

(7) --Damages for Defect in Title. Lessor covenants that he is well seized of said premises, has good right to lease the same, and warrants and agrees to defend the title thereto; and to reimburse and hold lessee harmless from all damages and expenses which lessee may suffer by reason of any restriction, encumbrance or defect in such title.

(8)-- Taxes and Encumbrances. Lessor agrees to pay all taxes, assessments and obligations which are or may become a lien on the demised premises and improvements as they become due. If lessor should fail to do so, lessee shall have the right either to make such payments for the account of lessor, in which event it shall be subrogated to all the rights of the holder of such lien, and in addition thereto shall have the right to apply accruing rentals in satisfaction of such obligations; or lessee, in the event of a foreclosure of any such lien and the sale of said demised premises and improvements, shall have the right to buy in said premises and improvements for its own account.

(9)--Option. Lessor hereby gives the lessee the right and option to purchase the demised premises and all structures and improvements thereon at any time during the term of this lease or any extension or renewal thereof for the sum of Ten Thousand Dollars (\$10,000.00).

In event that part of the premises herein demised is condemned, the amount of damages awarded to the lessor in consequence thereof shall be deducted from the purchase price upon exercise of this option by the lessee.

Lessee's notice of election to purchase shall be sufficient if deposited in the mail addressed to lessor at or before midnight of the day on which option term expires. Lessor shall, when requested by lessee, deliver to lessee complete abstracts of title, furnish up-to-date survey by a licensed or registered professional engineer or surveyor, showing elevations of property and corners marked with concrete monuments, upon receipt of which the lessee shall have a reasonable time in which to examine the title and, upon completion of title examination, if title is found satisfactory, shall tender the purchase price to lessor and lessor, at time of such tender, shall deliver to the lessee a good and sufficient warranty deed conveying the premises to the lessee free and clear of all encumbrances (including, without limiting the foregoing, the rights of dower and/or courtesy.)

(10)--Application of Option Purchase Price. In event accruing rentals are insufficient to reimburse lessee for expenditures made by lessee hereunder, and in event lessee exercises the option to purchase the demised premises, lessee may apply such part of the purchase price as is necessary to (a).--completely reimburse itself for such expenditures and (b).--pay any other indebtedness of lessor to lessee, together with interest at six per cent.

(11)-- Holdover. If, at the expiration or termination of this lease or any extension thereof, lessee should hold over for any reason the tenancy of lessee thereafter shall be from month to month only and be subject to all other terms and conditions of this lease, in the absence of a written agreement to the contrary.

(12)--Assignment and Sub-letting. Lessor consents that lessee may assign or sub-let the premises provided that lessee shall remain liable to lessor for the performance of all of the terms hereof.

(13) --Notice. Notices from lessee to lessor shall be sufficient if delivered to lessor, or if placed in the United States Mails addressed to the address shown in this lease. Notices from lessor to lessee shall be sufficient if posted in the United States Mails, postage prepaid, addressed to the lessee's principal place of business as shown in this lease.

(14)--Approval and Signing by Lessee. This agreement, whatever the circumstances, shall not be binding on the lessee unless and until approved and signed on its behalf by an Executive Officer, Manager (Sales Department), Assistant Manager (Sales Department) or Manager, Real Estate Division.

(15) --Successors and Assigns. This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors or assigns.

(16)--Lessor hereby covenants and agrees to make the following additions and/or repairs to service station building now on the demised premises: (a) old brick now on service station building to be stuccoed, and wash and lubrication bays to be added, same to be tied into present building and stuccoed, (b) ladies and mens rest rooms to be painted and enameled and new fixtures added and/or installed throughout in both rooms, (c) old style brick columns now supporting canopy now supporting canopy to be removed and iron beams used instead, (d) furnish and install one Free Wheel Lift with 10 $\frac{1}{2}$ " plunger (e) furnish and install one 1- $\frac{1}{2}$  HP Air Compressor (f) entire station to be painted in Texaco colors by lessor.

(17) In the event of lessor's failure to perform and complete the obligations as set forth in paragraph (16) hereof within 90 days after delivery to lessor by lessee of this lease duly signed and approved, the lessee may, at its election either terminate this lease on 30 days written notice to lessor or complete or perform the said obligations at the expense of the lessor and have the right to apply accruing rentals for the purpose of reimbursing itself for principal expenditure together with interest at six per cent.

All work to be performed in a manner satisfactory to Lessee.

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