Leased Premises but without terminating the lease, or (iii) seek any other rights or remedies under current law, and Landlord may immediately or at any time thereafter, re-enter and resume possession of the Leased Premises and remove all persons and property therefrom, either by summary dispossession proceedings or by a suitable action or proceeding at law, or by force or otherwise, without being liable for any damages therefor, subject, however, to Tenant's right to remove trade fixtures and personal property, after notice to Landlord, within fifteen (15) days after termination of the Lease. No re-entry by Landlord shall be deemed an acceptance of a surrender of this Lease. Thereafter, Landlord may in its own behalf, relet any portion of the Leased Premises for any period of the remaining term for any reasonable sum to any reasonable tenant for any reasonable use or purpose. In connection with any such reletting, Landlord may make such changes to the Leased Premises and may grant such concessions of free rent as may be reasonably appropriate or helpful in effecting such lease.

D. Landlord shall not be liable in any manner, nor shall Tenant's obligations hereunder be diminished by any failure of Landlord to relet the Leased Premises, or in the event of reletting, to collect rent.

Rent Under Default

SECTION 21. In the event of Tenant's default, Landlord shall be entitled to recover from Tenant, in addition to any damages becoming due hereunder, the following:

A. An amount equal to the amount of all rents reserved under this Lease, less the net rent, if any, collected by Landlord on reletting the Leased Premises, which shall be due and payable, by Tenant to Landlord, on the several days on which the rents reserved in this Lease would have become due and payable. In addition, Landlord shall recover all costs incurred in retaking possession, all attorneys' fees and all expenses incurred by Landlord in connection with the reletting of the Leased Premises, including broker's commission and the cost of repairing, renovating or remodeling said Leased Premises, but not including the cost of performing any covenant required to be performed by Landlord. Net rent collected on reletting by Landlord shall be computed by deducting from the gross rents collected all expenses incurred by Landlord in connection with the reletting of the Leased Premises, including broker's commission and the cost of repairing, renovating or remodeling the Leased Premises, but not including the cost of performing any covenant required to be performed by Landlord; and

B. In the event of Tenant's default, the annual rent to be paid by Tenant to Landlord shall (for the purposes of this Section) be deemed to be a sum equal to the annual Minimum Rent called for under this Lease and the average Percentage Rent for the immediate preceding three (3) Lease Years, or, if Tenant has been in possession of the Leased Premises for a lesser period, a sum equal to the average annual Rent which became due from the Tenant from the Commencement Date, and ending on the date of termination.

Entry of Landlord

SECTION 22. Subject to Tenant's reasonable security requirements, Landlord may at reasonable times inspect, alter or repair the Leased Premises when necessary for its safety or preservation. Landlord may show the Leased Premises to others at any reasonable time within six (6) months immediately preceding the expiration of this Lease and may affix a notice for letting or selling the Leased Premises to any suitable part thereof, except show windows or entrances.

Compliance

SECTION 23. Should either Landlord or Tenant fail to comply with any of the terms of this Lease, each may, after thirty (30) days notice to the other, (or other applicable notice period as set forth herein), comply therewith, but each shall not be obligated to do so. The cost of such compliance shall be payable upon demand by the non-complying party to the performing party. This Section shall not apply to the payment of rent by Tenant.

Tenant's Right To Cure Landlord's Default

SECTION 24. In the event Landlord shall neglect to pay when due any taxes or any obligations on any mortgage or encumbrance affecting title to the Leased Premises and to which this Lease shall be subordinate, or shall fail to perform any obligation specified in this Lease, then Tenant may, after the continuance of any such default for thirty (30) days after notice thereof to Landlord, pay said taxes, assessments, principal, interest or other charges and cure such default, all on behalf of and at the expense of Landlord, and do all necessary work and make all necessary payments in connection therewith, and Landlord shall within ten (10) days of demand pay Tenant forthwith the amount so paid by Tenant, and Tenant may if not timely paid by Landlord credit such amounts against any and all rental payments and other payments thereafter due to Landlord and apply the same to the payment of such indebtedness. Tenant agrees to provide Landlord's Mortgagee, upon request, with a copy of any notice or demand given Landlord hereunder and said mortgagee shall have ten (10) days following said 10-day period to reimburse Tenant, if Landlord has failed to do so, in which event, if said mortgagee fully reimburses Tenant, there shall be no deduction or withholding from the rental payments.

