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TERM AGREEMENT

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AGREEMENT, dated as of this 1st day of NOVEMBER, 1998, by and between RD MERRILLVILLE ASSOCIATES, L.P., a Delaware limited partnership, having an address of c/o Acadia Management Company, LLC, 20 Soundview Marketplace, Port Washington, New York 11050 (hereinafter called the "Landlord"), and J. C. PENNEY COMPANY, INC., a Delaware corporation, having a mailing address of P. O. Box 10001, Dallas, Texas 75301-2105 (hereinafter called the "Tenant");

WITNESSETH:

WHEREAS, by Lease, dated as of January 27, 1997, between Landlord and Tenant, a Memorandum of which was recorded in the Office of the Recorder, County of Lake, and State of Indiana, on March 6, 1997, as Document No. 97014213, Landlord demised and leased unto Tenant certain premises in the Merrillville Plaza Shopping Center, Merrillville, Indiana, for a term, commencing on the earlier of (i) one hundred twenty (120) days after delivery of the demised premises by Landlord to Tenant in the condition required by the article of the Lease captioned "DELIVERY OF PREMISES", or (ii) the date on which Tenant opens to the public for business, and continuing thereafter to and including the date ten (10) years from the first day of the first month immediately following such commencement date, unless sooner terminated or extended as provided therein; and

NOW, THEREFORE, the parties hereto agree as follows:

1. The term of said Lease commenced on January 16, 1998, and shall continue until January 31, 2008, unless sooner terminated or extended as provided therein.
2. The first "Lease Year" shall be considered to commence on January 16, 1998, and to expire on January 31, 1999.
3. The second "Lease Year" shall be considered to commence on February 1, 1999, and to expire on January 31, 2000, and all subsequent Lease Years shall begin and terminate on the same dates in subsequent years.

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

RD MERRILLVILLE ASSOCIATES, L.P.

ATTEST:

By: [Signature]
Robert Masters, Secretary

By: RD Merrillville, Inc.
Its: General Partner

By: [Signature]
Kenneth F. Bernstein
Vice President

ATTEST:

[Signature]
Assistant Secretary



J. C. PENNEY COMPANY, INC.

By: [Signature]
Vice President

NORTHWEST INDIANA TITLE SERVICES, INC.
162 Washington Street
Lowell, Indiana 46353
760-0727 or 896-0100

1400
5099

STATE OF ~~INDIANA~~ ^{New York})
)SS.:
COUNTY OF ~~NASSAU~~)

On this the 1st day of June, 1998, before me, a Notary Public duly authorized in and for the said County in the State aforesaid to take acknowledgments, personally appeared Kenneth F. Bernstein, to me known and known to me to be Vice President of RD MERRILLVILLE INC., a Delaware corporation, general partner of RD MERRILLVILLE ASSOCIATES, L.P., a Delaware limited partnership, and acknowledged that as such officer, being authorized so to do, he executed the foregoing instrument on behalf of said corporation and limited partnership, as his free and voluntary act, and as the free and voluntary act of said corporation and limited partnership, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

MOLLYANN QUINN MILIUS
NOTARY PUBLIC, State of New York
No. 30-4898994
Qualified in Nassau County
Commission Expires 4-4-00

Mollyann Milius
Notary Public

STATE OF TEXAS)
)SS.:
COUNTY OF COLLIN)

Document is
NOT OFFICIAL!

This Document is the property of
the Lake County Recorder!

This instrument was acknowledged before me on the 9th day of June, 1998, by Michael Lowenkron, a Vice President of J. C. PENNEY COMPANY, INC., a Delaware corporation, on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

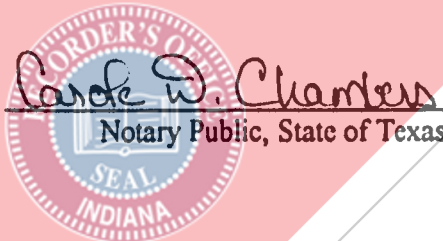


EXHIBIT A

The tract of land which, with the improvements erected and to be erected thereon, comprise the Entire Premises is situated in the Township of Ross, County of Lake, and State of Indiana, and is more particularly described as follows:

