

437-697

PFI agrees to become lessee as aforesaid for this location and to honor all terms, covenants and provisions, specifically including the obligation to make monthly rental payments as set forth for this location. It is the intention of SOUTHERN and PFI that as of September 1, 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.

5. SOUTHERN agrees that it will assign to PFI all equity which has accumulated with regard to all equipment leases and also all other equipment and supplies involved in all restaurants. SOUTHERN agrees that it shall have delivered to PFI the necessary consents and approvals for the subleasing of all original lessors or leasing companies.

6. PFI shall acquire the right to the name and trademark of "SHARECROPPER" everywhere other than in Mecklenberg County, North Carolina, further, SOUTHERN and its principal officer, Ellison D. Smith, III and Roger Henry, shall enter into a Non-Compete Agreement relative to operating "country food restaurants" everywhere other than in Mecklenberg County, North Carolina.

7. PFI shall acquire the right to all original building plans developed by architects and consultants previously employed by SOUTHERN.

8. SOUTHERN shall from the date hereof continue to operate each restaurant at each of the locations as hereinabove stated for a reasonable amount of time in order to allow it to orderly end its business functions at each location, but not later than August 1, 1980. As soon as each restaurant has been closed, PFI shall have the right to enter the premises and begin such renovations as it deems necessary.

9. Following the closing of each location by SOUTHERN and the entry therein by PFI, both parties agree to conduct a physical inventory of all equipment and supplies located therein. PFI shall purchase from SOUTHERN all usable food and paper supplies as such inventory shall disclose.

10. SOUTHERN shall be liable for all debts and liabilities incurred as a result of the restaurant operations prior to the dates on which each restaurant shall be closed by SOUTHERN prior to entry to PFI. Both parties agree that they will offer to the other all reasonable and diligent efforts in obtaining the transfer of any and all licenses, contracts and any other such matter as shall be necessary to aid and effect the continued operation of these restaurants by PFI.

11. In the event PFI at the expiration of the lease terms as hereinabove

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