

2. IMPROVEMENTS: (a) Landowner covenants and agrees to erect, or cause to be erected on the leased premises, improvements in accordance with the architectural and engineering plans and specifications prepared by the Tenant and approved by the Landowner, and Landowner covenants and agrees to pay the costs of erecting said building and making improvements on the leased premises plus payment of costs hereinafter referred to in Sub-paragraph(d), all of which shall be deemed the "cost of construction". This agreement is subject to Landowner obtaining a permanent and construction loan acceptable to him with interest rate not to exceed 10% per annum.

(b) Landowner will at his expense provide Tenant with a topographical survey showing utilities, easements and any unusual site conditions, including soil boring if required, and Tenant will provide in addition to six complete sets of architectural and engineering plans for said improvements, such site plans as may be necessary and proper. Tenant will also provide job supervision by Tenant's architect throughout construction.

(c) The hereinafter stated rental is based upon an estimated "Cost of Construction" of Seventy-Five Thousand and No/100 (\$75,000.00) Dollars "Cost Estimate" and therefore, if such "Cost Construction" exceeds the "Cost Estimate," the monthly rental rate shall be increased by an amount equal to one (1) % of such difference. Should the "Cost of Construction," exceed Seventy-Five Thousand Dollars (\$75,000.00) then at Tenant's or Landowners option, this Lease Agreement shall be cancelled.

(d) For the purposes hereof, the term "Cost of Construction" shall mean all costs and expenses incurred in connection with the construction of the buildings and other improvements situated on the leased premises, including the cost of utility connections, driveways, curb cuts, parking area, mechanical and electrical facilities, and costs of labor and materials (and subcontracts therefor) for the construction of the buildings and other improvements, supervision, architect and engineering fees, license permit

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