

TITLE TO REAL ESTATE

concessions, shall not be considered a subletting within the provisions of this lease, and

2. That Tenant may sublet the entire demised premises, or assign this lease, to any corporation which may take over the business of Tenant in the State of South Carolina, or to any corporation which may, as the result of a reorganization, merger, or consolidation, succeed to the business now carried on by the Tenant in the State of South Carolina, or to any subsidiary corporation of Tenant's and that the occupancy of the demised premises by any such subtenant or assignee which continues to operate a business on the demised premises substantially similar in character to that conducted by the Tenant herein named shall be considered to be the continued occupancy of the demised premises by the Tenant herein named, and the rental payable by any such subtenant or assignee shall be the same as if the Tenant herein named had itself continued to occupy the premises. If Tenant does so sublet the demised premises or assign this lease, the Tenant shall remain liable as guarantor hereunder, provided, however, that J. C. Penney Company, the Tenant herein named, shall be released and relieved from further liability hereunder if, pursuant to this subparagraph 2, Tenant assigns this lease to a corporation which acquires all of the assets of Tenant and which, by written instrument duly executed and acknowledged and delivered to Landlords, assumes and covenants and agrees with Landlords to pay the rentals to be paid by Tenant hereunder, and to carry out and perform all the terms, covenants, and conditions of this lease which, by the terms hereof, are to be carried out and performed by Tenant.

Until it receives other instructions in writing from Landlords, Tenant shall pay all rentals based upon a percentage of Tenant's net retail sales, or any rentals which may be payable pursuant to the foregoing provisions relating to subletting and assigning, as hereinbefore specified, i.e., by checks payable as hereinafter specified.

COVENANT OF TITLE, AUTHORITY AND QUIET POSSESSION.

The Landlords covenant and warrant that they have full right and lawful authority to enter into the lease for the full term aforesaid, and for all extensions herein provided, and that Landlords are lawfully seized of the entire premises hereby demised and has good title thereto free and clear of all tenancies, liens, and encumbrances. Landlords further covenant and warrant that if the Tenant shall discharge the obligations herein set forth to be performed by the Tenant, the Tenant shall have and enjoy, during the term hereof, the quiet and undisturbed possession of the demised premises, together with all appurtenances appertaining or appendant thereto. The above warranties are as to individual interests of each Landlord only and not joint.

THE LANDLORDS AND TENANT FURTHER STIPULATE, COVENANT AND AGREE AS FOLLOWS:

USE OF PREMISES. That the premises hereby demised shall not be used for any unlawful purpose during the term of this lease.

CONTINUED POSSESSION OF TENANT. That if Tenant continues to occupy the premises after the last day of any renewal or extension of the term hereof or after the last day of the term hereof if this lease is not renewed or extended, and Landlords elect to accept rent thereafter, a tenancy from month to month shall be created and not a holdover tenancy from year to year.

FIXTURES. That Tenant may, on the termination of this lease or at any time during the continuance thereof, remove from said premises all shelving, fixtures, and other equipment (which equipment shall include but shall not be limited to lighting fixtures, oil burners, coal stokers, electric fans, cooling units, etc.) which Tenant may have installed at its own expense in said premises or otherwise acquired.

GAS, WATER, AND ELECTRICITY. That the Tenant shall pay all charges for gas, water, and electricity used on said premises during the term of this lease.

ORDINANCES. That Landlords shall comply with all Federal, State, County, and City laws and ordinances, and all rules, regulations, and orders of any duly constituted authority, present or future, affecting the demised premises, at Landlord's own expense.