

STATE OF ALABAMA)
COUNTY OF SHELBY)

LEASE AGREEMENT

THIS LEASE, made this 16 day of April, 1985, between JAMES T. JOHNSON, JR., JAMES T. JOHNSON, III, C. AUSTIN JOHNSON and DONALD N. GUTHRIE, c/o James T. Johnson & Company, Suite 313, 813 Shades Creek Parkway, Birmingham, Alabama 35209 (hereinafter called "Landlord") and BIG B, INC., 201 8th Street West, Birmingham, Alabama, 35202, (hereinafter called "Tenant"), which terms Landlord and Tenant shall include, whatever the context admits or requires, singular and plural, and the heirs, legal representatives, successors and assigns of the respective parties;

W I T N E S S E T H:

That the Landlord, in consideration of the covenants of the Tenant, does hereby lease and demise unto said Tenant, and the Tenant hereby agrees to take and lease from the Landlord, for the term hereinafter specified, the following described premises:

PREMISES:

That certain store building, approximately 85 feet in width by 100 feet in depth, a loading dock as shown on Exhibit "A" attached thereto, containing approximately 8,500 square feet, and the land on which both the same shall stand and the land comprising the automobile parking areas (hereinafter collectively called the "demised premises" or the "leased premises"), which store building and related improvements, including the parking area and entrances and exits to the demised premises, are in the location and of the dimensions as outlined in red on the plot plan attached

James T. Johnson & Co.
813 Shades Creek Pkwy

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hereto, marked Exhibit "A" and by this reference made a part hereof. The demised premises are located in the City of Columbiana, County of Shelby, State of Alabama, the legal description of the demised premises being described in Exhibit "B" attached hereto and made a part hereof.

The parties hereto acknowledge and agree that in the event Landlord should desire to construct a building on that portion of the real property marked "Future Building Area" on Exhibit "A", and provided that Landlord and Tenant shall agree on the terms of a cross-easements agreement, then this lease shall terminate as to that portion of the real property, and Landlord and Tenant shall enter into an agreement effecting such partial termination.

TERM:

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FOR THE TENANT TO HAVE AND TO HOLD from the date when Tenant opens said premises for the transaction of its business as hereinafter provided for an initial term of fifteen (15) years from the commencement date (commencement date being the date when rent shall begin to accrue under this lease as hereinafter provided), if such date of commencement of the term hereof shall occur on the first day of a calendar month, and if not, such term shall commence upon the first day of the calendar month next following the date of commencement. The parties agree to execute a supplemental agreement fixing the commencement and termination dates of the term hereof when the same shall have been determined as herein provided.

This lease is granted and accepted upon the foregoing and upon the following terms, covenants, conditions and stipulations:

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1. USE:

(a) The demised premises may be used for a retail super drug store, including, but not limited to, sale of drug items, and drugs prepared and compounded from prescriptions of medical doctors, health and beauty aids, sale of other general merchandise, commodities and services, and such other articles commonly sold in other super drug stores in the State of Alabama, or for the conduct of any other lawful business. Tenant shall not do or permit anything to be done in or about the premises, or bring or keep anything therein, which will in any way increase the rate of fire insurance upon the building wherein the premises are situated. Tenant shall promptly comply with all laws, ordinances, orders and regulations affecting the premises, and the cleanliness, safety, occupation, and use of the same. No auction, fire or bankruptcy sales may be conducted in the premises without Landlord's consent.

(b) Tenant shall not perform any acts or carry on any practices which may injure the building of which the premises form a part, and shall keep the premises and the walkways adjacent to the premises and any loading platform and service area and freight elevators clean and free from rubbish and dirt at all times, and shall store all trash and garbage within the premises and arrange for the regular pick-up of such trash and garbage at Tenant's expense. Tenant shall not burn any trash or garbage of any kind in or about the premises.

2. LANDLORD'S COVENANT:

Landlord covenants, represents and warrants that no property owned or controlled, directly or indirectly, by Landlord or his assignees or vendees within a one-half mile radius of the demised premises shall be leased, rented, used or occupied for the operation of a retail super drugstore

engaged in the sale of drug items, and drugs prepared and compounded from prescriptions of medical doctors.

3. RENTAL:

(a) Minimum Guaranteed Rental During First Five Years of Primary Term.

During the first five (5) years of the primary term, Tenant agrees to pay to Landlord as minimum guaranteed rental the sum of Forty-Two Thousand Seventy-Five and No/100 Dollars (\$42,075.00) per annum. Such minimum guaranteed rental during the first five (5) years of the primary term shall be paid in twelve (12) equal monthly installments of Three Thousand Five Hundred Six and 25/100 Dollars (\$3,506.25) per month, which installments shall be due and payable in advance on the first day of each and every calendar month during the first five (5) years of the primary lease term.

(b) Minimum Guaranteed Rental During Second Five Years of Primary Term.

During the second five (5) years of the primary term, Tenant agrees to pay to Landlord as minimum guaranteed rental the sum of Forty-Six Thousand Three Hundred Twenty-Five and No/100 Dollars (\$46,325.00) per annum. Such minimum guaranteed rental during the second five (5) years of the primary term shall be paid in twelve (12) equal monthly installments of Three Thousand Eight Hundred Sixty and 42/100 Dollars (\$3,860.42) per month, which installments shall be due and payable in advance on the first day of each and every calendar month during the second five (5) years of the primary lease term.

(c) Minimum Guaranteed Rental During Last Five Years of Primary Term.

During the last five (5) years of the primary term, Tenant agrees to pay to Landlord as minimum guaranteed rental

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the sum of Fifty Thousand Five Hundred Seventy-Five and No/100 Dollars (\$50,575.00) per annum. Such minimum guaranteed rental during the last five (5) years of the primary term shall be paid in twelve (12) equal monthly installments of Four Thousand Two Hundred Fourteen and 58/100 Dollars (\$4,214.58) per month, which installments shall be due and payable in advance on the first day of each and every calendar month during the last five (5) years of the primary lease term.

