

STATE OF OHIO

MEMORANDUM OF LEASE

COUNTY OF HAMILTON

SOUTHAVEN STATION LLC, a Delaware limited liability company, 11501 Northlake Drive, Cincinnati, Ohio 45249, hereby leases to CATOSOUTH, LLC, a North Carolina limited liability company, c/o The Cato Corporation, Post Office Box 34216, Charlotte, North Carolina 28234, for a term beginning February 26, 2008 and ending January 31, 2014, certain property more particularly described as follows:

Certain premises on plat as prepared by LESSOR consisting of approximately 8,000 square feet, measuring 100 feet by 80 feet, and as outlined in red on Exhibit A, attached hereto and made a part hereof, erected or to be erected in the SOUTHAVEN SHOPPING CENTER, on a tract of land situated in the State of MISSISSIPPI, City of SOUTHAVEN, with legal description of said land on Exhibit B, attached hereto and made a part hereof.

LESSEE has the option to extend the term of this Lease to January 31, 2029.

The provisions set forth in a written Lease Agreement between the parties dated as of the 26th day of February, 2008 are hereby incorporated in this Memorandum of Lease.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this Agreement, and affixed their respective seals thereto as of the 13th day of March, 2008.

LESSOR:

SOUTHAVEN STATION, LLC
A Delaware Limited Liability Company

WITNESS:

[Signature]

By:

[Signature]
R. Mark Addy
Vice President and Secretary

LESSEE:

CATOSOUTH, LLC
A North Carolina Limited Liability Company

WITNESS:

[Signature]

By:

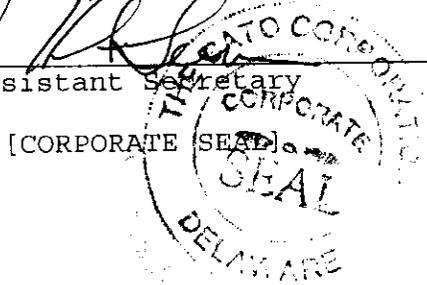
The Cato Corporation
A Delaware Corporation
As Member

By:

[Signature]
John D. Cato
Chairman, President, and CEO

Attest:

[Signature]
Assistant Secretary



Prepared By:

[Signature]
Amy L. Cathey
Director of Lease Administration
The Cato Corporation
8100 Denmark Road
Charlotte, NC 28273

Cato Corp.
PO Box 34216
Charlotte, NC 28234

LESSOR'S ACKNOWLEDGMENT

STATE OF Ohio

COUNTY OF Hamilton

I, Laura Essary, a Notary Public for said County and State, do hereby certify that R. MARK ADDY, VICE PRESIDENT AND SECRETARY of SOUTHAVEN STATION, LLC, a Delaware limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official seal or stamp, this the 20th day of March, 2008.

My commission expires 10/04/2009

Laura Essary
Notary Public

LAURA ESSARY
NOTARY PUBLIC, STATE OF OHIO
My Commission Expires 10/04/2009

LESSEE'S ACKNOWLEDGMENT

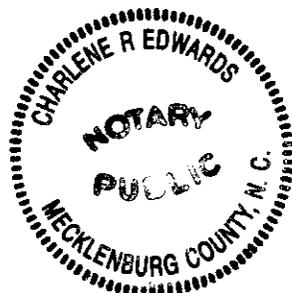
STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This 13th day of March, 2008 personally came before me JOHN P. D. CATO, who being duly sworn, says that he is the CHAIRMAN, PRESIDENT, AND CHIEF EXECUTIVE OFFICER of THE CATO CORPORATION, and that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation and that said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And its CHAIRMAN, PRESIDENT, AND CHIEF EXECUTIVE OFFICER, the said JOHN P. D. CATO, acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and Notarial Seal this 13th day of March, 2008.