Notices

SECTION 25. All notices and rental checks shall be forwarded to Landlord in care of Bruce Shelby and Thomas H. Estus, 1800 Bering Drive, Suite 495, Houston, Texas, 77057, with a copy to such mortgagee as Landlord may designate, until Tenant is notified otherwise in writing. All notices given to Tenant hereunder shall be forwarded to Tenant at Eckerd Corporation, Store #3664, P. O. Box 4689, Clearwater, Florida 33758, Attention: Vice President, Real Estate, with a copy to the Regional Real Estate Director, Store #3664, 16597 Interstate 45 South, Conroe, Texas 77385-3403, until Landlord is notified otherwise in writing. Notices delivered to the Leased Premises shall not constitute notice to Tenant under the terms of this Lease. Notices to each shall be by certified mail, return receipt requested, or by bonded overnight courier, and shall be effective upon receipt or refusal to accept delivery. Addresses for notice may be changed from time to time upon ten (10) days prior written notice to the other party.

Lease Subordination

SECTION 26. A. Tenant agrees to subordinate this Lease to any first mortgage or blanket mortgage placed on the Leased Premises, provided only that so long as this Lease is in full force and effect (1) Tenant's tenancy will not be disturbed, nor will this Lease be affected by any default under such mortgage; (2) the rights of Tenant hereunder shall expressly survive and shall not be cut off; and (3) this Lease shall, in all respects, continue in full force and effect.

B. If Landlord is in full compliance with the provisions of this Lease, Tenant will, upon demand and without cost, execute an instrument necessary to effectuate such subordination. If Tenant, within fifteen (15) days after submission of such instrument fails to execute the same, Landlord is hereby authorized to execute same as attorney-in-fact for Tenant.

Exclusive

SECTION 27. Landlord agrees that it will not directly or indirectly lease, rent, sell or otherwise permit any property in which it has any interest (direct or indirect) located within one thousand (1,000) feet of any exterior boundary of the Leased Premises, to be used as a drug store or a business which sells or dispenses prescription drugs, without the written permission of Tenant. If the mortgagee of the Leased Premises becomes the landlord, the provisions of this Section 27 shall not apply so long as it shall remain the landlord.

SECTION 28. Intentionally deleted.

Short Form Lease

SECTION 29. The parties hereto do mutually agree, if either party hereto shall so request, that a short form of this Lease will be executed for the purpose of recording.

Eminent Domain

SECTION 30. If the entire building on the Leased Premises shall be taken by reason of condemnation or under eminent domain proceedings, Landlord or Tenant may terminate this Lease as of the date when possession of the building is taken. If a portion of the building shall be taken under eminent domain or by reason of condemnation and if in the opinion of Tenant, reasonably exercised, the remainder of the building is no longer suitable for Tenant's business, this Lease, at Tenant's option, to be exercised by notice to Landlord within sixty (60) days of such taking, shall terminate; any unearned rents paid or credited in advance shall be refunded to Tenant. If this Lease is not so terminated, Landlord forthwith and with due diligence, shall restore the building. Until so restored, Minimum Rent shall abate to the extent that Tenant shall not be able to conduct business in a reasonable manner, and thereafter Minimum Rent for the remaining portion of the term of this Lease shall be proportionately reduced (based on the reduced square foot floor area of the building).

In the event any part of the parking areas of the Leased Premises shall be taken by reason of condemnation or under eminent domain or if as a result of such taking any driveway or curb cut access to the Leased Premises will be closed, and if in the opinion of Tenant, reasonably exercised, the Leased Premises are no longer suitable for Tenant's business, this Lease, at Tenant's option by notice to Landlord within sixty (60) days of such taking shall terminate. If this Lease is not terminated, Landlord, at Landlord's expense, shall restore the remaining Leased Premises and parking areas to a proper and usable condition. However, Tenant shall not have such right to terminate this Lease if Landlord provides alternate parking areas which are reasonably acceptable to Tenant. Until so restored, Minimum Rent shall abate to the extent that Tenant shall not be able to conduct business at the Leased Premises in a reasonable manner, and thereafter Minimum Rent for the remaining portion of the term of this Lease shall be proportionally reduced (based on the effect such taking has on Tenant's business at the Leased Premises).

For purposes of this Section 30, the term "condemnation or under eminent domain proceedings" shall include conveyances and grants made in anticipation of or in lieu of such proceedings.

Force Majeure

SECTION 31. Anything in this Lease to the contrary notwithstanding, neither Landlord nor Tenant shall be in default of the performance of any provisions of this Lease to the extent such performance shall be delayed or prevented by strike, war, act of God, the failure of the other party to timely perform its obligations under this Lease, or other cause beyond the control of party seeking to excuse such performance; provided, however, (a) no such excusable delay shall exceed six (6) months, and (b) upon the happening of the event which caused the delay, the party seeking to be excused from performance because of such delay shall notify the other party in writing of the delay within ten (10) business days of such event, otherwise such delay shall be waived.

