

AGREEMENT OF LEASE

THIS AGREEMENT entered into effective the first day of November, 1981, by and between THE CITY OF JONESBORO, a City of the First Class, in the County of Craighead, and State of Arkansas, by its Mayor and City Clerk, duly authorized by Ordinance of the City Council of the City of Jonesboro, passed and approved on the _____ day of _____ 1981, which will hereinafter be designated as LESSOR, and WOLVERINE WORLD WIDE, INC., a corporation organized and existing under the laws of the State of Delaware, which will hereinafter be designated as LESSEE,

WITNESSETH: That the Lessor, in consideration of the rents hereinafter reserved, and of the agreements, conditions, covenants and terms, on the part of the Lessee hereinafter contained, hereby lets and demises to the Lessee, and the Lessee hereby takes and hires from the Lessor, the following described lands in the City of Jonesboro, County of Craighead, and State of Arkansas, to-wit:

All of Lot 10 of Cobb Survey of the Northwest Quarter of Section 17, Township 14 North, Range 4 East, except and not including that part of said lot described as follows: Begin at the Southeast corner of the Southwest Quarter of Southwest Quarter of Northwest Quarter of Section 17, Township 14 North, Range 4 East, thence North 1 degree 13 minutes East 31.2 feet to a point, thence 54.2 feet to the West right-of-way line of St. Louis & San Francisco Railway switchtrack to point of beginning proper; thence West 124 feet; thence North 1 degree 13 minutes East 195.2 feet to Southwest right-of-way line of said railroad; thence South 30 degrees 14 minutes East along said right-of-way 136.5 feet; thence Southeast on an arc of a curve to left whose subtended chord is 94.4 feet, and along said right-of-way to point of beginning proper;

together with all appurtenances thereto, and all buildings thereon constructed, or that may be constructed, which lands and buildings will hereinafter be designated as the demised premises.

TO HAVE AND TO HOLD the said demised premises for the term of ten (10) years, beginning on the first day of November,

1981, and ending on the 31st day of October, 1991, unless sooner terminated as hereinafter provided, at the following rental, payable in equal monthly installments in advance:

(a) The sum of \$12,000.00 per annum for each of the years of the term herein demised commencing with the first day of November, 1981,

(b) Lessee shall pay taxes and special assessments properly collectible from an owner of the property herein leased, if same were in private ownership, or an amount equal to such taxes and assessments shall be paid by Lessee to or for distribution to the units of Government or agencies that would be entitled to distribution of real estate tax collections on account of said property if same were in private ownership.

The obligation shall be limited to the amount described in Paragraph (a), plus an amount equal to taxes and assessments, described in Paragraph (b).

It is hereby mutually covenanted and agreed that this Agreement of Lease is made upon the foregoing and upon the following agreements, conditions, covenants and terms:

1. That the Lessee shall, and will, yearly, and every year during the said term hereby granted, well and truly pay, or cause to be paid, to the Lessor, the annual rents herein reserved, and all other sums that may become due hereunder, or be payable by the Lessee hereunder, at the times, and in the manner herein provided; and all of the said other sums may, at the Lessor's option, be deemed to be, and treated as, additional rent, payable hereunder and added to any rent then due, or thereafter falling due hereunder; and, in the event of nonpayment, the Lessor shall have all rights and remedies herein provided for, in the event of nonpayment of rent, or of a breach of condition.

2. That the demised premises will be used by the Lessee principally for the manufacture of shoes, and for such other products as it may find feasible and desirable.

3. That the Lessee shall have the right to contest, or review, by legal proceedings, or in such other manner as it may deem suitable (which, if instituted, shall be conducted promptly, at its own expense, and free of all expense to the Lessor) any tax, special assessment or charge above referred to, upon condition that, within the time limited by this Agreement of Lease for the payment of such tax, special assessment or charge, the Lessee shall deposit with the Lessor a sum equal to ten per cent (10%) of the amount thereof; but, upon receipt thereof, the Lessor shall not pay such tax, special assessment, or other charge until such proceedings, contest, or other legal proceedings, shall have been finally adjudicated; and, if the same shall, as a result of such proceedings, contest, or other legal proceedings, be reduced, canceled, or to any extent, discharged, the Lessor shall return to the Lessee the amount, if any, paid to the Lessor by the Lessee in excess of the final sum, with interest, penalties and other charges directed or adjudged to be paid by such adjudication, the Lessee remaining liable for any deficiency.

4. (a) That throughout the term of this Agreement of Lease, the Lessee, at its own cost and expense, shall keep all buildings, structures and equipment in, or appurtenant to, the demised premises, insured, for the benefit of the Lessor, against loss or damage by fire or explosion to the full value thereof (90% co-insurance clause, however, being permitted).

(b) That, throughout the term of this Agreement of Lease, the Lessee shall, at its own cost and expense, provide and keep in force, for the benefit of the Lessor,

general liability insurance policies, protecting the Lessor against any and all liability occasioned by accident, or disaster, in the amount of \$1,000,000.00, in respect of any one accident or disaster, and in the amount of \$500,000.00, in respect of injuries to any one person; and the said liability policies shall cover the entire building and premises. A liability policy covering the Lessor and Lessee, as their interests may appear, but otherwise in the form herein above provided, shall be deemed a compliance with the provisions of this covenant.

(c) That all of the above-mentioned policies shall be obtained by the Lessee and delivered to the Lessor, and, in accordance with its direction, shall be in insurance companies and in a form generally acceptable to Lessor; and the Lessee hereby agrees to pay all of the premiums thereon.

(d) That twenty (20) days prior to the expiration of any policy, or policies, of such insurance, the Lessee shall pay the premium for renewal insurance, delivering to the Lessor, within the said period of time, renewal certificates and duplicate receipts evidencing the payment of the premiums thereof; and if such premiums or any of them, shall not be so paid and the certificates shall not be so delivered, then the Lessor may procure and/or pay for the same, and the amounts so paid by the Lessor, with interest thereon at the rate of six per centum (6%) per annum from the time of payment, shall become due and payable by the Lessee, as additional rent with the next, or any subsequent, installment of annual rent that shall become due after such payment by the Lessor; it being expressly covenanted and agreed that payment by the Lessor of any such premium shall not be deemed to waive, or release, the default by the Lessee in the payment thereof, or the right of the Lessor to take such action as may be permissible hereunder, as in the case of default in the payment of the annual fixed rent.

5. (a) That if the demised premises, or any building, or improvement, now, or hereafter, erected thereon, shall, during the term hereof, be destroyed, or damaged, in whole or in part, by fire, or other cause, the same shall be promptly repaired, rebuilt, and replaced by the Lessee, at its own expense, at least to the extent of the value and as nearly as possible to the character of the building, or improvement, existing immediately prior to such occurrence; and the Lessor shall, in no event, be called upon to repair, replace, or rebuild any of the said buildings or improvements, or to pay any of the expense, or cost, thereof beyond, or in excess of, the proceeds of fire insurance, as hereinafter provided.

(b) That, for the purpose of paying towards the cost of such repairs, rebuilding, or replacement, the Lessor agrees to pay a sum equal to the sum, or sums, that the Lessor may receive from fire insurance policies covering such loss, to the persons, firms, or corporations that the Lessee may employ to repair, replace, or rebuild the same, as such repairs, replacement or rebuilding progresses, or to the Lessee if the Lessee shall make such repairs, replacement, or rebuilding, upon the certificates of the contractor or architect in charge of the said work; it being agreed, however, that if, in the course of the said work, any mechanic's lien, or other lien, or order for the payment of money, shall be filed against the said premises, or against the Lessor, or the Lessee, or any contractor of the Lessee, or if the Lessee shall be in default in the performance of any of the terms or covenants of this lease, the Lessor shall not be obliged to make any payment of the said insurance moneys, until and unless said mechanic's, or other lien or order, shall have been fully bonded, satisfied, or discharged of record, and/or until such default shall have been cured.

(c) That if the work of repairing, replacing or rebuilding the said damaged, or destroyed, building or improvement shall not be commenced within two (2) months from the date of the fire insurance adjustment and shall not thereafter be proceeded with expeditiously, the Lessor shall have the right to terminate this lease and the term hereby granted, by giving to the Lessee not less than thirty (30) days' written notice of such intention; it being agreed that, upon the expiration of the time fixed in such notice, if said work shall not have been commenced and the other conditions thereof complied with, or if such work shall not have been proceeded with expeditiously, as the case may be, this lease and the term hereby granted shall, at the option of the Lessor, wholly cease and expire, except that the Lessee shall continue liable as provided in Article 1 of this Agreement of Lease.

