

1. **TERM** - The initial term of this lease shall commence on the 1st day of November, 19 71 and shall end on the 1st day of November, 19 72. Lessee shall have the option of extending this lease for ten (10) additional periods of one (1) years each, the first of such periods to begin on the expiration of the initial term, and each successive period to begin on the expiration of the period then in effect, upon the same terms and conditions as herein set forth. Any option to extend shall be considered as having been exercised unless Lessee gives Lessor notice at least thirty (30) days prior to the expiration of the initial term or the period then in effect of Lessee's election not to exercise that extension option.

2. **RENT** - Lessee shall pay the following rent: **An annual rental of Three Thousand and No/100 Dollars (\$3,000.00) in equal monthly installments of Two Hundred Fifty and No/100 Dollars (\$250.00) payable on the first day of each month in advance commencing with the month following the completion of the station to be erected, and in addition shall pay an amount equivalent to One and One-fourth Cents (1 1/4¢) for each gallon of gasoline and other motor fuels sold in excess of 120,000 gallons during each six (6) months period by Lessee at said premises, said additional rental to be payable on or before the 15th day of the month following the period in which the rental is earned. Lessee shall keep, or cause to be kept, such records as will accurately show the number of gallons of motor fuels sold at said premises.**

All rent may be paid by check payable to Lessor mailed to Lessor's address set forth above, unless Lessee is instructed in writing by Lessor of a change of address or payee.

3. **USE OF PREMISES** - Lessee shall have the right to use the premises for any lawful purpose, including but not limited to the operation of an automotive service station and business related thereto. Lessee's use of the premises shall comply with all laws and lawful ordinances, rules and regulations of governmental authorities.

4. **ZONING AND PERMITS** - Lessor represents that all necessary authorization required under zoning or other ordinances to allow the use of the premises for automotive service station purposes and such other business related thereto as Lessee may desire to conduct, and all necessary licenses, permits, and authorizations for the operation and maintenance on the premises of an automotive service station, and for such other business related thereto as Lessee may desire to conduct, have been validly obtained and are now in full force and effect. Lessor agrees to transfer to Lessee all licenses, permits and authorizations which have been issued to Lessor if such licenses, permits and authorizations are transferable. If at any time during the initial term of this lease or any extension thereof any of the above licenses, permits and authorizations are suspended or revoked or the use of the premises for the operation of an automotive service station and business related thereto shall be in any manner restricted or prohibited without fault of Lessee for a period of thirty (30) days by reason of any law, ordinance, injunction, regulation or order of any governmental authority, then Lessee shall have the right at Lessee's election to terminate this lease by giving ten (10) days' notice of termination, whereupon the parties shall be relieved of all further liability hereunder.

5. **TITLE** - Lessor covenants that Lessor is well seized of the premises, has good right to lease them and hereby warrants and agrees to defend the title thereto and to reimburse and hold Lessee harmless from any loss by reason of any defect in title. Lessor further covenants that Lessee may quietly enjoy the premises. Lessor agrees to notify Lessee upon any default in the payment of any tax, assessment, betterment, mortgage or deed of trust principal or interest, or other lien. In the event of any such default by Lessor, Lessee may terminate this lease by giving notice of termination to Lessor; or Lessee shall have the right at any time to pay the same or to redeem the same for Lessor by payment and be subrogated to the rights of the holder thereof, in which event Lessee may offset rents subsequently accruing hereunder to fully reimburse Lessee or may require Lessor to reimburse Lessee upon demand. Any sums so paid by Lessee, together with costs and attorney's fees incurred by Lessee in defending any suits and protecting Lessee's rights herein granted shall bear interest at the highest rate permitted by law, but not exceeding seven per cent (7%) per annum. Should the initial term of this lease and extensions thereof which become effective expire before such sums with interest have been fully paid to Lessee, Lessee may continue to occupy the premises on the terms and conditions herein provided until such sums with interest have been fully offset against rent.

6. **OPTIONS TO PURCHASE OR LEASE** - In consideration of this lease:

(a) **Fixed Price Purchase Option.** Lessor hereby grants to Lessee the exclusive and irrevocable option to purchase the premises for the sum of Seventy-five Thousand and No/100 Dollars (\$ 75,000.00 ), which option Lessee may exercise at any time during the initial term of this lease or any extension thereof by giving notice to Lessor. The purchase price shall be paid in cash or by Lessee's check upon the conveyance by a legally sufficient deed to Lessee or its nominee of good and marketable title to the premises, free and clear of all liens, encumbrances and defects, except such as Lessee may waive in writing, which title a title company selected by Lessee will so insure, or, at Lessee's election an attorney selected by Lessee will approve. Such owner's policy of title insurance or attorney's opinion showing title in the aforesaid condition shall be obtained at Lessor's expense and the deed shall be delivered and title closed on the thirtieth (30th) day after the giving of notice of exercise of any option to purchase, unless that day be a Sunday or legal holiday, in which case title shall close on the next business day. All taxes and rent shall be apportioned as of the date of closing of title. Any sums owing by Lessor to Lessee at the time of closing by virtue of any provision of this lease shall be deducted from the purchase price. Between the time of the giving of notice of the exercise of any option to purchase and the time of closing of title, risk of condemnation of the premises shall be on Lessor.

(b) **Lease Refusal Option.** Lessor shall not lease or agree to lease the premises or any part thereof during the initial term of this lease or any extension thereof unless Lessor shall have first received a separate, acceptable, bona fide offer to lease the premises and shall have notified Lessee in writing of the party or parties making the same and the rent, terms and conditions thereof, and shall have attached thereto a complete executed copy or photocopy of said offer; and Lessee shall thereupon have the prior right (option) to lease the premises at the same rent and on the same terms and conditions as are contained in said offer. Said right may be exercised by giving notice to Lessor at any

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