

RECORDING FEE  
PAID \$1.50

FILED  
GREENVILLE, CO. S. C.  
LEASE AGREEMENT

BOOK 8 PAGE 5

MAY 15 2 15 PM '77

STATE OF SOUTH CAROLINA  
COUNTY OF GREENVILLE

This Lease entered into this ELEVENTH day of MAY, 1977, by and be-

twen Collins Music Company, Inc., hereinafter referred to as Lessor and Champ H. Burgin  
hereinafter referred to as Lessee: DBA Champ Lounge

WITNESSETH:

Now, therefore, in consideration of the mutual terms, conditions and covenants set forth herein, the Lessor, owner of coin operated amusement machines, does hereby lease to the Lessee the machines to be placed at Whitson's Road Greenville, South Carolina. The Parties hereto, for themselves and their representatives, heirs or assigns, do covenant and agree as follows:

1. The Lessor covenants to install after execution of this agreement upon said premises the coin-operated pinball and amusement machines further defined as those machines requiring Federal Tax Stamps and governed by South Carolina Statute 5-621 and 5-622 of the Code of Laws, State of South Carolina, 1962, as amended. It is clearly understood that these machines are not included in any other coin machine agreement with this Lessor.
2. This lease shall remain in full force and effect during the term of operation of any machines of this type owned by the lessor and placed in the lessee's place of business even though an understanding by lessee and lessor that the machines will be swapped or rotated from time to time for another similar type machine. It is also agreed by both lessee and lessor that this lease can be terminated by either party upon written notice from one to the other at any time and the machines will be removed immediately upon notification.
3. Lessor shall repair, clean and maintain said machines upon call between the hours of 9:00 A. M. and 11:00 P. M.
4. In consideration therefore, the lessor shall receive as rental and maintenance service charges of 25 % of the weekly proceeds from said machines. Weekly proceeds being defined as all monies taken in by said machine.
5. All machines installed by the lessor shall remain the sole and exclusive property of the lessor. All machines so placed shall bear the name of the lessor and shall state thereon that said machines are the sole property of the lessor, further, each machine shall bear at all times a placard or sign affixed prominently thereto stating "For Amusement Only."
6. The lessee and lessor both will share equally in the expense of the special Tax Stamp required by the Federal Government. It is further agreed by lessee and lessor that the state, city and county license expense also all property tax on said machines will be paid by lessor.
7. In conjunction with the operation of the above machines, the lessee hereby covenants and agrees that it and its representatives will strictly prohibit and take affirmative action to prevent the occurrence of any of the following:
  - A. Gambling, betting, games of chance, or other illegal activity in any manner.
  - B. Payoffs, prizes, rewards, bonuses, commissions, splitting of profits, or other remuneration or distribution of any type to any persons other than that agreed upon between the parties as stipulated herein.
  - C. Delivery to any agent or representative of the Lessor or any other organization of any remuneration or proceeds not specified herein in writing.

The lessee hereby further covenants and agrees to notify the appropriate law enforcement agencies of the occurrence or attempted occurrence of any of the above prohibited acts.

The lessee shall be held responsible for the use and operation of said machines and shall hold lessor harmless from any liability, civil or criminal, if the machines are improperly or illegally used in violation of any Federal, State or City law constituting a criminal offense whereby said machines are confiscated by any law enforcement agency due to lessee's improper use or that of his representative, the lessee shall be responsible and bound to lessor for the cost of said machines.

8. The lessor further reserves the right to terminate this agreement immediately without penalty or recourse for damage of any type whatsoever upon receipt of reasonable information or suspicion that any act, occurrence, or event prohibited above has or is about to occur.

9. This agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns, and in the event the lessee sells or assigns his interest in the said premises, such successor shall be fully bound by the terms of this agreement, subject to the lessor's right to terminate this agreement immediately without cause. This agreement shall not be construed to create a joint venture between the parties hereto.

10. In the event a Court of competent jurisdiction declares any of the conditions or terms herein invalid, it is understood by the parties that the remaining conditions or terms shall have full force and effect.

This contains all the agreements of the parties, there being no other reservations or understandings. The parties certify authority to enter into this agreement.

WITNESSES:

W. R. Lanister

Peggy Webb

COLLINS MUSIC COMPANY, INC.

By Champ H. Burgin  
For the Lessor

Champ H. Burgin  
For the Lessee

4328 W-2