(d) That, notwithstanding any law now in force, or hereafter enacted, this lease shall not terminate, or be affected, in any manner, except as hereinbefore provided, by reason of the damage to, or total, or substantial, destruction of the building now, or hereafter erected, upon the demised premises, or by reason of the untenability of the demised premises, or of any part thereof.

6. That whenever policies of insurance are to be provided for the benefit of the Lessor, the same shall, at the option of the Lessor, be made payable to and shall secure the Lessor.

7. (a) That, in the event that the Lessee shall make default in the performance of any of the agreements, conditions, covenants, or terms herein contained (other than in the payment of the rent herein reserved), the Lessor may immediately, or at any time thereafter, perform the same for the account of the Lessee, and any amount paid or any expense or liability incurred by the Lessor in the performance of

the same shall be deemed to be additional rent, payable by the Lessee for the demised premises; and the same may, at the option of the Lessor, be added to any rent then due or thereafter falling due hereunder; and the Lessor shall have the right to enter the said demised premises for the purpose of correcting or remedying such default, and to remain therein until the same shall have been corrected or remedied.

(b) That in the event of a breach, or threatened breach, by the Lessee of any of the agreements, conditions, covenants or terms hereof, the Lessor shall have the right of injunction to restrain the same and the right to invoke any remedy allowable by law, or in equity, as if specific remedies, indemnity, or reimbursement were not herein provided for.

(c) That the rights and remedies given to the Lessor in this Agreement of Lease are distinct, separate and cumulative rights and remedies, and no one of them, whether or not exercised by the Lessor, shall be deemed to be in exclusion of any of the others.

8. (a) That all present and subsequently erected buildings and improvements upon the said demised premises shall be kept, both outside and inside, in good and substantial order and repair by the Lessee, at the Lessee's sole cost and expense, including, but not limited to, all walls, roofs, floors, vaults, water and sewer connections, windows, and other glass, plumbing, water, gas and electric fixtures, pipes, wires, and conduits, and all elevators, boilers, machinery, fixtures and appurtenances in, on, or connected with the demised premises; and the Lessee agrees to replace and renew, with like kind and quality, any of the said things in, on, or about the said demised premises that may become too worn to be repaired, so that, at all times, the said buildings, improvements and equipment shall be in good order, condition and repair, ordinary wear and tear

(b) That, throughout the term of this Agreement of Lease, the Lessee shall, at its own expense, promptly observe and comply with all laws, orders, regulations, rules, ordinances and requirements of the federal, state, county, and city governments, and of each of them, and of any and all of its, or their, departments, bureaus, or officials, and of the National Board of Fire Underwriters, and/or of any other body exercising similar functions, and of all insurance companies writing policies covering the said demised premises, or any part or parts thereof, whether such laws, orders, regulations, rules, ordinances, or requirements relate to structural changes, alterations, or requirements, to, on, in, and about the said demised premises, or any buildings thereon, or to changes or requirements incident to, or as the result of, any use or occupation thereof, or otherwise, and whether the same now are in force, or those that may, at any time in the future, be passed, enacted, or directed; and the Lessee shall pay all costs, expenses, claims, fines, penalties and damages that may, in any manner, arise out of or be imposed because of the failure of the Lessee to comply with this covenant.

(c) That the Lessee accepts the demised premises in their present condition and state of repair and without any representations, statements, or warranties, express or implied, in respect thereof, or in respect to their condition, or the use, or occupation, that may be made thereof, and the Lessor shall, in no event, be liable for any latent defects therein.

(d) That this Agreement of Lease contains the entire agreement between the parties hereto, and shall not be modified, in any manner, except by an instrument in writing signed by the parties hereto.

