

Dec 3 2 47 PM '78

EDDIE S. TAYLOR
R.H.C.

va 1047 232

LEASE AGREEMENT

1. PARTIES. THIS LEASE AGREEMENT is between Darryl W. Hartley - Leonard,
& Mrs. Brooks H. Hartley - Leonard
herein referred to as Lessor, and Caper House, Inc., a South Carolina corporation, herein referred to as Lessee.

2. PREMISES. Lessor hereby leases to Lessee and Lessee leases from Lessor, for the term and upon the terms and conditions hereinafter set forth, the premises described in Exhibit A and shown on the plot plan which is a part of Exhibit B, both of which Exhibits have been initialed by the parties and are attached hereto and made a part hereof, together with the right to use all adjoining parking areas, driveways, sidewalks, roads, alleys and means of ingress and egress, insofar as Lessor has the power to lease or license the use thereof. (If Exhibit B conflicts with any revised plot plan as hereinafter provided, the revised plot plan shall control.)

3. ~~CONSTRUCTION. Lessee agrees at Lessor's sole cost and expense to construct a building and other improvements in accordance with plans and specifications attached hereto and marked Exhibit B and incorporated herein by reference. Lessee warrants the building to be constructed and all its component parts, including but not limited to electrical, plumbing, heating, air conditioning and/or ventilating equipment for a period of twelve (12) months against all defects in materials and workmanship. Lessee agrees to complete construction of said improvements on or before _____ 19_____, in accordance with plans and specifications as above mentioned. If Lessee for any reason shall fail to deliver or render possession of said improvements to the Lessor by _____ 19_____. Lessor shall have the option to terminate this lease. It is understood and agreed that the total cost of construction projected in the construction estimate attached hereto and marked Exhibit C and incorporated herein by reference, by and between Lessor and a contractor to be selected by the Lessee, shall not exceed _____ (\$ _____) and is an estimated price for construction, including but not limited to the cost of site work, drainage, drawing utilities to the site and demolition of existing structures. Construction shall be commenced by the Lessee after the execution of this lease. It is understood and agreed that the Lessee will negotiate all construction contracts and that the awarding of contracts or any part thereof shall be the responsibility of the Lessee.~~ *PHH*

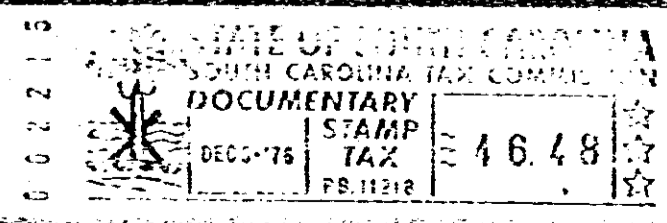
O
5
6
7
8
9
R
C

4
5
6
7
8
9
M

4. TERM. The primary term of this lease shall commence on the first day of the first calendar month following (1) 15 days after the acceptance by Lessee of the building and other improvements, or (2) the date that Lessee or its assigns shall first be open for business to the public, whichever first occurs; and shall continue for a period of ten (10) years thereafter, unless sooner terminated or extended as hereafter provided. Should such event occur on other than the first day of a calendar month, Lessee agrees to pay a proportionate part of the monthly rental herein provided for that month only. Lessee shall have and is hereby granted a total of three (3) successive options to extend the term of this lease for a period of five (5) years for each such option upon the same covenants and conditions as herein provided. If Lessee shall elect to exercise one or more of such options it shall do so by giving Lessor written notice at least 90 days prior to the expiration of the primary term or of the then current extension.

5. RENTAL. The Lessee shall pay a basic rental during the primary term of this lease and any extension hereof in the amount of One Thousand Ten Dollars and 00/100 (\$1,010.00) dollars per month. This rental shall be paid in advance on or before the 10th day of each calendar month during the term of this lease (unless abated or diminished as hereinafter provided), commencing on the 10th day of the first calendar month following the commencement date of this lease. Subsequent to the primary term of this lease and while the Lessee occupies the demised premises under the above granted options to renew, the Lessee shall furnish not later than 90 days after the end of each calendar year, a statement showing the gross sales (computed as hereinafter provided) made in the store on the leased premises during such calendar year. At the time such statement is furnished, Lessee agrees to pay Lessor as additional rent due hereunder, an amount of money equal to four (4.%) per cent of such sales, less the total of the monthly rental paid during the preceding calendar year and less the amounts paid by Lessee for real property taxes and for insurance on the leased premises during such year. In computing sales for the purposes of this provision, Lessee shall take the total amount of all sales of every kind made in its store on the leased premises and deduct therefrom the following to the extent that same are included in such total amount: (1) Refunds made to customers, (2) Sales, excise and gross receipts taxes, (3) Proceeds from sales of money orders, (4) Gasoline revenues, and (5) Products sales where Lessee is only a commissioned agent. Such rental payments may be paid by check and sent to Lessor by ordinary first class mail.

Form #GP-003



0230

4328 RV-2.1