(d) Percentage Rental During Primary Term and Extended Terms.

In addition, the Tenant agrees to pay to the Landlord a percentage rental equal to the amount, if any, by which two percent (2%) of Tenant's gross sales made from the demised premises in each fiscal year ending January 31 during the term of the lease, and any extensions thereof, exceeds (i) the annual minimum guaranteed rental of \$42,075.00 paid each such fiscal year during the first five (5) years of the primary term; (ii) exceeds the annual minimum guaranteed rental of \$46,325.00 paid each such fiscal year during the second five (5) years of the primary term; (iii) exceeds the annual minimum guaranteed rental of \$50,575.00 paid each such fiscal year during the last five (5) years of the primary term; and (iv) exceeds the annual minimum guaranteed rental required to be paid during each year of any extended period, as hereinafter provided.

Any excess rent which may become due by reason of the percentage of sales provision shall be payable by the Tenant within sixty (60) days after the expiration of each fiscal year. However, upon final termination of the lease, if not extended, or upon termination of the last extension thereof, any excess rent which may be due by reason of said percentage of sales provision shall be payable by Tenant within sixty (60) days after such termination or expiration

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of the leasehold. The percentage rent for each fiscal year shall be calculated separately and without reference to the volume of sales of any other year. For purposes of calculating the percentage rental due hereunder, the Tenant's fiscal year shall be from February 1 of each year to January 31 of the next year. The first monthly installment of rental shall be due on the first day of the next succeeding complete calendar month after the date the lease commences as hereinabove provided, and shall include any rent due for the preceding fractional month. Both guaranteed rental and percentage rental for fractional years and fractional months occurring at the beginning and end of the term, or any extension thereof, shall be prorated on the basis of the annual rental.

(e) Gross Sales.

The term "gross sales" as used herein shall mean the aggregate gross sales price of all merchandise sold, and gross charges for all services rendered in or from the demised premises, both for cash and on credit; provided, however, such term shall not include (1) any sales tax, gross receipts tax, or similar tax by whatever name called, the amount of which is determined by the amount of sales made, and which Tenant may be required to collect and account for to any governmental agency; (2) transfers of merchandise made by the Tenant from the demised premises to any other stores or warehouses of Tenant or its affiliated companies; (3) credits or refunds made to customers for merchandise returned or exchanged; (4) accommodation sales, such as sales of postage stamps, government bonds or savings stamps or similar items; (5) returns of merchandise to suppliers or manufacturers; (6) net amount of discounts allowed to any customer, including discounts resulting from the issuance to customers of trading stamps, receipts or coupons for exchange of merchandise or other things of value; (7) merchandise or

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other things of value issued in redemption of trading stamps or as a premium in connection with any sales promotion program; (8) receipts or commissions from public pay telephones; (9) receipts, earnings, commissions, compensation or charges of any kind for services or activities of any nature rendered or performed by any bank, building and loan association, or other financial institution occupying space in the leased premises to or on behalf of any of its customers; (10) sales by postal substations; (11) sales of fixtures, machinery or equipment after use thereof in the conduct of Tenant's business in the leased premises; (12) all sales at discount to Tenant's employees; (13) all receipts from the sales of tobacco, tobacco products, beer and wine and any other alcoholic beverages; and (14) service and interest charges for time payment accounts and charge accounts. Tenant makes no representation or warranty as to the amount of sales it expects to make in the demised premises.

(f) Record of Sales.

The Tenant shall keep complete and accurate books and records of its gross sales made from the demised premises, which books and records shall be kept by the Tenant at the office address hereinafter designated for notices. At the end of each fiscal year, or at the end of the leasehold, if it sooner occurs, and at such time as the percentage rental shall be payable by Tenant as hereinabove provided, the Tenant shall submit to the Landlord a written statement of the gross sales made by Tenant from the demised premises during the preceding fiscal year. Such statement of sales shall be treated as confidential by the Landlord and shall be conclusive unless the Landlord, within ninety (90) days after receipt thereof, shall cause applicable records to be audited in a manner not to unreasonably interfere with Tenant's business by a certified public accountant employed and paid

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by the Landlord. If such audit shall disclose a liability for rent to the extent of three percent (3%) or more in excess of the rentals theretofore computed and paid by Tenant for such period, Tenant shall promptly pay Landlord the cost of such audit in addition to the deficiency, which deficiency shall be payable in any event.

Landlord may disclose Tenant's sales statements to any present or future mortgagee or prospective purchaser of the demised premises provided any such mortgagee or prospective purchaser shall treat said sales statements as confidential.

(g) Confidentiality.

Any information obtained by Landlord pursuant to the provisions of this paragraph shall be treated as confidential, except in any litigation or arbitration proceedings between the parties, and except further that Landlord may divulge such information to a prospective buyer or encumbrancer of the premises.

4. CONSTRUCTION:

Landlord shall, at its sole cost and expense, construct the building and other improvements on the real property described in Exhibit "B" attached hereto in the location as shown on the plot plan, a copy of which is attached hereto as Exhibit "A". The building and other improvements to be constructed by Landlord, at its sole cost and expense, will be constructed in accordance with plans and specifications to be approved by both Landlord and Tenant, which said plans and specifications shall include the paving of all of the areas in the real property described in Exhibit "B" attached hereto surrounding the building to be occupied by Tenant as shown on Exhibit "A". Such plans and specifications are to be approved by both Landlord and Tenant, and once so approved will be initialed by both

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parties and, when initialed, shall constitute a part of this lease as though fully set out herein. Said plans and specifications shall provide for a completed store building, commonly referred to as a "lock and key job", to be located within the demised premises, and shall include, but without limitation, the following: Air conditioning and heating equipment including insulated duct work with registers and grilles and roof or ceiling structural system adequately designed to support said air conditioning and heating equipment, plumbing and plumbing fixtures, drains, interior walls and partitions, electrical wiring, lighting fixtures to Tenant's requirements, vinyl asbestos flooring in the sales area and hardened concrete in warehouse and storage areas (color at Tenant's option), connection of air conditioning and heating equipment and connections to all utilities. Said plans and specifications will also include the paving for automobile parking purposes of all of the areas surrounding the building as shown in the plot plan attached hereto as Exhibit "A".

