

upon by the Lessor and the Lessee, who is to design the building for the account of the Lessor, which plans and specifications are to be approved by the Lessee, at a cost not to exceed a total of One Hundred Twenty Thousand Dollars (\$120,000.00) for the erection of said building, including architect's fee, and the paving of the entire lot, herein described, not covered by the building.

The Lessor, as soon as possible after preparation and approval, shall submit said plans and specifications to three or more reputable and qualified contractors for bids in accordance with accepted customs, and the Lessor, with the approval of the Lessee, may award said contract to either of said bidders or may reject all bids and negotiate said contract with any of the contractors submitting bids or with other parties. It is agreed that no bids shall be accepted without the written approval of the Lessee.

In the event the Lessor refuses or fails to have said building and paving completed and ready for use and occupancy on or before August 1, 1964, the Lessee shall have the right to cancel and terminate this lease.

4. The annual rental to be paid by the Lessee to the Lessor for the demised premises, for the term hereinabove specified, shall be:

(a) For the land, Four Thousand Five Hundred Dollars (\$4,500.00); and

(b) For the building, an amount equal to ten per cent (10%) of the actual contract price, plus architect's fee, plus the actual cost of paving, and shall include all construction costs directly and indirectly incurred, the total of said costs in no event to exceed the sum of One Hundred Twenty Thousand Dollars (\$120,000.00), or an annual rent of Twelve Thousand Dollars (\$12,000.00).

The actual cost of construction shall be determined by receipted construction bills, supported by such sworn statements of such cost and full payment as the Lessee may require, and the amount of the annual rent as so determined after the completion of said building shall be incorporated in an endorsement to this lease.

The annual rent as determined upon completion of said building shall be paid by the Lessee to the Lessor in equal monthly installments in advance.

5. The Lessor covenants and agrees:

(a) To pay all ad valorem property taxes and assessments against the property and the improvements thereon which are to be constructed and installed by the Lessor, except that the Lessee shall pay to the Lessor the amount of any annual ad valorem property tax assessed upon said property in excess of the amount of such taxes assessed for the first year of this lease in which taxes are paid on the property and improvements to be constructed as provided herein. The payment of such additional taxes, if any, are to be made to the Lessor in each year on or before the date on which said taxes are to be paid.

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