9. (a) That the Lessee shall have the right to make alterations, changes and improvements to the buildings

erected upon the said demised premises, and/or to erect a new building or buildings in their place and stead, and to erect an additional building or buildings, provided:

(1) That any new building so to be erected by the Lessee in the place of the buildings presently erected upon the demised premises shall be at least equal in value to the value of the buildings then located on these demised premises;

(2) That any alterations made shall not lessen the value of the said buildings;

(3) That, before commencing such alterations, changes, or improvements, or before commencing the demolition of any building for the purpose of erecting a new one, the Lessee shall, at its own cost and expense, deliver to the Lessor the surety company bond and general accident and public liability policy more particularly described in Article 4 of this Agreement of Lease, but said bond and policy shall recite and refer to the said demolition, new building and/or alterations, as the case may be, instead of repairs, replacements, or rebuilding as in said Article 5 mentioned; and

(4) That the Lessee shall pay the increased premium, if any, charged by the insurance companies carrying the insurance policies on said building to cover the additional risk during the course of such alteration.

10. That the Lessee shall have no power to do any act, or to make any contract, that may create, or be the foundation for, any lien upon the present, or other, estate, or reversion, of the Lessor in the demised premises, or upon any of the buildings or improvements thereon, except as herein otherwise specifically provided; and, should any such lien be filed, the Lessee, at its own cost and expense,

shall bond, or otherwise discharge the same, within ten (10) days after the filing thereof.

11. That the Lessee agrees to indemnify and hold harmless the said Lessor from and against any and all claims, suits, actions, damages and/or causes of action arising during the term of this Agreement of Lease for any personal injury, loss of life and/or damage to property sustained in, or about, the demised premises, or the buildings and improvements thereon, or the appurtenances thereto, and from and against all costs, counsel fees, expenses and liabilities incurred in and about such claim, the investigation thereof, or the defense of any action or proceeding brought thereon, and from and against any orders, judgments and/or decrees that may be entered therein.

12. (a) That if any person or corporation, public, private, or otherwise, shall, at any time during the term hereby demised, lawfully condemn and acquire title to the whole, or any part, of the said demised premises and/or to the whole, or any part, of the building thereon erected, and/or to any easement therein, in, or by, condemnation proceedings, in pursuance of any law, general, specific, or otherwise, then this lease shall terminate as of the date on which possession thereof shall be taken for such condemned use, or, at the option of the Lessee, as of the date on which the premises shall become unsuitable for the Lessee's regular business by reason of such taking; provided, however, that if only a part of the leased premises shall be so taken, such termination shall be at the option of the Lessee only. If such taking of only a part of the leased premises occurs, and the Lessee elects not to terminate the lease, there shall be a proportionate reduction of the rent to be paid under this lease from and after the date such possession is taken by the condemning authority. All damages awarded as a result of any taking, except such damages as are herein

defined as Lessee's damages, shall be awarded to the Lessor. The Lessee shall be entitled to receive all damages which are compensation for damages to the leasehold estate and for removal of the Lessee's business fixtures, equipment and furnishings and provided further that the Lessee shall have the right to participate in any award allowed for the condemnation taking to the extent that the Lessee may have suffered compensable damages from said taking.

(b) That it is agreed that the said demised premises and the improvements constructed thereon are the sole and absolute property of the Lessor, or shall be deemed such, and that any building, or buildings, or improvements that may be added by Lessee during the term of this Agreement of Lease, shall also be, and immediately become, a part of the freehold and the sole and absolute property of the Lessor for all purposes, except as otherwise in this article above particularly stated.

13. Lessee may assign or sublet only on the written permission of Lessor provided that the Lessor may not unreasonably withhold consent to such assignment. The Lessee shall always, and notwithstanding any such assignment, mortgage (with or without the consent of the Lessor) or subletting, and notwithstanding the acceptance of rent by the Lessor from any such assignee, mortgagee, or subtenant, remain liable for the payment of rent hereunder and for the performance of all of the agreements, conditions, covenants and terms herein contained, on the part of the Lessee herein to be kept, observed, or performed, nor shall the giving of such consent to an assignment, or mortgage, be deemed a complete performance of the said covenants contained in this article, so as to permit any subsequent assignment, or mortgage, without the like written consent.