5. COMPLETION DATE:

Landlord covenants and agrees that the improvements on the demised premises, as hereinabove referred to, shall begin not later than thirty (30) days from the execution of this lease by all parties, and shall be completed not later than August 30, 1985, and if the same shall not be begun or completed by the respective dates, the Tenant, at its option, may, in either of such events, cancel and terminate this lease or may extend the Landlord additional time for the beginning or completion of construction; provided, however, that if, after the beginning of construction, the Landlord's failure to complete said improvements within the stipulated time shall be due to acts of God, strikes, riots, fire, flood, war, delay of carriers,

material shortages, embargoes or inclement weather, or other similar happenings which are beyond the control of Landlord, and provided, further, the improvements shall be completed with all due diligence commensurate with such delay and in all events not later than November 30, 1985, said option to terminate shall not arise.

Landlord shall give at least forty-five (45) days' advance written notice to Tenant of the date Tenant's building leased hereunder will be completed and ready for Tenant's inspection, occupancy and use. Upon receiving said forty-five (45) day notice, Tenant shall be permitted to enter said building for the purpose of storing and installing fixtures, equipment and merchandise, and preparing for opening of Tenant's retail store operation therein. The parties hereto agree that such entry by Tenant does not constitute acceptance of the premises as being completed or as a waiver of any of the provisions hereof; that Tenant shall not interfere with completion of construction work; and that Landlord shall have no liability for damage or loss to Tenant's property placed in said building except for Landlord's negligence or willful act or default hereunder.

6. COMMENCEMENT DATE:

The commencement date of this lease, which is the date upon which rent shall begin to accrue hereunder, shall be the date that Tenant opens its store for business in the leased premises, or upon the expiration of thirty (30) days following the completion by Landlord of Tenant's store building and other improvements, including the paving of all of the common areas, including parking areas and entry and exit ways, loading areas, etc., all in accordance with the plans and specifications as hereinabove referred to, whichever of said two dates shall sooner occur. No acceptance of possession of the demised premises, opening for business by

Tenant nor payment of rent under this lease shall constitute acceptance by Tenant of defective work or materials or of work not completed in accordance with plans and specifications.

7. PARKING AND COMMON AREAS:

At all times during the term of this lease and any extensions thereof, Landlord agrees, at its sole cost and expense, to maintain the surfaced parking area substantially as shown on Exhibit "A" attached hereto, and to maintain the entry and exit ways, loading dock areas, etc., and to keep the said areas free from any potholes and to resurface the same at such intervals as may be required. Landlord also agrees, at its sole cost and expense, to maintain the light standards and other lighting facilities in the parking area, during the entire term of this lease, or any extensions hereof, including without limitation, the furnishing of light bulbs and other lighting equipment. It is further agreed that the painting and striping of the parking areas from time to time as necessary will be the responsibility of Landlord, at Landlord's expense. Tenant agrees to pay the entire cost of all electricity used in lighting the parking areas and to sweep and keep the parking areas in a clean condition.

8. UTILITIES:

Landlord covenants and agrees that the demised premises shall be properly serviced with gas, electricity, telephone, water, sewer and other utilities sufficient to meet Tenant's requirements as of the commencement of the lease term. Tenant shall pay all charges for utility services furnished to the demised premises during the lease term.

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9. TENANT'S REPAIRS:

Tenant agrees to keep the interior of the demised premises in good condition and repair, excepting structural repairs and all repairs which are the responsibilities of the Landlord or which are made necessary by reason of fire and other unavoidable casualties covered by Landlord's fire and extended coverage insurance, and excepting reasonable wear and tear.

Within the repair responsibilities of Tenant shall be included: floor surfacing; interior, exposed plumbing and wiring; heating, air-conditioning and grilles; and windows and plate glass; except such damage caused by faulty construction or settling of the building or covered by Landlord's fire and extended coverage insurance which shall be the responsibility of Landlord. Landlord hereby agrees to transfer to Tenant all warranties Landlord may have on any of the fixtures and equipment which are to be maintained by Tenant.

10. LANDLORD'S REPAIRS:

The Landlord shall, at its cost and expense, maintain the exterior of Tenant's store building, including the roof, gutter, downspouts, exterior painting, masonry walls, foundation and structural members, and the exterior concealed plumbing (including septic tank, if any), and exterior wiring, of the store building in good condition and repair, and shall make any and all structural repairs to both the exterior and interior of said premises. If any portion of the store building, which is the responsibility of the Landlord, shall at any time be in need of repair, Landlord will repair same immediately upon receipt of written notice from Tenant to do so, except that the Landlord shall not be obligated to make or pay for any repairs to Tenant's store building rendered necessary by the fault, act or negligence

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of the Tenant, or any of its servants, agents or employees, except in the case of damage by fire or the elements, or other casualty covered by Landlord's fire and extended coverage insurance.

Any provision hereinabove to the contrary notwithstanding, in no event shall Landlord be liable for damages or injuries arising from the failure to make any of the repairs which Landlord is obligated to make as hereinabove set forth, or for damages or injuries arising from defective workmanship or materials in connection with such repairs, except to the extent of the reasonable cost which Tenant may incur in making such repairs. Landlord shall not be liable for any deaths, injury, loss or damage resulting from any repair or improvement undertaken, voluntarily or involuntarily, for and on behalf of Landlord, other than willful and wrongful acts of Landlord.