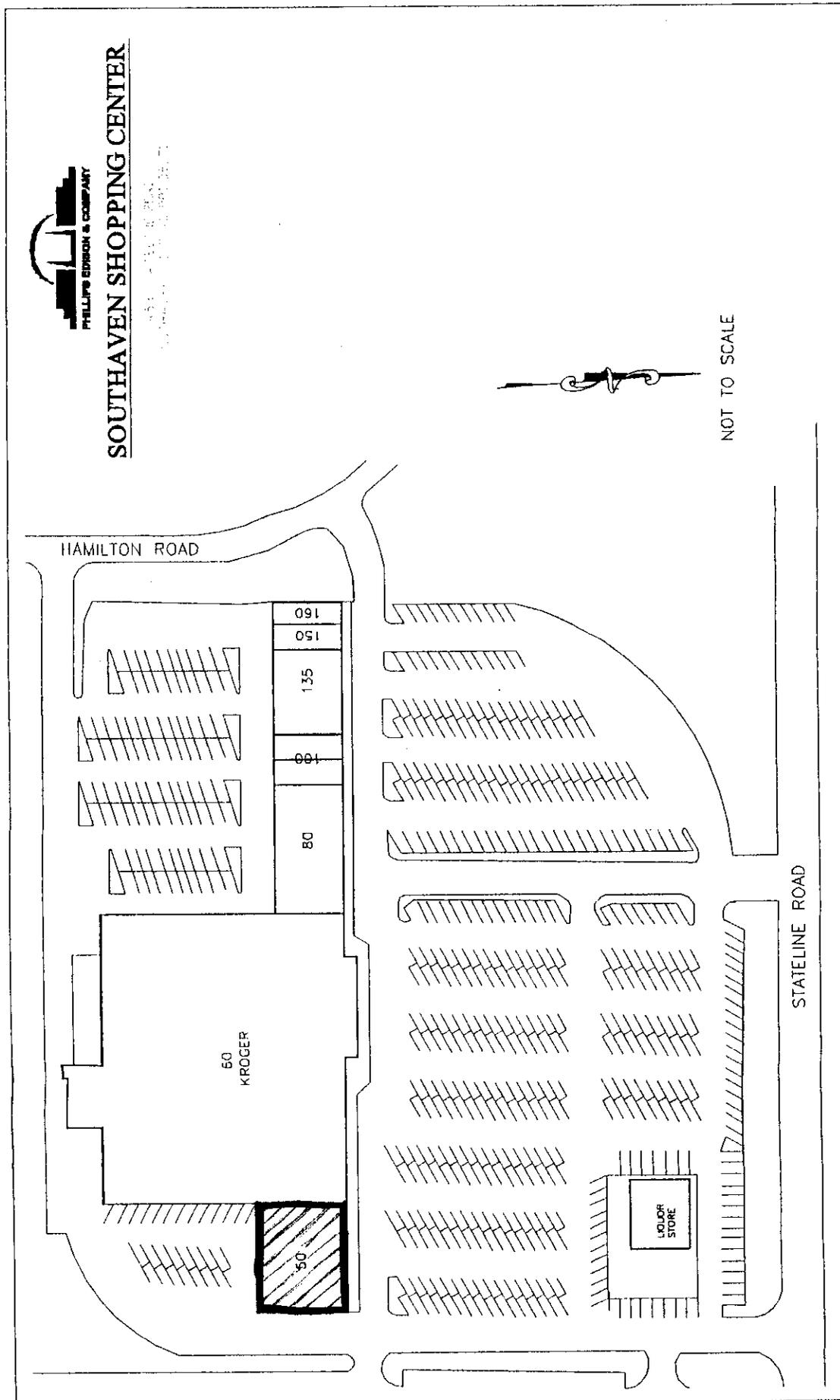
My commission expires:
April 25, 2012



Charlene R. Edwards
Notary Public

EXHIBIT A

SITE PLAN




PHILLIPS EPTON & COMPANY
SOUTHAVEN SHOPPING CENTER
 2031 S. STATE LINE ROAD
 SOUTHAVEN, MISSISSIPPI 38686

EXHIBIT B**EXHIBIT "B"****LEGAL DESCRIPTION****PARCEL NO. 1**

Lots 1 and 2, Kroger Plaza Shopping Center Subdivision, in Section 24, Township 1 South Range 8 West, City of Southaven, DeSoto County, Mississippi, as shown by plat appearing of record in Plat Book 23, Page 19, in the Office of the Chancery Court Clerk of DeSoto County, Mississippi.

LESS AND EXCEPT:

Beginning at a point that is 82 feet Southerly of and perpendicular to the centerline of survey of Stateline Road relocation at Station 43 + 15 as shown on the plans for Federal Aid Project No. CM-0055-04(050)(100222/201000) at Highway Survey Station 1723 + 13.66; from said point of beginning, run thence South 89 deg. 43' 44" West, a distance of 288.613 feet to the Western line of grantor's property; thence run North 00 deg. 03' 44" East along said Western property line, a distance of 20.970 feet to the present Southern right-of-way of Stateline Road, thence run North 89 deg. 58' 23" East along the present Southern right-of-way line of said Stateline Road, a distance of 236.265 feet; thence run North 89 deg. 52' 29" East along the present Southern right-of-way line of said Stateline Road, a distance of 52.338 feet; thence run South 00 deg. 02' 40" West a distance of 19.831 feet to the point of beginning.

PARCEL NO. 2

Easements under instrument recorded in Plat Book 23, Page 19, in the Office of the Chancery Court Clerk of DeSoto County, Mississippi.

PARCEL NO. 3

Easement under Declaration of Easements for Kroger Plaza Shopping Center, Inc., recorded in Power of Attorney Contract and Lease Book 52, Page 745, in the Office of the Chancery Court Clerk of DeSoto County, Mississippi.