PARCEL 1: PART OF THE NORTH HALF OF SECTION 23, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN LAKE COUNTY, INDIANA, LYING SOUTHWESTERLY OF THE 100 FOOT RIGHT OF WAY OF THE CHESAPEAKE AND OHIO RAILROAD AND NORTH OF THE 200 FOOT RIGHT OF WAY OF U. S. HIGHWAY NO. 30, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 23; THENCE SOUTH 02 DEGREES 42 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID SECTION 23 A DISTANCE OF 1,258.66 FEET TO THE POINT OF BEGINNING OF THIS DESCRIBED PARCEL; THENCE NORTH 87 DEGREES 18 MINUTES 00 SECONDS EAST, 721.33 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID 100 FOOT WIDE CHESAPEAKE AND OHIO RAILROAD RIGHT OF WAY; THENCE SOUTH 62 DEGREES 42 MINUTES 00 SECONDS EAST ALONG SAID SOUTH RIGHT OF WAY, 819.41 FEET TO A POINT 1,652.33 FEET, SOUTH 62 DEGREES 42 MINUTES 00 SECONDS EAST, FROM THE WEST LINE OF SAID SECTION 23 AND MEASURED ALONG THE SOUTH LINE OF SAID RAILROAD RIGHT OF WAY; THENCE SOUTH 27 DEGREES 18 MINUTES 00 SECONDS WEST, 354.33 FEET; THENCE NORTH 62 DEGREES 42 MINUTES 00 SECONDS WEST, 36.92 FEET; THENCE SOUTH 27 DEGREES 18 MINUTES 00 SECONDS WEST, 614.54 FEET, MORE OR LESS, TO THE NORTHERLY RIGHT OF WAY LINE OF U. S. HIGHWAY NO. 30; THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID HIGHWAY, 44.97 FEET; THENCE NORTH 01 DEGREES 35 MINUTES 00 SECONDS WEST, 43.06 FEET; THENCE NORTH 88 DEGREES 25 MINUTES 00 SECONDS EAST, 17.0 FEET; THENCE NORTH 01 DEGREES 35 MINUTES 00 SECONDS WEST, 150 FEET; THENCE SOUTH 88 DEGREES 25 MINUTES 00 SECONDS WEST, 326.65 FEET; THENCE SOUTH 01 DEGREES 35 MINUTES 00 SECONDS EAST, 193.56 FEET TO THE NORTHERLY RIGHT OF WAY OF U. S. HIGHWAY NO. 30; THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID HIGHWAY, 210 FEET TO THE EAST LINE OF THE AMERICAN OIL PROPERTY DESCRIBED IN DEED RECORDED ON APRIL 12, 1965, IN DEED RECORD 1288, PAGE 199; THENCE NORTH 02 DEGREES 42 MINUTES 00 SECONDS WEST, 191.812 FEET ALONG SAID EAST LINE; THENCE SOUTH 87 DEGREES 18 MINUTES 00 SECONDS WEST, 350 FEET TO A POINT ON THE WEST LINE OF SAID SECTION 23, THAT IS 2,287.90 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SECTION 23; THENCE NORTH 02 DEGREES 42 MINUTES 00 SECONDS WEST, 1,029.24 FEET TO THE POINT OF BEGINNING.

PARCEL 2: NON-EXCLUSIVE RIGHT TO USE FOR INGRESS AND EGRESS THE EXISTING ACCESS ALONG AND ADJACENT TO THE SOUTHEAST CORNER OF PARCEL 1 ABOVE, TO AND FROM U. S. 30, AS CREATED IN THE DECLARATION OF EASEMENTS, COVENANTS AND CONDITIONS RECORDED JANUARY 30, 1979, AS DOCUMENT NO. 513561, UPON THE TERMS AND PROVISIONS THEREIN PROVIDED.

Attached to and forming part of Term Agreement, dated as of June 1, 1998, by and between RD MERRILLVILLE ASSOCIATES, L.P., as Landlord, and J. C. PENNEY COMPANY, INC., as Tenant, covering premises at Merrillville, Indiana.

Initialed for
identification
for Landlord:

By: MFB

Initialed for
identification
for Tenant:

By: N/B
Attorney