14. (a) That if any of the yearly rent herein reserved, or any of the other charges or expenses herein designated as

additional rent, shall not be paid as and when the same shall become due and payable, or if the Lessee shall default in the performance of any of the other agreements, conditions, covenants, or terms herein contained, or if the Lessee shall abandon the said demised premises, or if a petition, or answer, to reorganize the Lessee, or the then owner of the Lessee's interest hereunder, shall be approved by any court, or judge thereof, or if the Lessee, or the then owner of the Lessee's interest hereunder, shall be adjudicated insolvent or a bankrupt, or if the Lessee, or the then owner of the Lessee's interest hereunder, shall make a general assignment for the benefit of creditors, or take any benefit under any insolvency, or bankruptcy, act, or have a receiver, or trustee, appointed of its, or his, or their property, or if this lease or the estate of the Lessee hereunder shall be transferred, or pass to or devolve upon any other person or corporation, except in the manner hereinbefore permitted, the Lessor shall have the right to terminate and end this lease and the term hereby granted, as well as all of the right, title and interest of the Lessee hereunder, by giving the Lessee not less than thirty (30) days' notice in writing; and it is agreed that, upon the expiration of the time fixed in such notice, if the said nonpayment, default, or other cause of termination specified in such notice shall not have been made good or removed, this Agreement of Lease and the term hereby granted, as well as all of the right, title and interest of the Lessee hereunder, shall, at the option of the Lessor, wholly cease and expire, in the same manner, and with the same force and effect (except as to the Lessee's liability), as if the expiration of time in such notice were the end of the term herein originally demised; and the said Lessee shall then immediately quit and surrender to the Lessor the said demised premises, including any and all buildings erected

thereon, and all other improvements, and the Lessor may enter into, or repossess the said demised premises, either by force, summary proceedings, or otherwise; and the Lessee hereby waives any and all right to recover or regain possession of the said demised premises, or to reinstate or to redeem this lease; and the Lessee hereby, also, waives the service of any notice, demanding rent, or of intention to re-enter.

(b) That if the demised premises shall be abandoned, or in the event of a cancellation or termination of this Agreement of Lease, either by operation of law or by service of a notice of termination as above provided, or otherwise, for any cause or causes whatsoever, except condemnation by public or private authority, the Lessee shall, nevertheless, remain liable to the Lessor in a sum equal to the rent and additional rent herein reserved for the balance of the term herein originally demised; and the Lessor may, without notice, repair or alter the demised premises in such manner as to the Lessor may seem necessary or advisable, and/or let, or relet, the said demised premises, and any and all parts therefor, for the whole, or any part, of the remainder of the said original term, in the Lessor's name, or as the agent of the Lessee, and, out of any rent so collected or received, the Lessor shall, first, pay to itself the expense and cost of retaking, repossessing, repairing and/or altering the said demised premises, and the expense of removing all persons and property therefrom, and, second, pay to itself any cost or expense sustained in securing any new tenant or tenants, and third, pay to itself any balance remaining on account of the liability of the Lessee to the Lessor for the sum equal to the rent reserved herein and unpaid by the Lessee, for the remainder of the herein originally demised term.

(c) That should any rent so collected by the Lessor, after the payments aforesaid, be insufficient fully to pay to the Lessor a sum equal to the rent stipulated for herein, both rent and additional rent, the balance, or deficiency, shall be paid by the Lessee on the rent days above specified; that is, upon each of such rent days the Lessee shall pay to the Lessor the amount of the deficiency then existing; and the Lessee hereby agrees to be, and remain, liable for any such deficiency, and the right of the Lessor to recover from the Lessee the amount thereof, or a sum equal to the amount of rent, both fixed and additional, herein reserved, if there shall be no reletting, shall survive the termination of this Agreement of Lease; and the Lessee hereby expressly waives any defense that might be predicated upon the termination or cancellation of the hereby demised term.

(d) That suit, or suits, for the recovery of such deficiency, or damage, or for a sum equal to any installment, or installments, of fixed, or additional, rent hereunder, may be brought by the Lessor, from time to time, at its election, and nothing herein contained shall be deemed to require the Lessor to wait until the date whereon this Agreement of Lease, or the term thereof, would have expired by limitation, had there been no such default by the Lessee, or no such termination, or cancellation.

