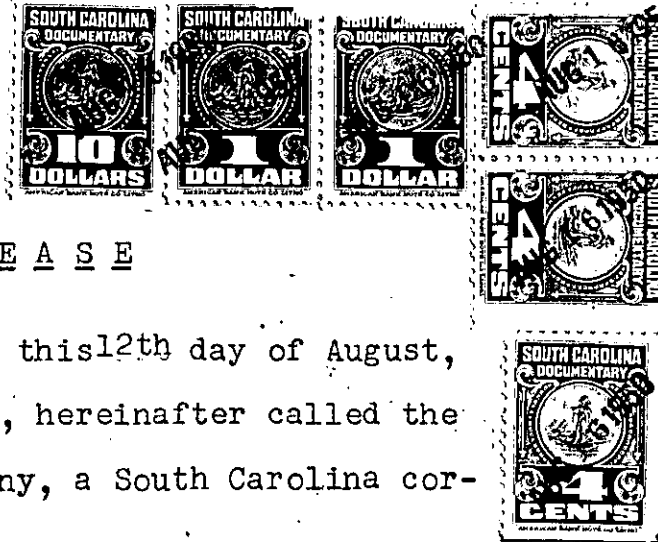


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STATE OF SOUTH CAROLINA, ) LLIE FARNSWORTH  
COUNTY OF GREENVILLE. ) R.M.C.  L E A S E

THIS AGREEMENT made and entered into this 12th day of August, 1949, by and between W. C. Cleveland, Jr., hereinafter called the Lessor, and Merri-Lee Manufacturing Company, a South Carolina corporation, hereinafter called the Lessee,

W I T N E S S E T H :

The Lessor does by these presents lease and demise unto the said Lessee and the Lessee does hereby take as tenant the following property, to-wit:

Space in the building known as the Cleveland Building, lying and situate in the City and County of Greenville, State aforesaid, being the premises known as No. 25 on the East side of South Main Street, fronting approximately 27 feet on said street and extending back therefrom approximately 85 feet, being the space formerly occupied by The Army Store,

to be used exclusively for the operation of a clothing and piece-good store for the sale at wholesale and retail of clothing, materials and piece goods, including the tailoring of all clothing.

To have and to hold unto the Lessee for and during the term beginning on the 1st day of August, 1949, and ending at midnight on the 31st day of December 1957.

The Lessee covenants and agrees to pay the Lessor as a rental for said premises the sum of Three Hundred and No/100 (\$300.00) Dollars per month payable in advance on the 1st day of each and every month during the life hereof, beginning with September 1, 1949, plus three and one-half (3½%) per cent on all gross sales as herein defined in excess of One Hundred Two Thousand Eight Hundred Fifty Seven and 16/100 (\$102,857.16) Dollars during each calendar year during the life hereof.

The term "gross sales" as used herein shall be the aggregate of the sales price on all merchandise sold upon the demised premises, whether for cash or credit together with all charges or fees for services therein, less credits or refunds made to purchasers for returned merchandise, but shall not include credits for loss or damage to merchandise in transit, or credits accruing from the transfer of merchandise to