

claims of every character arising out of the construction of the said building and parking facilities.

3. Lessor hereby reserves and Lessee agrees to pay to Lessor, upon commencement of the ten (10) year term above described, base rental of One Dollar (\$1.00) per square foot of area covered by Colonial Stores' building per annum, said payments to be made in twelve (12) equal monthly installments between the 1st and 10th day of each and every month during the term of this lease. It is agreed and understood that a supplement to this lease, establishing the exact annual base rental, will be written on or before the completion of the building. In addition to the minimum guaranteed base rental as hereinabove described, Lessee agrees to pay to Lessor the amount by which one percent (1%) of gross net sales of merchandise made from the demised premises during each calendar year of the term hereof exceeds the fixed annual base rental. Gross sales, as used herein, shall include all gross retail sales made in or from the demised premises by the occupant thereof, whether cash or credit. Gross sales shall not include refunds, exchanges, returns, or allowances, or merchandise transferred to other stores or warehouses not by way of retail sales. Within ninety (90) days after the end of each calendar year, Lessee shall furnish to Lessor a certified statement of the gross amount of net sales of merchandise made in and through the demised premises for the preceding year, or part of year, and if such certified statement of gross net sales shows that Lessor is entitled to additional rent for the preceding period, then at the time of submitting such statement Lessee shall pay to Lessor such additional rental. Within ninety (90) days thereafter at any time during normal business hours, Lessor or its duly accredited agents shall have access to the records of Lessee pertaining to said store at Lessee's main office at Shop Road, Columbia, South Carolina, for the purpose of auditing said records to verify the gross net sales of merchandise made in and through the demised premises for the preceding year. Lessor agrees for himself and his agents not to divulge to anyone the information obtained from such records and accounts or from the statements and certificates above mentioned, except as may be necessary for the enforcement of Lessor's rights under this lease.

All rental payments provided herein shall be made in two equal amounts, payable to:

