

and ending midnight December 31, 1970, on the same terms and conditions as the within lease, except it shall be at a rental to be agreed upon. If written notice of election not to exercise said option is not given the Lessor at least six months prior to the expiration of the within lease, then said option shall be deemed to be exercised.

2. Lessee hereby covenants and agrees to pay an annual rental of three thousand dollars (\$3,000.00) payable in equal monthly installments of two hundred fifty dollars (\$250.00) payable on the first day of each and every month in advance without demand, said payments to be mailed to Mrs. Nelle W. Mills, 210 Crescent Avenue, Greenville, South Carolina, or to any subsequent address Lessors may designate for such purpose.

3. The Lessee further agrees that it will pay to the Lessors in addition to the fixed rental above stipulated a percentage of rental equal to five per cent (5%) of the gross sales as hereinafter defined made by the Lessee during any lease year or fractional part thereof on all sales exceeding seventy thousand dollars (\$70,000.00) gross per lease year or fractional part thereof.

4. The term "gross sales" as used herein shall be interpreted to mean sales on all merchandise sold by the Lessee in the demised premises, or by any concession therein, whether for cash or credit, less refunds made to purchasers, and shall not include credits for returned merchandise or credits accruing to said store arising from the transfer of merchandise from said store to other stores of the Lessee, nor credits received resulting from claims for losses or damages to merchandise in transit, also less the amount of any sales tax, federal, state or municipal, however imposed, computed, and paid for sales in, upon, or from said leased premises, if said tax is, or must be assumed, or paid by the Lessee to the extent that such taxes shall have been included in said sale.

5. The Lessee further agrees that it will keep a full, complete, and accurate record of all sales made during each lease year, or fractional part thereof, for the term of this lease and that said books shall remain open at all reasonable times for the inspection of the Lessors. The Lessee shall furnish the Lessors with statements or audits for each lease year, or fractional part thereof, which shall show the total gross sales as defined herein. On the fifteenth day of the first month following each lease year, the Lessee shall

(Continued on next page)