If in order to protect the Tenant's property in the store building it shall be necessary to make emergency repairs to any portion thereof which is the responsibility of the Landlord to repair, or if the Landlord after receipt of notice as above provided fails or neglects to make with all due diligence such other repairs to the store building or parking area which are the responsibility of the Landlord, the Tenant shall have the right to make such repairs and to deduct from the rental installments then due or thereafter to become due such sums as may be necessary to reimburse the Tenant for the money expended or expense incurred by it in making such repairs. Landlord further covenants that the store building will be so constructed and maintained at all times so as structurally (exclusive of fixtures, equipment, floor coverings, wall coverings and finished ceilings) to comply with and conform to the requirements prescribed by any and all ordinances, statutes, rules or regulations of municipal or other governmental authority relating to public

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health and sanitation or safety, and that Landlord will promptly make any changes or alterations in the premises which may become necessary in order that said premises may conform to such ordinances, statutes, rules or regulations now in force or which may be hereafter passed, adopted or promulgated.

11. SIGNS:

Tenant may place, erect and maintain any signs selected by Tenant, which such signs shall conform to any governmental regulations pertaining thereto and shall remain the property of Tenant and may be removed at any time during the term of this lease or any extension thereof, provided Tenant shall repair or reimburse Landlord for the cost of any damage to the demised premises resulting from the installation or removal of such signs.

12. FIXTURES AND INTERIOR ALTERATIONS:

The Tenant, at its own expense, and without approval of Landlord, may from time to time during the term of this lease make any interior alterations, additions and improvements in and to the demised premises which it may deem necessary or desirable and which do not adversely affect the structural integrity thereof; but it shall make them in a good workmanlike manner and in accordance with all valid requirements of municipal or other governmental authorities. All permanent structural improvements shall belong to the Landlord and become a part of the premises upon termination or expiration of this lease.

Tenant may construct and build or install in said premises any and all racks, counters, shelves and other fixtures and equipment of every kind and nature as may be necessary or desirable in the Tenant's business, which racks, counters, shelves and other fixtures and equipment shall at

all times be and remain the property of the Tenant; and Tenant shall have the right to remove all or any part of the same from said premises at any time; provided, Tenant shall repair or reimburse Landlord for the cost of repairing any damage to said premises resulting from the installation or removal of such items.

13. INDEMNIFICATIONS:

Tenant agrees to indemnify and save harmless the Landlord from any claim or loss by reason of an accident or damage to any person or property happening on or about the demised premises; and Tenant further agrees to carry, at its expense, public liability insurance coverage in a company qualified to transact business in the state in which the demised premises are located, stipulating limits of liability of not less than \$200,000.00 for an accident affecting any one person; not less than \$500,000.00 for an accident affecting more than one person; \$50,000.00 property damage; and together with an umbrella liability policy in the amount of not less than Five Million Dollars (\$5,000,000). Certificate of such coverage from the insurer providing thirty (30) days' notice to Tenant prior to cancellation or termination shall be furnished to Landlord.

14. CLEANLINESS:

Tenant shall at all times keep the interior of the store building in a reasonably neat and orderly condition and shall keep the entryways and delivery areas adjoining the building reasonably clean and free from rubbish and dirt. Tenant will not make or suffer any waste of the premises or permit anything to be done in or upon the demised premises creating a nuisance thereon, and Tenant further agrees to permit the Landlord or its agent at all reasonable times to

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enter upon the premises for making repairs and for examining or showing the same to prospective purchasers.

15. FIRE:

In the event that the leased premises are partially damaged or totally destroyed by fire, casualty or other disaster, the term of this lease shall not be affected thereby except as hereinafter provided. In the event that the building on the leased premises is damaged or destroyed by fire, casualty or other disaster, Landlord shall promptly cause the same to be restored to its prior existing condition; provided, however, Landlord shall have whatever time is reasonably necessary to adjust the loss with the insurance companies insuring the leased premises at the time of the happening of the fire or other casualty, and due allowance shall be made for delay occasioned by strikes, walkouts and conditions beyond the control of Landlord. In the event Landlord fails to completely restore and rebuild same within six (6) months after such fire, casualty or disaster, then and in that event Tenant may, at its option, elect to terminate and cancel this lease, in which event this lease shall, upon written notice from Tenant to Landlord, be terminated and cancelled and neither party shall thereafter have any further obligation with respect to the other. Should the leased premises or a portion thereof be rendered untenable by reason of damage or destruction thereof by fire, casualty or other disaster during the term of this lease, as provided in this paragraph, rent shall abate in proportion to the area of the leased premises rendered untenable from the date of the happening of the fire or other casualty or disaster up to the date of the restoration of the premises; provided, however, no rent shall accrue for any portion of the premises unless Tenant is able to conduct its usual business in that portion of the premises which

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remains tenantable. If at the date of the happening of the fire, casualty or other disaster Tenant shall have paid any rent for a period beyond such date, Tenant shall be entitled to a proportionate refund.

Tenant agrees, upon notice from Landlord, to remove such fixtures and other property from the leased premises as shall be required by Landlord for such restoration work and agrees to permit Landlord, its agents, servants, employees and contractors to enter upon the leased premises and remain thereon without molestation for the purpose of restoring the leased premises. Should Tenant have paid any rent upon the leased premises beyond the date of termination, as in this paragraph provided, Tenant shall ~~be~~ entitled to a proportionate refund.

If Tenant desires to insure any merchandise or other property located within the demised premises, it shall do so at Tenant's expense; and Tenant expressly waives any and all claims against Landlord for loss or damage to any such merchandise or other property, whether or not covered by Tenant's insurance, regardless of the cause of such damage, including, without limitation, damage resulting from negligence of Landlord, its agents, servants or employees; provided that the insurance of such merchandise and property obtained by Tenant shall contain a waiver of subrogation clause by which the insurance companies waive all right of recovery from Landlord, its agents, servants or employees.

