

STATE OF SOUTH CAROLINA,
COUNTY OF GREENVILLE.

LEASE.

THIS INDENTURE made this 7th day of May, 1945, by and between E. D. SLOAN, of Greenville, South Carolina, hereinafter referred to as the Landlord, and Freeman-Babb Hardware Company, a South Carolina Corporation, with its principal place of business at Greenville, South Carolina, hereinafter referred to as the Tenant.

W I T N E S S E T H :.

I. That the Landlord does hereby demise and lease unto the Tenant, and the Tenant does hereby hire and take from the Landlord for the term and upon the rentals hereinafter specified the following property, to-wit:

All that piece, parcel, and lot of land situate, lying, and being in the City of Greenville, County of Greenville, State of South Carolina, at the Southwest intersection of West North Street and North Laurens Street and fronting 54 feet, more or less, on the South side of West North Street and 99.66 feet, more or less, on the West side of North Laurens Street, being the same property conveyed to the Landlord by Woodside Cotton Mills Company by deed dated June 1, 1944, and recorded in the Office of the R. M. C. for Greenville County in Deed Book 264, Page 432.

II. TO HAVE AND TO HOLD the same unto the Tenant for a period of five (5) years beginning on the 1st day of May, 1945 and ending on the 30th day of April, 1950.

III. In consideration of said lease the Tenant covenants and agrees to pay the Landlord the following rentals:

(a) To pay the Landlord the sum of Eighteen Thousand (\$18,000.00) Dollars, payable in equal monthly installments of Three Hundred (\$300.00) Dollars per month on or before the 10th day of each month during the entire term; said rental being hereinafter for convenience sometimes called "fixed rent".

(b) In addition to said fixed rent, the Tenant further agrees to pay to the Landlord as rent for the demised premises, in the manner and upon the terms and conditions and at the times hereinafter set forth, the sum of three (3%) per cent of Tenant's net sales as hereinafter defined in excess of One Hundred Thousand (\$100,000.00) Dollars per annum, which amounts are hereinafter for convenience sometimes called "percentage rental".

1. Net sales equal gross sales less goods returned or repossessed during the year and excluding sales tax paid by the customers, whether for cash or credit, paid or unpaid, collected or uncollected, without deduction or allowance for costs, charges, or expenses for purchase, sale, distribution, and handling.

2. These percentage rental payments, if any, are to be made within sixty (60) days after the end of the calendar year. If at the beginning and ending years of the lease, the Tenant's occupancy is for a period other than from January 1st, to December 31st, a special report shall be made to the Landlord of the sales made during such period and the percentage rental shall be paid on the basis by which the net sales exceed the pro rata share of the base sales of \$100,000.00 per annum which the period in question represents.

(c) The Tenant agrees that within two (2) months after each calendar year, or other portion of a lease year, it will deliver to the Landlord a written statement, verified and certified to be true, accurate and complete by one of its Officers, showing thereon the total amount of the net sales of the Tenant from the demised premises during the preceding year, or portion thereof, and to pay to the Landlord the aforesaid percentage rental, if any, for said preceding year, or portion thereof, as herein set forth.

The Tenant further agrees that it will keep a true and accurate separate account of the daily net sales made by it in and from the leased premises and said records shall be kept in accordance with its regular system of accounting now in effect or hereafter adopted and in accordance with good accounting practices. The Tenant further agrees that the Landlord shall have the right to inspect said records at any time during the term of this lease on business days and during business hours but such inspection shall not be made more often than once every six (6) months.

The Landlord shall have the right, at its own expense, to make an annual audit of such records of the Tenant pertaining to the store conducted by the Tenant upon the demised premises by a certified public accountant to determine the net sales as hereinabove defined made by Tenant from the demised premises during the preceding period. The Landlord agrees to keep all information with respect to the sales and business of the Tenant confidential consistent with the enforcement of the Landlord's rights hereunder.

IV. The Landlord covenants that the Tenant, on paying the said rental and performing the covenants and conditions in this Lease contained, shall and may peaceably and quietly have, hold and enjoy the demised premises for the term aforesaid.