Severability

SECTION 32. If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

Obligation of Successors

SECTION 33. All of the provisions hereof shall bind and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns, and all covenants, conditions and agreements contained herein shall be construed as covenants running with the land.

Taxes

SECTION 34. Provided Landlord timely furnishes Tenant with the tax bills for the Leased Premises, or if the tax bills are sent directly to Tenant by the taxing authority, Tenant agrees to pay and discharge before they become delinquent, all state, county, city, independent school district and other taxes, assessments and other public charges of whatsoever nature, both general and special, levied or assessed against or in respect to the property, the Leased Premises and improvements and related facilities constructed thereon, including those arising by reason of the occupancy, use or possession of the Leased Premises by Tenant during the Lease term, all of which are hereinafter collectively referred to as "taxes". Tenant shall pay all such taxes and furnish Landlord official receipts evidencing such payment at least ten (10) days before such taxes become delinquent. In the event Tenant shall desire to contest in good faith any taxes, Tenant may, if allowed by Landlord's Mortgagee, file in its name or in the name of Landlord such protest or other instrument and institute and prosecute proceedings for the purpose of such contest. Any taxes and assessments for the years in which this Lease commences and ends shall be prorated between Landlord and Tenant as of the commencement date or termination date, as the case may be. If Tenant shall fail to timely pay taxes, or to contest same in accordance with the provisions hereof, Landlord shall have the right (but not the obligation) to do so, together with all interest, penalties and attorneys' fees charged in connection with any delinquency, and any amounts so expended by Landlord shall be paid by Tenant to Landlord within ten (10) days of demand.

SECTION 35. Intentionally deleted.

Fire and Extended Coverage

SECTION 36. During the term of this Lease and any extensions or renewals thereof, Landlord shall keep the Leased Premises insured against fire, with extended coverage and "all risk" endorsement and replacement cost endorsement covering the building and all insurable improvements on the Leased Premises, such insurance to be acceptable to and fulfill the requirements of Landlord's lender, except for Tenant's personal property, for an amount not less than eighty percent (80%) of full insurable replacement value. The amount and cost of such insurance shall be commercially reasonable as determined by standard insurance coverage obtained by other commercial landlords for substantially similar commercial buildings located in the business community in which the Leased Premises are located. Once each year, Landlord shall present to Tenant an invoice authenticating Landlord's cost of said insurance covering the Leased Premises including any rent loss insurance relating to this Lease, and Tenant agrees to reimburse Landlord for the cost of such insurance within thirty (30) days.

Tenant, at its cost and expenses, shall maintain full coverage insurance on all Tenant's personal property, fixtures and equipment situated on the Leased Premises.

Estoppel

SECTION 37. Upon written request by Landlord, Tenant hereby agrees to deliver within five (5) days after such request, a certificate to Landlord or to any Mortgagee, proposed mortgagee or purchaser as designated by Landlord and in Tenant's standard form stating (if such be the case) that to the best of Tenant's knowledge:

- (a) This Lease is unmodified and in full force and effect, or if there have been any modifications, that this Lease is in full force and effect as modified and identify the modification agreements, or if this Lease is not in full force and effect, the certificate shall so state;

- (b) The date of the commencement of this Lease and the termination date;
- (c) The date to which the rent has been paid under this Lease;
- (d) Whether or not there exists any default by Tenant in payment of any rent or other sum of money under this Lease; and
- (e) Whether or not there exists any default by either Tenant or Landlord under this Lease with respect to which a notice of default has been served, and if there is any such default, specifying the nature and extent thereof.

Miscellaneous

SECTION 38. A. The captions in this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease. Throughout this Lease, whenever the consent or approval of either party is required, such consent or approval shall not be unreasonably withheld or delayed. This Lease shall be construed in accordance with applicable laws of the state in which the Leased Premises are located.

B. Any waiver by Landlord or Tenant of any breach of this Lease must be in writing and no waiver by Landlord or Tenant of a breach of the covenants and conditions of this Lease shall be construed as being a waiver of any other succeeding breach of the same or other covenants. The acceptance by Landlord of any one of the installments of rent or any other payment due hereunder at any time other than when due as herein provided in this Lease shall not be, and shall not be construed as, a waiver of the right to insist upon payment of the succeeding installments of rent, or any other succeeding payments hereunder upon the date provided in this Lease for such payments.

C. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

D. This Lease may only be amended or modified by written instrument executed by both parties.

E. Notwithstanding anything to the contrary contained in this Lease, there shall be no personal liability on the part of Landlord with respect to any breach by Landlord of the covenants of this Lease. Tenant shall satisfy any claim or judgment against Landlord in the event of breach by Landlord from (i) the proceeds of any sale of the Leased Premises received upon execution of any judgment against Landlord, (ii) the rents and other income derived from the Leased Premises and receivable by Landlord, and (iii) the consideration received or to be received by Landlord from the sale or other disposition of all or any part of Landlord's right, title or interest in the Leased Premises. Nothing contained herein shall in any way limit the right of non-monetary equitable relief by Tenant against Landlord.

F. Tenant represents and warrants that any handling, transportation, storage, treatment or usage of hazardous or toxic substances that will occur by Tenant, its sublessees or assignees, on the Leased Premises shall be in compliance with all applicable federal, state and local laws, regulations and ordinances. Tenant agrees to indemnify, defend and hold Landlord and its officers, employees, agents, successors and assigns harmless from any claims, judgments, damages, fines, penalties, costs, liabilities (including sums paid in settlement of claims) or loss including attorney's fees, consultant's fees and expert fees which result solely from Tenant's breach of the covenant contained in this paragraph. Without limiting the generality of the foregoing, this indemnification does specifically cover costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Landlord represents and warrants to Tenant that, to Landlord's knowledge (which is limited to the current actual knowledge of Tom Estus and Bruce Shelby), other than as disclosed in that certain HBC Engineering, Inc. Environmental Site Assessment, Report No. 21-5024-98, dated December 17, 1998, no hazardous material is present, or was installed, exposed, or released or discharged in or under the Leased Premises at any time during or prior to Landlord's ownership thereof; that no prior owner or occupant of the Leased Premises has used Hazardous Materials; and that the Leased Premises have been used and operated in compliance with all applicable local, state and federal laws, ordinances, rules, regulations and orders. Landlord shall indemnify, defend, protect and hold harmless Tenant, its officers, employees, agents, successors, and assigns from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses, costs or expenses (including reasonable attorney fees) arising from or caused in whole or in part, directly or indirectly, by Landlord's breach of the covenants contained in this paragraph. This indemnification shall survive the expiration or other termination of this Lease.

G. If Tenant or any party claiming under Tenant remains in possession of the Leased Premises or any part thereof after any termination or expiration of this Lease, Landlord, in Landlord's sole discretion, may, as its sole and liquidated damages, treat such holdover as an automatic renewal of this Lease for a month-to-month tenancy at a rent equal to one hundred fifty percent (150%) of the Minimum Rent provided herein, subject to all the terms and conditions of this Lease provided herein.

H. Notwithstanding anything in this Lease to the contrary, it is agreed that should Tenant exercise any of its express rights under this Lease to deduct from Rent hereunder amounts owing by Landlord to Tenant which Landlord and/or Mortgagee shall have failed to reimburse within the time allowed after demand, any amounts allowed to be so deducted by Tenant from Rent shall be up to a maximum of \$10,000 in the aggregate for any one (1) year period, except for amounts paid by Tenant to complete the initial construction of the Leased Premises in accordance with approved plans and specifications.

I. Tenant acknowledges that the Leased Premises are subject to that certain Testing and Remediation License Agreement, a copy of which is attached hereto as Exhibit "D".

Easements, Covenants, Restrictions, Etc.

SECTION 39. Tenant's obligations under this Lease are contingent upon Landlord and the owner(s) of the property contiguous to the Leased Premises as shown on Exhibit "A" entering into a written agreement in recordable form regarding easements, covenants and restrictions in substantially the same form as attached hereto as Exhibit "E" (the "ECR"). Prior to the Commencement Date, Landlord shall record the ECR in the Public Records of Jefferson County, Texas. Landlord agrees to join in the termination of the ECR with Tenant should Tenant determine in its sole discretion that the ECR interferes with Tenant's use or operation of the Leased Premises.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed under seal by their respective duly authorized representatives as of the day and year first above written.