Landlord agrees to carry fire and extended coverage insurance on Tenant's building in an amount not less than eighty percent (80%) of the full insurable value thereof, above foundation walls, and hereby expressly waives any and all claims against the Tenant for loss or damage due to fire, explosion, windstorm, or other casualty covered by such insurance, regardless of the cause of such damage, including, without limitation, damage resulting from the negligence of

the Tenant, its agents, servants or employees; provided, that the insurance carried by Landlord on its building occupied by Tenant shall contain a waiver of subrogation clause waiving the right of recovery by the insurance company or companies from Tenant, its agents, servants and employees.

16. QUIET ENJOYMENT:

The Landlord covenants, warrants and represents that upon commencement of the lease term, the demised premises will be free and clear of all liens and encumbrances superior to the leasehold hereby created, except for current taxes and except for any existing mortgage, in connection with which Landlord is to provide Tenant with a Non-Disturbance and Attornment Agreement prior to the commencement of the lease term (providing, in substance, that so long as Tenant shall faithfully discharge the obligations on its part to be kept and performed under the terms of this lease, its tenancy shall not be disturbed, nor shall this lease be affected by any default under such mortgage; that in the event of the foreclosure or enforcement of such mortgage, the rights of Tenant hereunder shall expressly survive, and that this lease shall in all respects continue in full force and effect provided that Tenant fully performs all of its obligations under the lease; and that in the event of foreclosure or enforcement of such mortgage, Tenant will attorn to and recognize as its landlord the owner of the said mortgage or the purchaser of the leased premises at any foreclosure sale conducted in connection with such mortgage). Landlord further covenants, warrants and represents that the Landlord has full right and power to execute and perform this lease and to grant the estate demised herein; and that the Tenant on paying the rent herein reserved and performing this lease and the covenants and agreements of same, shall peaceably and quietly have, hold and enjoy the demised

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premises, and all rights, easements, appurtenances and privileges belonging or in anywise appertaining thereto, during the full term of this lease and any extensions thereof.

The Landlord warrants the non-existence of any zoning or other restriction preventing or restricting use of the demised premises as permitted in Paragraph 1 hereof or use of the parking areas for parking purposes.

17. TAXES AND LIENS:

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All obligations secured by any mortgage which may be placed on the demised premises by Landlord or other lien upon the demised premises shall be promptly paid by the Landlord when due. The Tenant may perform, acquire or satisfy any lien, encumbrance, agreement or obligation of the Landlord which may threaten its enjoyment of the premises; and if it does so it shall be subrogated to all rights of the obligee against the Landlord or the premises or both and shall be reimbursed by the Landlord for resulting expenses and disbursements together with interest thereon at twelve percent (12%) per annum.

18. CONDEMNATION:

If there is a partial taking of the demised premises by eminent domain, as the result of which the ground floor area is reduced by not more than ten percent (10%), the term of this lease will continue and Landlord, at Landlord's expense, will restore the remaining premises to a complete architectural unit with store front, signs and interior of equal appearance and utility as they had previous to the taking, but there will be a pro rata reduction in the rent payable each month and Tenant will have no right to any of the proceeds of such taking. If on the other hand, the taking exceeds ten percent (10%) of the ground floor area,

Tenant may, at Tenant's option, terminate this lease by giving Landlord thirty (30) days' notice in writing; or in the event the improvements are condemned and ordered torn down or removed by a lawful authority, then the term of this lease shall cease as of the date possession shall be taken by such authority, and the rent will be apportioned as of the date of such taking. In the event that any portion of the parking area and access thereto designated as such on Exhibit "A" be taken for any public or quasi-public use, under any statute or by right of eminent domain, or private purchase in lieu thereof, so as to materially or substantially interfere with the conduct of Tenant's business ~~in the demised premises~~, or as to reduce the required ~~parking area~~ by an amount in excess of fifteen percent (15%), Tenant may, at Tenant's option, terminate this lease by giving Landlord thirty (30) days' notice in writing and be liable for rent only up to the time of such taking, provided, however, that Tenant may not terminate the lease in the event Landlord shall make available other reasonably accessible parking area as a substitute for the parking area so taken.

19. DEFAULT:

In the event the Tenant should fail to pay any of the monthly installments of rent reserved herein for a period of more than ten (10) days after the same shall become due and payable, or if the Tenant shall fail to keep or shall violate any other condition, stipulation or agreement herein contained, on the part of the Tenant to be kept and performed, and if either such failure or violation shall have continued for a period of thirty (30) days after the Tenant shall have received written notice by certified or registered mail at its office address hereinafter designated from the Landlord to pay such rent or to cure such violation or failure, then, in any such event, the Landlord at its option,

may either (a) terminate this lease or (b) re-enter the demised premises by summary proceedings or otherwise expel Tenant and remove all property therefrom and relet the premises at the best possible rent obtainable, making reasonable efforts therefor and receive the rent therefrom; but Tenant shall remain liable for the deficiency, if any, between Tenant's rent under this lease and the rent obtained by Landlord on reletting. However, a default (except as to payment of rentals) shall be deemed cured if Tenant in good faith commences performance requisite to cure same within thirty (30) days after receipt of notice and thereafter continuously and with reasonable diligence proceeds to complete the performance required to cure such default.

20. BANKRUPTCY:

The Tenant further covenants and agrees that if, at any time, the Tenant is adjudged a bankrupt, or insolvent under the laws of the United States or of any state, or makes a general assignment for the benefit of creditors, or if a receiver of the property or assets of the Tenant is appointed, and if such shall not be discharged within ninety (90) days after such appointment, then the Landlord may, at its option, declare the term of this lease agreement at an end and shall forthwith be entitled to immediate possession of the said premises as aforesaid.

21. NOTICES:

All rent payments due hereunder and all notices required to be given to Landlord hereunder shall be sent to Landlord in care of James T. Johnson & Company, Suite 313, 813 Shades Creek Parkway, Birmingham, Alabama 35209, and to such other address as Landlord may direct from time to time by written notice forwarded to Tenant by Landlord. All notices required to be given by Landlord to Tenant hereunder

shall be sent to Tenant at Tenant's address at Post Office Box 10166, Birmingham, Alabama, 35202, or to such address as Tenant may direct Landlord by written notice.

