

Form 1-aa

LEASE

AGREEMENT dated the 1st day of June, 1938, by and between G. C. Buchanan, (lessor) and National Oil Co., Inc., a corporation of North Carolina, having a place of business at Greenville, S.C. (lessee).

(1)--Premises Leased. Lessor hereby leases unto lessee a tract of land, with the improvements thereon, in the City of _____, County of Greenville, S. C. State of S. C., described as follows:

One lot and building to be used as a Service Station about 1 1/4 miles from Greenville, S. C. on highway #25 at Marietta, S. C. Beginning at the property of Olin Prickett and running 100 feet on the highway with a depth of 75 feet.

(2)-- Term. To Have and to hold for the term of 10 years, from and after the 1st day of June, Nineteen Hundred Thirty Eight.

(3)--Termination. A notice of three months in writing is required of said lessee should lessee desire to vacate said premises at the termination of this lease, and should the said lessor desire possession a like notice shall be required, and in case such notice shall have been given by either party, the said lessors shall have the right to re-enter and repossess said premises at the end of this lease, and if no such notice be given by either party, this lease shall continue in force for a like period as set forth in this lease subject to all the covenants and conditions herein contained.

(4) -- Rental. Lessee agrees to pay the following rent for said premises:- An amount equivalent to one (1¢) for each gallon of gasoline of lessee sold during the month at said station by the lessor or its agents or assigns; Payment of said rental are to be made on or before the tenth day of the month following the month in which it is earned.

Lessee agrees that rental shall be payable in monthly installments and that if any installments shall be due and unpaid for ten (10) days after written notice of such default has been delivered to lessee at its General Office in Richmond, Virginia, lessor shall then have the right to terminate this lease on thirty (30) days' written notice to lessee.

(5)-- Maintenance. (a) Lessor agrees to maintain said premises and improvements in good repair during the term of this lease (except as hereafter in sub-section "(B)" of this clause provided) and to rebuild within sixty days any structures on said premises damaged or destroyed in any manner. In the event of lessor's failure to do so, lessee at its election, may either terminate the lease on thirty days' notice to lessor, in which event rentals shall abate from the date of destruction or damage, or do the necessary repairing or rebuilding at the expense of the lessor and have the right to apply accruing rentals for the purpose of reimbursing itself for principal expenditure, together with interest at six per cent. If, during the time the premises are undergoing repairs, the use thereof by lessee is materially interfered with, the rent accruing during such period shall be abated.

(b) During the term of this lease, lessee shall maintain all mechanical equipment in good repair, and, whenever it deems necessary, shall paint structures on said premises.

(6)--Removal of Property. Lessee 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 fixtures, equipment and other property of lessee placed on said premises by lessee during the term of this or any previous lease, or any extension or renewal thereof.

(7)-- Lessee's Right of Termination. Should lessee, for any reason other than (a) any wilful act of lessee and/or (b) damage or destruction of premises and/or any structures thereon, be prevented from establishing or continuing the business of distributing petroleum products on said premises, lessee may terminate this lease upon giving thirty (30) days' written notice to lessor, in which event the rental obligation shall be prorated to the date of such termination.

(8)-- 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 lessee harmless from all damages and expenses which lessee may suffer by reason of any restriction, encumbrance or defect in such title.

(9)--Taxes and Encumbrances. Lessor agrees to pay all taxes, assessments and obligations which are or may become a lien on the demised premises and improvements as they may become due, If lessor should fail to do so, lessee shall have the right either 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 lessee, in the event of a foreclosure of any such lien and the sale of said demised premises and improvements, shall have the right to buy in such premises and improvements for its own account.

(10)-- Approval and Signing by Lessee. This agreement, whatever the circumstances, shall not be binding on the lessee unless and until approved and signed on its behalf by an Executive Officer at the General Office in Richmond, Virginia.