

STATE OF South Carolina

COUNTY OF Greenville

SUBORDINATED GROUND LEASE

THIS INDENTURE OF LEASE made and entered into this 20th day of December, 19 77, by and between Leola F. Smith, Michael F. Smith, Douglas L. * (hereinafter referred to as Lessor) and Caper House, Inc., a South Carolina corporation, (hereinafter referred to as Lessee). *Smith and Mildred A. Smith

W I T N E S S E T H:

In consideration of the rentals, covenants, and conditions hereinafter set forth, and intending to be legally bound thereby, Lessor and Lessee do hereby covenant and agree as follows:

1. DEMISE: The Lessor does hereby lease and demise unto the Lessee, and the Lessee does hereby take and hire from the Lessor, upon and subject to the terms, conditions, covenants, and provisions hereinafter set forth, all that certain piece, parcel or lot of land situated, lying and being in Greenville County, State of South Carolina, as more particularly described in Exhibit A attached hereto and made a part thereof, together with any and all improvements now or hereinafter constructed thereon, appurtenances, rights, privileges and easements thereto, hereinafter referred to as the demised premises. A topo survey shall be supplied by the Lessor.

2. TERM: To have and to hold the demised premises and improvements thereon for and during a primary term of fifteen (15) years together with three (3) five (5) year options to renew the term hereof, provided the Lessee gives written notice to the Lessor of such intention to renew no later than sixty (60) days prior to the expiration of the primary term of this lease or any renewal term.

3. COMMENCEMENT DATE: The term of this lease shall commence on the first day of the calendar month after which the Lessee opens for business, or on the first day of the calendar month following the expiration of twenty-one (21) days after the Lessee has been given notice that said building and other improvements are ready.

4. RENTAL DURING PRIMARY TERM: It is understood and agreed that the Lessee shall pay to the Lessor as rental for the demised premises during the primary term of the lease, which rental shall accrue from the commencement date of the primary term, the sum of Two Hundred Eight & 33/100 208.33 dollars per month, payable in advance on or before the 10th day of each month.

5. RENTAL DURING RENEWAL TERMS: It is understood and agreed that the monthly rental for the first five years renewal term of this lease, if exercised by the Lessee, shall be the sum of Two Hundred Twenty-Nine & 16/100 229.16 dollars per month; that the monthly rental for the second five-year renewal term, if exercised by Lessee, shall be the sum of Two Hundred Fifty-Two & 07/100 (\$252.07) dollars per month. *Notwithstanding the provision of this paragraph, it is specifically understood and agreed the aforementioned rental provision may subsequently be amended upon the mutual consent of the parties hereto.

See
addendum
6.a

6. USE OF THE PREMISES: It is understood and agreed that the Lessee shall use the demised premises for the operation of a convenience food store and related merchandise, as common and related to Lessee's other convenience food stores. In connection herewith, Lessor agrees that the Lessee may install at its own cost and expense a self-service gasoline island consisting of pumps and canopy, the exact location of which shall be the exclusive right of the Lessee.

7. TAXES: Lessee shall pay all real estate taxes and assessments levied, assessed or imposed upon the demised premises and upon all improvements erected thereon as and when the same shall become due and payable.

8. REPAIRS: The Lessee covenants and agrees to make all necessary repairs to the demised premises and any improvements hereinafter constructed thereon and to keep the same in a good state of repair and condition, ordinary wear and tear excepted, at all times during the primary term of this lease and any extension hereof.

*that the monthly rental for the third five-year renewal term, if exercised by Lessee, shall be the sum of Two Hundred Seventy-Seven and 40/100 (\$277.40) per month.

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