22. TERMINATION:

The Tenant will yield up the demised premises and all additions thereto (except signs, equipment and trade fixtures installed by Tenant at its expense) at the termination of the tenancy in as good and tenantable condition as the same are at the beginning of Tenant's occupancy, less reasonable wear and tear, damage by fire and other casualties, and condemnation proceedings by eminent domain excepted, and also excepting any damage, disrepair or other condition that the Landlord is obligated hereunder to repair or correct; provided, however, any provision hereinabove in this paragraph to the contrary notwithstanding, Tenant shall not be required to restore, remove, renovate, reconstruct or rebuild any walls, partitions, windows, doors or other openings or other facilities in the building on the leased premises to the same condition as at the beginning of Tenant's occupancy, but, on the contrary, all improvements then located on the leased premises and all machinery and equipment located thereon, including, but not limited to, heating and air-conditioning, will be delivered to Landlord in their "as is" condition at such time, it being understood and agreed that Tenant shall have no responsibility whatever for repairing or replacing any such machinery and equipment, and that Tenant shall not be responsible for repairing, renovating, restoring or replacing any part of the improvements caused by ordinary and usual wear during the occupancy of the leased premises by Tenant.

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23. HOLDING OVER:

In the absence of any written agreement to the contrary, if Tenant should remain in occupancy of the demised premises after the expiration of the lease term, it shall so remain as a tenant from month to month and all provisions of this Lease applicable to such tenancy shall remain in full force and effect.

24. ARBITRATION:

In the event there should arise a misunderstanding between the parties hereto as to the compliance with the terms and conditions of this lease upon the part of either of the parties hereto, or as to whether the premises tendered by the Landlord have been improved in substantial conformity with said plans and specifications, or as to whether either party has grounds hereunder entitling it to terminate this lease, it is mutually agreed that such differences, if they cannot be satisfactorily adjusted between the parties within thirty (30) days, shall be submitted to a single arbitrator, if the parties hereto agree upon one; otherwise, to a board of three arbitrators, of whom one shall be selected by each party within ten (10) days after such thirty (30) day period and a third person shall be selected by these two; and the decision and award of such single arbitrator, if only one is used, or any two (2) of such board, if three (3) are used, as the case may be, shall be final and binding upon the said parties and their successors and assigns, respectively, and shall have the same force and effect as though any such decision had been handed down by a court of final and competent jurisdiction. Each of the parties hereto covenants to abide by such arbitration decision.

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25. ASSIGNMENT AND SUBLEASING:

The Tenant may, without the consent of the Landlord, assign this lease, or sublease or vacate the demised premises, in whole or in part, subject to the provisions of Paragraph 1 hereinabove entitled "Use"; provided the Tenant herein shall continue to remain liable and responsible for the payment of rentals and due performance of all other terms, covenants and conditions of this lease.

26. TAX INCREASES:

Beginning with the second (2nd) full tax year of the lease term ~~hereof~~ in which the value of both the land and the building ~~thereon~~ shall be assessed for tax purposes, Tenant agrees to pay to Landlord an amount equal to the increase, if any, in ad valorem real estate taxes and assessments for public improvements (or any other taxes adopted by proper governmental authorities as a substitute for or in the nature of ~~real estate~~ taxes) levied against the demised premises in excess of the amount of such taxes for the first (1st) full tax year of the lease term hereof in which the value of both the said land and the building is assessed for tax purposes. Tenant shall be responsible only for its pro rata share of such taxes for any fractional lease year occurring during the period in which Tenant shall be responsible for tax payments as hereinabove described.

The amount of taxes attributable to the demised premises, and for which Tenant is to reimburse Landlord in part, shall be less any abatements, discounts or refunds thereon. Upon request of Tenant, Landlord agrees to exhibit to Tenant the paid tax statements as evidence of the basis upon which increase in taxes is chargeable to Tenant, and such additional rental shall be payable by Tenant on demand after payment by Landlord. All taxes levied against the

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demised premises other than ad valorem real estate taxes shall remain the sole responsibility of Landlord.

Tenant shall have the right from time to time to contest or protest or review by legal proceedings or in such other manner as may be provided, any such taxes, assessments or other governmental impositions aforementioned, and to institute such proceedings in the name of Landlord as Tenant may deem necessary, provided, however, any expenses incurred by reason thereof shall be borne by Tenant and such proceedings conducted free of all expense by Landlord.

27. TENANT TO PAY INCREASE IN LANDLORD'S INSURANCE PREMIUMS:

Beginning with the second (2nd) year following the commencement date of the within lease, and each lease year thereafter, Tenant agrees to pay to Landlord, any increase in the insurance premiums paid by Landlord during the preceding lease year to carry the insurance referred to hereinabove. Tenant shall be responsible only for its pro rata share of such insurance premium increase for any fractional lease year occurring during the period in which Tenant shall be responsible for insurance premium increases as hereinabove described. Tenant agrees to pay such insurance premium increase each year within ten (10) days from receipt from Landlord of a statement covering such increase.

28. LIMITATION OF PERSONAL LIABILITY:

Anything in this lease to the contrary notwithstanding, Tenant agrees that it shall look solely to the estate and property of Landlord in the land and building comprising the demised premises subject to rights of any mortgagee of the premises which may have priority, for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord, in the event of

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any default or breach by Landlord with respect to any of the terms, covenants and conditions of this lease to be observed and/or performed by Landlord; and no other property or assets of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies. Nothing herein contained shall act as a limitation on any right of Tenant to make a deduction from rent as in this lease may be otherwise provided.

