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~~shall be retained by PFI whether or not it exercises its option to renew the ground lease beyond that time.~~  
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PFI agrees to become sublessee with regard to the ground lease for this location and to honor all terms, covenants and provisions, specifically including the obligation to make monthly rental payments as set forth in the lease for this location. It is the intention of SOUTHERN and PFI that as of August 15, 1980 PFI shall be entirely responsible for this location and that it shall at all times during the term of this agreement have sole responsibility for all financial obligations, employee matters, lease obligations included in this document and general business commitments in any wise related to such purpose.

3. PFI shall effective September 1, 1980 assume the ground lease for the SHARECROPPER Restaurant located in Burlington, North Carolina. PFI also agrees to assume the existing equipment lease with Bank of Virginia under which monthly rental payments are One Thousand Six Hundred Seventy Five and 22/100 (\$1,675.22) Dollars provided, however, that PFI shall pay One Thousand One Hundred Seventy Five and 22/100 (\$1,175.22) Dollars thereof with SOUTHERN to pay the remaining Five Hundred and No/100 (\$500.00) Dollars per month. The initial term of the ground lease shall be for a period of twelve months beginning with the effective date of September 1, 1980. Thereafter, and upon three months written notice to SOUTHERN, PFI shall have the option to extend its sublease on an annual basis with the understanding that PFI would then pay the entire monthly equipment lease payments to Bank of Virginia. This option to sublease on an annual basis shall continue until the equipment lease with Bank of Virginia shall expire. At that time PFI, at its option, shall have the right to extend its sublease for this location for the remaining period of the lease held by SOUTHERN. SOUTHERN further agrees that upon the expiration date of the equipment lease with Bank of Virginia, PFI shall have the right to buy all of said equipment from SOUTHERN and the leasing company for an amount not to exceed ten percent of its original purchase price, with SOUTHERN and Ellison Smith to personally guarantee to pay to the leasing company any additional monies necessary to pass clear title.

SOUTHERN warrants that this equipment and all other equipment and supplies in connection with this restaurant, specifically including equipment added for the serving of breakfast, is free and clear from all liens and encumbrances except the aforementioned equipment lease with Bank of Virginia. SOUTHERN agrees that upon the passing of title from Bank of Virginia to PFI that the title ~~to all equipment and supplies in connection with this restaurant/shall be retained~~ to all equipment and supplies in connection with this restaurant/shall be retained by PFI whether or not it exercises its option to renew the ground lease beyond that time.

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