"LANDLORD"

WITNESSES as to Landlord:

Susant Zimmerman
Printed Name: Susant Zimmerman
Melissa Robles
Printed Name: Melissa Robles
Susant Zimmerman
Printed Name: Susant Zimmerman
Melissa Robles
Printed Name: Melissa Robles

BEAUMONT SE, L.P., a Texas limited partnership

By: Shelby/Estus Realty Group, Inc., a Texas corporation, as its General Partner

By: Bruce Shelby
Bruce Shelby, CEO

By: Thomas Estus
Thomas Estus, President

"TENANT"

WITNESSES as to Tenant:

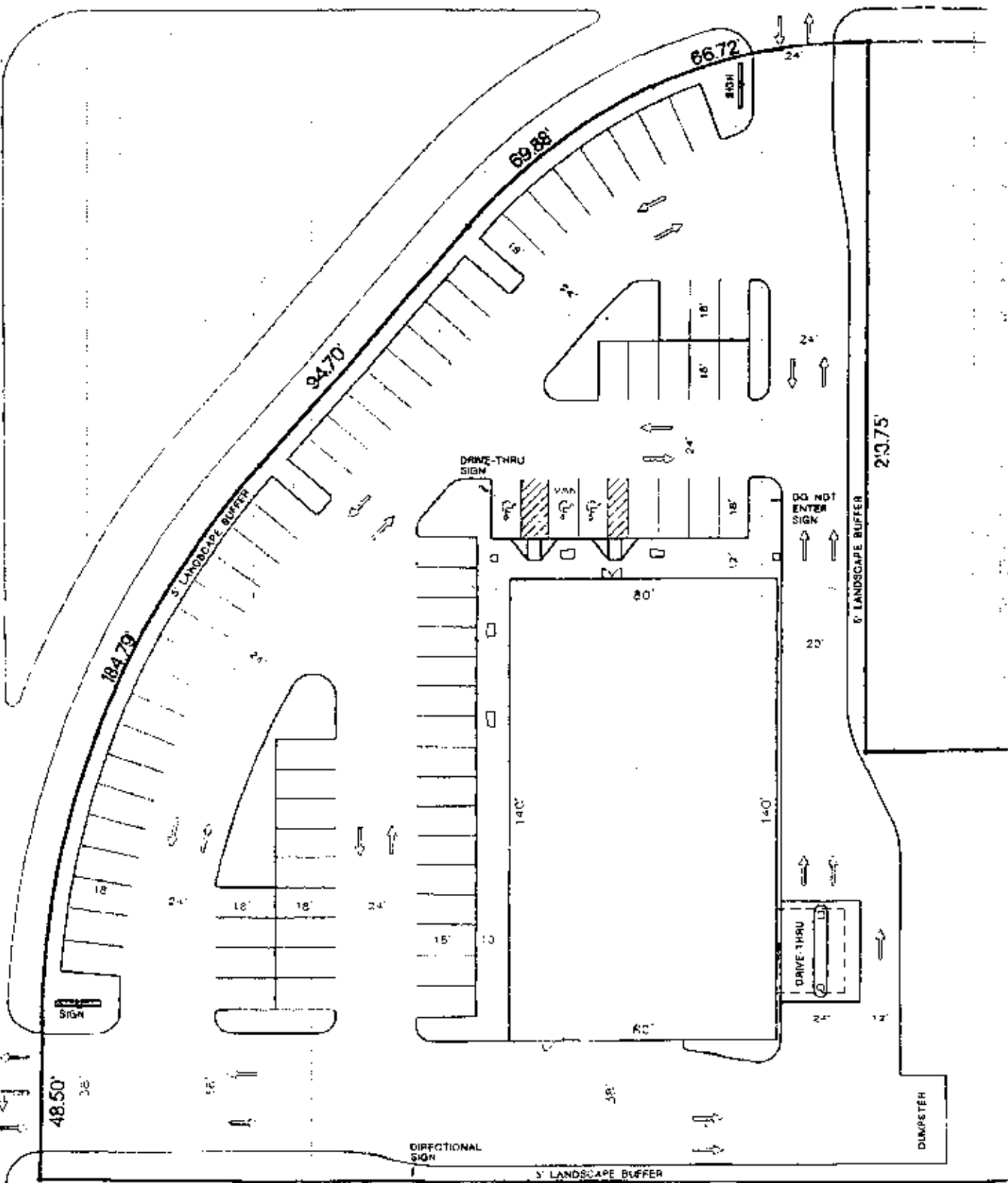
Barbara Cecil
Printed Name: Barbara Cecil
Barbara Cecil
Printed Name: BARBARA CECIL

ECKERD CORPORATION, a Delaware corporation

By: Thomas M. Nash
Thomas M. Nash
Vice President, Real Estate

COLLEGE STREET

UTM ST.



378.90'