29. SELF HELP:

If Landlord shall default in the performance or observance of any agreement or condition in this lease contained on its part to be performed or observed, and if Landlord or any first mortgagee shall not cure such default within thirty (30) days after notice from Tenant to Landlord and said mortgagee (except that no such notice shall be required in emergencies as herein stipulated) specifying the default (or shall not within said period commence to cure such default and thereafter prosecute the curing of such default to completion with due diligence), Tenant may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter, cure such default for the account of Landlord; and any amount paid or any contractual liability incurred by Tenant in so doing shall be deemed paid or incurred for the account of Landlord; and Landlord agrees to reimburse Tenant therefor or save Tenant harmless therefrom; provided, however, that Tenant may cure any such default as aforesaid prior to the expiration of said waiting period and without such notice to Landlord and first mortgagee if the curing of such default prior thereto is reasonably necessary to protect the real estate or Tenant's interest therein or to prevent injury or damage to persons or property. If Landlord shall fail to reimburse Tenant upon demand for any amount paid for the account of Landlord

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hereunder, said amount may be deducted by Tenant from the next or any succeeding payments of rent due hereunder.

30. NOTICE OF LANDLORD'S DEFAULT:

Anything in this lease to the contrary notwithstanding, Tenant agrees that it will not terminate this lease because of Landlord's default in performance hereof until Tenant has first given written notice as herein stipulated to Landlord and to any holder of a first mortgage encumbering the demised premises (provided Tenant has first been notified in writing of the name and address of said mortgage holder), specifying the nature of the default by Landlord and allowing Landlord and said mortgage holder, or either of them, thirty (30) days after date of such notice to cure such default and a reasonable period of time in addition thereto if circumstances are such that said default cannot reasonably be cured within said thirty (30) day period; provided, however, that no such notice shall be required in emergencies as herein stipulated. Tenant further agrees not to prepay any rents more than fifteen (15) days in advance of the due dates thereof as required or made by this lease without the prior written consent of said first mortgagee.

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31. WAIVER OF LANDLORD'S LIEN:

Upon request by Tenant, Landlord agrees to waive its Landlord's lien upon any fixtures or equipment placed by Tenant in the demised premises if required by any mortgagee of said fixtures or equipment.

32. ATTORNEYS' FEE:

Tenant agrees to pay Landlord all reasonable attorneys' fees incurred in the event Landlord employs an attorney to collect any rental or other obligations due hereunder by Tenant, or in the event Tenant violates any of

the terms, conditions or covenants on the part of Tenant herein contained. Likewise, Landlord agrees to pay Tenant all reasonable attorneys' fees incurred in the event Landlord violates any of the terms, conditions and covenants on the part of Landlord herein contained.

33. EXTENSIONS:

It is further agreed that Tenant, at its option, shall be entitled to the privilege of two (2) successive extensions of this lease, each extension to be for a period of five (5) years and on the same terms and conditions as apply to the primary term, except that the annual minimum guaranteed rental payable during each of such five (5) year extension periods shall be the following:

(i) The guaranteed annual minimum rental payable during each of the five (5) years of the first extended term shall be the sum of Fifty-Four Thousand Eight Hundred Twenty-Five and No/100 Dollars (\$54,825.00), payable in twelve (12) equal monthly installments of Four Thousand Five Hundred Sixty-Eight and 75/100 Dollars (\$4,568.75) each; and

(ii) The guaranteed annual minimum rental payable by Tenant during each of the five (5) years of the second extended term shall be the sum of Fifty-Nine Thousand Seventy-Five and No/100 Dollars (\$59,075.00), payable in twelve (12) equal monthly installments of Four Thousand Nine Hundred Twenty-Two and 92/100 Dollars (\$4,922.92) each.

Such option privilege may be exercised by the Tenant giving to the Landlord a notice in writing at least six (6) months before the expiration of the initial term, and if extended, at least six (6) months before the expiration of such extended term, stating the intention of the Tenant to exercise such option and the period for which such option is exercised, and thereupon this lease shall be so extended without the execution of any other or further document.

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34. SUBORDINATION:

The Tenant agrees that this lease shall at all times be subject and subordinate to the lien of any mortgage (which term shall include all security instruments) that may be placed on the demised premises by the Landlord; and Tenant agrees, upon demand, without cost, to execute any instrument as may be required to effectuate such subordination; provided, however, as a condition to this subordination provision, the Landlord shall obtain from any such mortgagee an agreement in writing, which shall be delivered to Tenant, providing in substance that, so long as Tenant shall faithfully discharge the obligations on its part to be kept and performed under the terms of this lease, its tenancy shall be undisturbed, nor shall this lease be affected by any default under such mortgage; and in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive, and this lease shall in all respects continue in full force and effect; provided, however, that Tenant fully performs all of its obligations under this lease.

35. BENEFIT:

This lease and all of the covenants and conditions hereof shall inure to the benefit of and be binding upon the heirs, legal representatives, successors and assigns of the parties hereto. Each provision hereof shall be deemed both a covenant and a condition and shall run with the land.

36. TITLES:

The titles appearing in this lease are for reference only and shall not be considered a part of this lease or in any way modify, amend or affect the provisions hereof.

37. RECORDING OF LEASE:

Landlord agrees to file the entire within lease agreement for record within six months from date of execution in the Office of the Judge of Probate of Shelby County, Alabama, and to pay all costs and expense which is required in connection with such recording, and Tenant shall reimburse Landlord for one-half (50%) of such costs and expenses within fourteen (14) days following submission of a statement to Tenant. In the event Landlord fails to record the lease within the time limit set forth hereinabove, Tenant shall be permitted to record the same and to deduct the entire amount of costs and expenses incurred in such recording from the next maturing installment of rent which Tenant is required to pay under the terms of the lease.

