

Page 3.

2. It is agreed that before the Lessee shall take possession of said demised premises and commence work in connection with the above mentioned alterations and improvements the Lessee shall deposit in trust with a bank (as trustee) located in Greenville, S. C., satisfactory to Lessor and Lessee, the sum of thirty thousand (\$30,000.00) Dollars, as per deposit agreement hereto attached and made a part of this lease; the same to be disbursed by said trustee upon the aforesaid architect's written approval in payment of labor and material used for such alterations and improvements as the work progresses, and payment by said trustee out of said funds for such purposes shall be deemed to be and be payment by the Lessee. Should there remain a balance in said fund after the payment of all costs for such alterations and improvements, the same shall be held until said premises shall have been furnished and equipped and ready for occupation as hereinbefore provided and proper evidence of payment therefor has been exhibited to said Trustee and said Lessor. If necessary, such surplus may be used in conjunction with other funds to be provided by Lessee in completing payment for the furnishing of said premises. Should there remain a balance in said fund after said payment of all costs for such alterations and improvements and the furnishing and equipping of said building, the same shall be paid to the Lessee, or to such party as Lessee may designate, provided the aggregate of such alterations and improvements and the furnishing and equipping of said premises shall have cost at least \$35,000.00. Should it develop that said alterations and improvements shall cost more than \$25,000.00, such additional funds shall be promptly deposited by the Lessee with said bank, same to be disbursed as hereinbefore provided. Lessee agrees that said alterations and improvements shall be promptly completed in accordance with the aforesaid plans and specifications and when completed the improvements and premises and furniture, fixtures and equipment shall be free and clear of all liens and encumbrances resulting from the aforesaid work to be done by the Lessee, except such appliances and machines as may be licensed to the Lessee as more fully referred to in Article X of this lease. If said architect or any successor appointed by Lessee should die or should refuse or be unable to act as aforesaid, the Lessee shall have the right to appoint a substitute architect.

3. Lessee agrees to carry, during the period of time that work is progressing in connection with the above mentioned alterations, fire insurance covering the full insurable value of the alterations as they are made, which insurance shall be in the name of the Lessor, with loss payable clause attached making loss, if any, payable to the Lessor and Lessee as their interests may appear, and which interests are more fully defined in Article XIV. of this lease.

4. Lessor agrees to refund to the Lessee all rentals paid by Lessee to Lessor during the period commencing on the date whereon alterations and improvements as aforesaid, are commenced, and ending when the Lessee has completed such alterations and improvements, provided, however, that the total amount of such refund shall not exceed the sum of Nineteen hundred (\$1900.00) Dollars, and that such refund is to be accomplished by the Lessee deducting the total amount involved in sixty (60) equal installments from the first sixty (60) payments of rent required to be paid to the Lessor under this lease after the alterations have been completed. No interest shall be paid to the Lessee on unpaid balances of such amount to be refunded. Should this lease be terminated for any reason before full reimbursement of any sum owing Lessee, the Lessor shall be bound to pay Lessee forthwith any remaining amount owing to Lessee hereunder, provided said Lessee is not then in default in any of the terms of this lease. Except in case of a termination of this lease as aforesaid, it is the intention of the parties that the Lessor is not required to refund any portion of said rents except by the monthly deductions from rents actually paid by Lessee as aforesaid.

5. It is agreed that after the aforesaid improvements and alterations have been made, if the Lessee at any later time or times desires to make alterations and improvements to the demised property, it may do so, provided the same shall not weaken the structure of the buildings and plans and specifications covering such alterations and improvements are first approved by Lessor in writing, which approval will not be unreasonably or arbitrarily withheld, and provided that Lessee shall fully and completely indemnify the Lessor against any mechanics or other liens or claims in connection with the making of such alterations and changes and shall pay all costs, expenses and charges thereof. If the estimated cost of such subsequent alterations and improvements exceeds the sum of five thousand (\$5,000.00) Dollars, the Lessee shall either (a) deposit in trust with a bank located in Greenville, South Carolina, satisfactory to Lessor and Lessee, under deposit agreement similar to the deposit agreement hereto attached, a sum of money equivalent to the estimated cost of said alterations and improvements, to be paid out, upon the architect's approval, for such alterations and improvements as the work progresses, or (b) Lessee shall furnish the Lessor with a surety bond of a surety company of recognized national standing in the amount set forth in construction contracts for the completed work and payment