

TITLE TO REAL ESTATE

ment lessee shall be included for the purpose of determining the rental payable by Tenant hereunder on the same basis as if such sales were made by the Tenant, and that the leasing of departments, or the granting of 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 sub-tenant 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. Pemey 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.

OBLIGATIONS ASSUMED BY LANDLORDS HEREIN IN CONNECTION WITH ADJOINING PREMISES LEASED BY TENANT FROM FRANCES C. FLOYD AND OTHERS. It is understood between the parties hereunto that the Tenant herein named is entering into a separate lease with Frances C. Floyd and others covering premises adjacent to the premises hereby demised to Tenant and that the new building to be erected by Landlords herein will cover not only the premises hereby demised to Tenant but will also cover said adjacent premises demised to Tenant by Frances C. Floyd and others. The Landlords herein are familiar with all the terms and conditions contained in said lease between Frances C. Floyd and others and Tenant. Landlords do hereby assume and agree to carry out and perform the following covenants and obligations under and in connection with said lease between Frances C. Floyd and others and Tenant, and to do the following work in connection with the property covered by said lease.

(1) It is understood that Tenant is or will be obligated to pay rent under and pursuant to said lease between Frances C. Floyd and others and Tenant, commencing January 1, 1942, whether or not the new building to be constructed by Landlords on the premises hereby demised and on the premises covered by said lease from Frances C. Floyd and others, is completed. The Landlords herein hereby covenant and agree with Tenant that they will pay to the Landlords under said lease between Frances C. Floyd and others and Tenant, any and all rentals Tenant may be required to pay for the period prior to the date on which the new building to be erected by Landlords is finally completed.

(2) In the said lease between Frances C. Floyd and others and Tenant, it is provided that the Landlords under said lease shall carry only \$15,000 fire and extended coverage insurance. The Landlords herein hereby agree that they will re-build the building on the combined premises being leased by Tenant pursuant to this lease and pursuant to said lease between Frances C. Floyd and others and Tenant in the event said building is damaged or destroyed by fire or other cause and Landlords hereby further agree to carry fire and extended coverage insurance to the extent of the full insurable value of the building on said combined premises, such insurance for the full insurable value to include the \$15,000 which is to be supplied and paid for by Frances C. Floyd