38. INVESTMENT TAX CREDIT:

Landlord hereby agrees to elect under the provisions of Section 48(d) and under other applicable provisions of the Internal Revenue Code of 1954 now in effect, and as hereafter amended (hereinafter referred to as the "Code"), to pass through to Tenant all investment tax credits which may be available from time to time in respect of the demised premises or leased premises under Section 38 or other applicable provisions of the Code. Landlord agrees to execute and to deliver to Tenant in a timely fashion all documents required by the Code and the regulations issued thereunder, including, without limitation, a written election thereunder, to enable Tenant to obtain such investment tax credits, such election to be in the form attached to the within Lease Agreement as Exhibit "C" and made a part hereof as though fully set out herein (hereinafter referred to as the "Notice of Election To Pass Through Investment Credit." Landlord agrees (i) to execute and deliver such Notice of Election To Pass Through Investment Credit to Tenant on or

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before the due date (including extensions of time) of Tenant's federal income tax return for the taxable year in which possession of the leased property is transferred to Tenant by Landlord; and (ii) Landlord further agrees to attach to its federal income tax return for the taxable year in which possession of the leased property was transferred to Tenant an executed copy of such Notice of Election To Pass Through Investment Credit. In the event of failure of Landlord to comply with the agreement set forth in the within paragraph, Tenant shall be entitled to exercise all of its rights and remedies against Landlord as prescribed by law, including, without limitation, the right to recover from Landlord damages equal to the amount of the investment tax credit which Tenant would have been entitled to under its federal income tax return for such year had Landlord complied with its obligations and agreements as set forth in this paragraph. Landlord further agrees (i) to maintain adequate records so that the qualifying property can be identified and the cost thereof can be determined, (ii) to provide such records to Tenant upon written request, and (iii) otherwise to cooperate with Tenant in said matter. Landlord agrees not to destroy or otherwise dispose of such records until written consent to such destruction or disposal has been obtained from Tenant.

39. COMPLETE AGREEMENT:

This written lease contains the complete agreement of the parties with reference to the leasing of the demised premises, except plans and specifications for Tenant's store and related improvements to be formally approved by the parties prior to the effective date of this lease. No waiver of any breach of covenant herein shall be construed as a waiver of the covenant itself or any subsequent breach thereof.

IN WITNESS WHEREOF, Landlord and Tenant have each caused this lease to be executed, ALL IN DUPLICATE, on this the 16 day of APRIL, 1985.

Karen Pennington
Witness

Karen Pennington
Witness

Karen Pennington
Witness

Karen Pennington
Witness

James T. Johnson, Jr.
James T. Johnson, Jr.

James T. Johnson, III
James T. Johnson, III

C. Austin Johnson
C. Austin Johnson

Donald N. Guthrie
Donald N. Guthrie

LANDLORD

BIG B, INC

By Anthony J. Bruno
Anthony J. Bruno
Its President

TENANT

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ATTEST:

Arthur M. Jones Sr.
Its Secretary

Ref: MD/A500850328

STATE OF ALABAMA)
COUNTY OF _____)

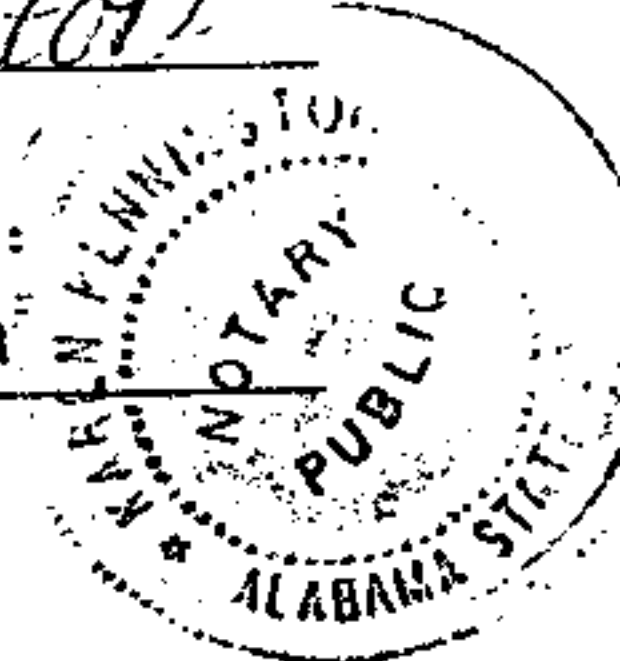
I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that James T. Johnson, Jr., James T. Johnson, III, C. Austin Johnson and Donald N. Guthrie, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 15th day of April, 1985

Karen Pennington
NOTARY PUBLIC

My Commission Expires:

MY COMMISSION EXPIRES JULY 31, 1988



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STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Anthony J. Bruno, whose name as President of Big B, Inc., a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 16 day of April, 1985.

[Signature]
NOTARY PUBLIC

My Commission Expires:

6-15-85



INVESTMENT CREDIT

GENERAL ELECTION INFORMATION STATEMENT

PURSUANT TO REGULATION SECTION 1.48-4(g)

LESSOR:

ADDRESS:

I.D. #:

DISTRICT DIRECTOR'S OFFICE:

LESSEE: Big B, Inc.

ADDRESS: Post Office Box 10166
Birmingham, Alabama 35202

I.D. #: 63-0632551

DISTRICT DIRECTOR'S OFFICE: Birmingham, Alabama

TAXABLE YEAR OF LESSEE: February 2, 1985

Pursuant to Regulation Section 1.48-4(g), _____, lessor, hereby elects for the purposes of the tax credit allowed by Section 38 of the Internal Revenue Code of 1954, to treat you, the lessee, as having purchased the following properties possession of which is transferred under the lease by the lessor to the lessee during the taxable year of the lessee.

DESCRIPTION OF PROPERTY

FAIR MARKET VALUE

Various items of store
equipment and fixtures

NOTE: Possession of all property was transferred on _____.

NOTE: All property has an estimated useful life of five or more years.

DATE Mortgage Tax \$ _____
 Deed Tax 90.00
 Mineral Tax _____
 Recording Fee 85.00
 Index Fee 1.00

The Lessee hereby consents to the above election.

DATE TOTAL \$ 176.00

SIGNED STATE OF ALA. SHELBY CO.

I CERTIFY THIS
TITLE INSTRUMENT WAS FILED

1985 APR 25 PM 3:42

SIGNED

TITLE

EXHIBIT C