

Reports By Lessor. 6. On or before the fifteenth day of the month of June of each year, Lessee at the time where the rent hereon reserved shall be payable, shall deliver to Lessor, or the person, firm, or corporation to whom such rent shall be payable, a complete written statement showing in detail the gross amount of the sales for the preceding year, including therein a statement of the total amount of South Carolina Taxes and Federal Excise Taxes paid or payable in connection therewith and the number and dollar amount of all refunds and credits for return of the merchandise, if any, made during such period. Lessee shall concurrently with the delivery of such statement pay to the Lessor all percentage rental payments then due hereunder, each such statement shall be signed by the Lessee, or if Lessee is a corporation then by one of its principal officers, and if so required by Lessor, such statements shall be signed under oath. The percentage rental due annually shall be equal to 6% of gross sales in excess of \$132,816.00 for the preceding year.

Reports By Lessee. 7. The receipt by Lessor of any statements or any payment of percentage rent for any period or the failure of Lessor to make an audit for said period shall not bind Lessor as to the correction of the statement or the payment nor bar Lessor from collecting at any time thereafter the percentage rent due for said period. If any audit by Lessor or its agents of Lessee's records shall reveal a deficiency in any payment of percentage rent Lessee shall forthwith pay to Lessor the amount of the deficiency together with interest at the rate of six percent (6%) per annum from the date when said payment shall have been made, together with the reasonable cost of such audit.

Right To Examine Books. 8. The acceptance by the Lessor of payments of percentage rent shall be without prejudice to the Lessor's right to an examination of the Lessee's books and records of its gross receipts and inventories of merchandise all the leased premises in order to verify the amount of annual gross receipts received by the Lessee in and from the leased premises. Computation of the percentage rent specified herein shall be made separately with regard to each rental year of the term hereof, it being understood and agreed that the gross receipts of any rental year and the percentage rent due thereon shall have no bearing on or connection with the gross receipts of any other rental year of the term hereof.

Increased Costs. 9. Lessee agrees that in the event there shall be any increase after the date of this lease in the amount of taxes and insurance paid by said Lessor on improvements or on the ground thereunder or in the cost of electric current used in the services of the said building, or in the cost of heating said building, or, further, in the event that any taxing authority shall levy or assess against the above said improvements and the ground thereunder or against the rent herein stipulated to be paid, any character of tax, fee or license not at the date of this lease levied or assessed against said premises or which shall be effective thereon during the term of this lease, then the Lessor for the unexpired term of this lease shall have the right to make additional charges for such increased costs, taxes, assessments, fees or licenses as hereinafter provided, which additional charges shall be paid by the Lessee in monthly installments at the same time and in the same manner as the rental heretofore provided. Such additional charges shall be in an amount calculated by the Lessor and such calculation shall be on the basis of the area of the demised premises and on the increase in such costs. If evidence of such increases either in the items of cost aforesaid or in taxes, assessments, fees or licenses shall be demanded by the Lessee, then a statement of such increases by a Certified Public Accountant shall be deemed sufficient evidence to support such additional charges. Should there be a decrease in the aforesaid items of cost or in taxes, assessments, fees or licenses, the Lessor shall make a corresponding proportionate reduction in the amount of charges thereafter to be paid by the Lessee, it being expressly agreed, however, that no such reduction shall reduce the amount of rent stipulated in paragraph 3 hereof. The base year for such increase costs shall be 1980.

Use of Premises. 10. Premises shall be used for a restaurant and no other. Premises shall not be used for any illegal purposes; nor in any manner to create any nuisance or trespass; nor in any manner to vitiate the insurance or increase the rate of insurance on premises, and subject to rights of other tenants' leases.

Abandonment Of Leased Premises. 11. Lessee agrees not to abandon or vacate leased premises during the period of this lease.

Utilities. 12. Lessor shall, at its own cost and expense, pay all charges when due for water, gas, electricity, heat, sewer rentals, waste water charges, and any other utility charges incurred by Lessee in the use of the premises. Lessee specifically agrees to use all necessary measures to aid in the conservation of energy in the demised premises and will shut down all lights upon closing daily.

Repairs By Lessor. 13. Lessor shall, at its cost and expense, keep and maintain the common areas (including sidewalks, ramps and service areas) in good condition and repair, and shall maintain the exterior of Lessee's store building, including the roof, gutter, downspouts, exterior painting, masonry walls, foundation and structural members, in good condition and repair, and shall make any and all structural repairs to both the exterior and interior of said premises. If any portion of the common areas (including any portion of the store building which is the responsibility of the Lessor) shall at any time be in need of repair, Lessor will repair same immediately upon receipt of written notice from Lessee to do so, except that the Lessor shall not be obligated to make or pay for any repairs to Lessee's store building rendered necessary by the fault, act or negligence of the Lessee, or any of its servants, agents or employees, except in the case of damage by fire or the elements, or other casualty covered by Lessor's fire and extended coverage insurance.

If in order to protect the Lessor's property in the store building it shall be necessary to make emergency repairs to any portion thereof which is the responsibility of the Lessor to repair, or if the Lessor after receipt of notice as above provided fails or neglects to make with all due diligence such minor repairs to the store building or common areas (including parking area) which are the responsibility of the Lessor, the Lessor shall have the right to make such repairs and to deduct from the rental installments then due or thereafter to become due such sums as may be necessary to reimburse the Lessee for the money expended or expense incurred by it in making such repairs. Lessor further covenants that the store building will be so constructed and maintained at all times so as structurally to comply with and conform to the requirements prescribed by any and all ordinances, statutes, rules or regulations of municipal or other governmental authority relating to public health and sanitation or safety, and that Lessor will promptly make any changes or alterations in the premises which may become necessary in order that said premises may conform to such ordinances, statutes, rules or regulations now in force or which may be hereafter passed, adopted or promulgated. Lessor shall also maintain the heating, ventilation and air conditioning systems, plumbing systems, and the electrical systems.

Repairs By Lessee. 14. Lessee shall be responsible to keep and maintain in a good state of condition and repair the interior of its store, to include floor, walls and ceiling. Lessee shall also be responsible for the replacement of light bulbs within the interior of its store.

Painting & Renovations. 15. The Lessor shall redecorate, paint and renovate the demised premises as may be necessary to keep them in proper condition and good appearance.

Signs. 16. Lessee shall have the right throughout the lease term at its sole expense to erect and maintain a sign to identify its shop or advertise its business on premises within the demised premises provided that the Lessor's architect approves the style, size and location of such sign, and approval of the Lessor shall be a condition precedent to the erection of such sign.

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