

~~provided, however, that no rental shall accrue or become due until such time as a suitable service station, according to MURPHY'S plans and specifications, shall have been (a) constructed upon the demised premises by the LESSOR as provided in Supplement 1 attached hereto and made a part hereof and (b) completed, equipped and delivered to MURPHY for the transaction of MURPHY'S business.~~

It is agreed that rental shall be payable in monthly installments due and payable in advance on the first day of each month. Pro-rated payments shall be made for any periods of less than one calendar month which may occur at beginning or end of term. Rental may be paid in cash or by MURPHY'S check mailed to LESSOR at LESSOR'S address shown above.

MURPHY, at its option, may apply at any time such rental or any installment thereof to the payment of any indebtedness due or to become due from LESSOR to MURPHY. Such application may be deemed payment of such rental.

If MURPHY should fail to pay any installment of rent when same becomes due and payable, or should breach or fail to comply with any other terms or provisions of the agreement, and if such default should continue for thirty (30) days after written notice of such default has been delivered to MURPHY at its address shown above, LESSOR shall then have the right to terminate this lease on thirty (30) days written notice to MURPHY.

4. *Maintenance and Use.* During the term of this lease MURPHY shall maintain said premises, buildings and improvements in a good state of repair, reasonable wear and tear and casualty excepted, ~~provided that MURPHY shall not be responsible for any major repair to buildings, equipment or improvements of LESSOR. For the purposes of this paragraph, major repairs are defined to mean repairs costing in excess of \$50.00.~~

MURPHY shall have the right to use or permit the use of said premises for all lawful purposes. It is MURPHY'S immediate intention to use the property for the sale and distribution of petroleum products, automobile accessories and related lines, but such intent of MURPHY shall not be construed to limit in any way MURPHY'S right to use said premises for all lawful purposes. Throughout the term of this lease and any extensions thereof, MURPHY shall have the right to alter or modify the premises, including the right to remodel, remove or replace any existing improvements and to place on and under the said premises such buildings, tanks, pipelines or other equipment and material as MURPHY may desire. LESSOR shall not be liable for any cost or expense arising out of any alterations, modifications or improvements done or placed on the demised premises by MURPHY, and MURPHY agrees to discharge any mechanics' liens or furnishers' liens arising out of any such work done by MURPHY.

5. *Removal of Property.* MURPHY shall have the right at any time during the continuance of this lease or within thirty (30) days after its termination to sever and remove all buildings and improvements, fixtures, equipment and other property owned by MURPHY or placed on said premises by MURPHY during the term of this or any previous lease or any extension or renewal thereof.

6. *MURPHY'S Right of Termination.* Should there be, on examination, any defect or encumbrance in or on LESSOR'S title to said leased premises or should MURPHY be prevented from establishing or continuing the business of distributing petroleum products on the whole or any part of said premises, due to any law, ordinance or regulation by any Federal, State or Municipal authority, or due to any restriction on the demised premises, and such restriction is not removed within ninety (90) days, or should the use of said premises as a gasoline filling and service station or the distribution of petroleum products be materially curtailed, interfered with or damaged by a change in street location or grade or by the construction and erection of overhead express highways, then MURPHY may terminate this lease upon giving thirty (30) days' written notice, in which event the rental obligation shall cease as of the date any such written notice is given by MURPHY. If, during the term of this lease, a part only of said premises be taken for public use under the right of eminent domain, and if the remainder, in the opinion of MURPHY, is not suitable for its purpose, MURPHY, at its option, may cancel and terminate this lease, but if it shall not elect so to do, the monthly rental thereafter to be paid shall be reduced by an amount which bears the same ratio to that herein provided for as the area taken bears to the total area prior to such taking.

7. *Damages for Defect in Title.* LESSOR covenants that he is well seized of said premises, has good right to lease the same, and warrants and agrees to defend the title thereto, and to reimburse and hold MURPHY harmless from all damages and expenses which MURPHY may suffer by reason of any restriction, encumbrance or defect in such title.

8. *Taxes and Encumbrances.* ~~MURPHY~~ MURPHY agrees to pay all taxes, assessments and obligations which are or may become a lien on the demised premises and improvements as they become due. ~~If LESSOR should fail to do so, MURPHY shall have the right to make such payments for the account of LESSOR, in which event it shall be subrogated to all the rights of the holder of such lien, and in addition thereto shall have the right to apply accruing rentals in satisfaction of such obligations; or MURPHY, in the event of a foreclosure of any lien and the sale of said demised premises and improvements, shall have the right to buy in said premises and improvements for its own account.~~

9. *Option to Purchase.* LESSOR hereby grants to MURPHY the exclusive right, at MURPHY'S option, to purchase the demised premises, together with all structures, improvements, and equipment thereon, free and clear of all liens and encumbrances, including leases (which were not on the premises at the date of this lease) at any time during the term of this lease or any extension or renewal thereof,

~~(a) for the sum of \$ \_\_\_\_\_ it being understood that if any part of said premises be taken for public use by eminent domain, the amount of damages awarded to or accepted by Lessor as a result thereof shall be deducted from such price.~~

(b) on the same terms and at the same price as any bona fide offer for said premises received by LESSOR and which offer LESSOR desires to accept. Upon receipt of a bona fide offer, and each time any such offer is received, LESSOR (or his assigns) shall immediately notify MURPHY, in writing, of the full details of such offer, including the name and address of any offeror, whereupon MURPHY shall have thirty (30) days after receipt of such notice in which to elect to exercise MURPHY'S prior right to purchase. No sale of or transfer of title to said premises shall be binding on MURPHY unless and until these requirements are fully complied with.

Any option herein granted shall be continuing and pre-emptive, binding on LESSOR'S heirs, devisees, administrators, executors, successors, or assigns, and the failure of MURPHY to exercise same in any one case shall not affect MURPHY'S right to exercise such option in other cases thereafter arising during the term of this lease or any extension or renewal thereof.

Upon receipt of MURPHY'S notice of election to exercise any option granted herein, which notice shall be given in accordance with the Notice Clause of this lease, LESSOR shall immediately deliver to MURPHY, at LESSOR'S expense, a complete abstract of title or other evidence of title satisfactory to MURPHY, upon receipt of which MURPHY shall have a reasonable time in which to examine title and, upon completion of such examination, if title is found satisfactory, shall tender the purchase price to LESSOR, and LESSOR shall thereupon deliver to MURPHY a good and sufficient warranty deed conveying the premises to MURPHY free and clear of all encumbrances. All taxes and rentals shall be prorated between Grantor and Grantee to the date of delivery of the aforesaid deed.

MURPHY'S notice of election to purchase, pursuant to either of the options granted in this clause, shall be sufficient if deposited in the mail addressed to LESSOR or by telegraph at or before midnight of the day on which option period expires.

10. *Application of Option-Purchase Price.* In the event accruing rentals are insufficient to reimburse MURPHY for expenditures made by MURPHY as authorized hereunder, and in the event MURPHY exercises the option to purchase the demised premises, MURPHY may apply such part of the purchase price as is necessary to (a) completely reimburse itself for such expenditures and (b) pay any other indebtedness of LESSOR to MURPHY, together with interest at six (6) per cent.

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