15. That, at the expiration of the term hereby demised, if this Agreement of Lease shall be in full force and effect and the Lessee shall have complied, in all respects, with the agreements, conditions, covenants and terms hereof, the Lessor will, at the option of the Lessee, grant to the Lessee a renewal lease of the demised premises for a further term of ten (10) years from the date of the expiration of this Agreement of Lease, with five further like options of renewal, at an annual rental of \$12,000.00 per annum, payable in equal monthly installments in advance, and upon covenants and conditions similar to those in this Agreement of Lease.

16. That so long as this Agreement of Lease shall continue in existence, either during the original term or during any renewal hereof, and so long as Lessee shall not be in default of any of the terms, conditions, or provisions hereof, then Lessor covenants that it will not sell nor mortgage the demised premises to any person other than the Lessee.

17. That the Lessee shall, and will, on the last day of the term hereby granted, or upon the sooner termination of the said term, surrender to the Lessor the buildings and improvements upon the demised premises, together with all alterations, renewals and replacements thereof, and all equipment in or appurtenant to the said demises premises in good order, condition and state of repair, except that, if the Lessee shall have duly performed all of the covenants contained in Article 8 of this Agreement of Lease, the Lessee shall be released from the reasonable wear and tear thereof; and except that all items of machinery and equipment and other personal property placed in or on the demised premises by the Lessee shall, irrespective of the manner of annexation thereof, be and remain personal property and the property of Lessee and subject to removal by the Lessee at any time.

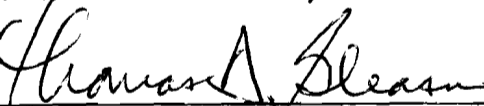
18. That the agreements, conditions, covenants and terms herein contained shall, in every case, apply to, be binding upon, and inure to the benefit of, the respective parties hereto, and of their respective successors and assigns, with the same force and effect as if specifically mentioned, in each instance, where a party hereto is named; provided, however, that no assignment by the Lessee, in violation of the provisions of this Agreement of Lease, shall vest in any such assignee any right or title in or to the leasehold estate hereby created.

19. That the Lessee, upon the payment of the rent above reserved and upon the due performance of the agreements, conditions, covenants and terms herein contained on the Lessee's part to be kept, observed and performed, shall and may, at all times during the term hereby granted, peaceably and quietly have, hold and enjoy the said demised premises, without any manner of let, suit, trouble or hindrance.

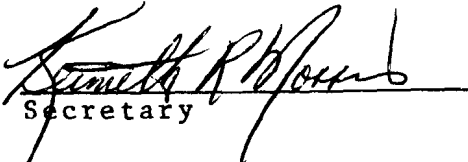
IN WITNESS WHEREOF, the parties hereto have hereunto caused these presents to be signed in multiple copies by their duly authorized officers and their seals to be affixed, duly attested, the day and year first above written.

WOLVERINE WORLD WIDE, INC.

By


President

ATTEST:


Secretary

(SEAL)

ACKNOWLEDGEMENT

STATE OF ARKANSAS
COUNTY OF CRAIGHEAD

Be it remembered that on this day came before me, the undersigned, a Notary Public within and for the State and County aforesaid, duly commissioned, qualified and acting, Neil Stallings and Shirley Powell, to me well known, who stated that they are the MAYOR and CITY CLERK respectively

of the CITY OF JONESBORO, a City of the First Class, and that they are duly authorized in that capacity to execute the foregoing instrument for and in the name and behalf of the City of Jonesboro, and further stated and acknowledged that they have so signed, executed and delivered said foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 19th day of October, 1981.

My Commission Expires:

1-10-82

ACKNOWLEDGEMENT

STATE OF Michigan
COUNTY OF Fent

Be it remembered that on this day came before me, the undersigned, a Notary Public within and for the State and County aforesaid, duly commissioned, qualified and acting, Thomas D. Kleson and Kenneth R. Marren, to me personally well known, who stated that they are the PRESIDENT and SECRETARY, respectively, of WOLVERINE WORLD WIDE, INC., A CORPORATION, and that they are duly authorized in that capacity to execute the foregoing instrument for and in the name and on behalf of the said Corporation, and further stated and acknowledged that they have so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 2nd day of November, 1981.

Petty E. Combs
Notary Public

My Commission Expires:

PETTY E. COMBS
Notary Public, Michigan
My Commission Expires 1-10-82