

STATE OF ALABAMA]
SHELBY COUNTY]

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LEASE AGREEMENT

1. PARTIES: THIS LEASE AGREEMENT is between Dr. Warren W. Kent, Jr., herein referred to as Lessor, and Junior Food Stores, Inc., herein referred to as Lessees.

2. PREMISES: Lessor hereby leases to Lessees and Lessees lease from Lessor, for the term and upon the terms and conditions hereinafter set forth, the premises described in Exhibit A which shall be initialed by the parties, attached hereto and made a part hereof, together with the building and other improvements to be constructed thereon as hereinafter provided, and together with the right to use all adjoining parking areas, driveways, sidewalks, roads, alleys and means of ingress and egress, insofar as Lessor has the power to lease or license the use thereof. The Lessor agrees to furnish Lessee with a current survey.

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3. CONSTRUCTION: Unless prohibited by the terms of any mortgage or deed of trust, the Lessees may, during the first ten (10) years of the primary of this lease, make such alterations, structural or otherwise, to the leased property as the Lessees deem desirable in the conduct of its business, including but not limited to, the demolition of any building presently existing on said property or any part thereof without the written consent of Lessor. Lessees, without the written consent of the Lessor or Lessors successors in interest, shall, during the first ten (10) years of the primary term of this lease, have the right to tear down or materially demolish any improvements made by the Lessees on the lease property, or make any material change or alteration in such improvements. All such alterations and new construction shall be performed in accordance with the provisions of this lease. In any case, where any alteration would require the consent of the holder of any mortgage deed of trust, the Lessees shall procure such consent before undertaking such alteration, and the Lessor shall cooperate with the Lessees in procuring such consent.

All work done in connection with any change or alteration shall be done in a good workmanlike manner and in compliance with the building and zoning laws, covenants of record, and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, and Lessees shall undertake no alteration or change or construction on said lease property until Lessees shall have procured and paid for all recognized municipal and other governmental permits and authorizations of the various municipal governments and governmental subdivisions having jurisdiction over the leased property.

During the last five (5) years of the primary term hereof and any extension hereof, any demolition or structural alteration to any improvement shall not be done without the written consent of Lessor, or Lessors successors in interest, which said consent shall not be unreasonably withheld.

Lessor agrees to cooperate with the Lessees in the procurement of any such permits or authorizations, provided, however, that any expense for the procurement of such permits or authorizations shall be borne by the Lessees.

4. TERM: The primary term of this lease shall be fifteen (15) years commencing on November 1, 1980, or when construction of building is completed, whichever comes first, with two consecutive five (5) year options.

5. MINIMUM RENT: Lessees agree to pay to Lessor or Lessor's designee the following minimum rental:

(a) First five year period of the primary lease \$9,000.00 per annum at the rate of \$750.00 per month.

(b) Second five year period of the primary lease \$10,800.00 per annum at the rate of \$900.00 per month.

(c) Third five year period of the primary lease \$12,960.00 per annum at the rate of \$1,080.00 per month.

(d) Lessor agrees to grant to Lessee the option to release for two consecutive five year terms, commencing at the end of the fifteen

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(15) year primary lease, at the rate of \$1,300.00 per month or \$15,600^{78.0} per annum for the first five (5) year option, and then \$1,560.00 per month or \$18,720.00 per annum for the second of said five (5) year ^{73.1} option.

Lessees further agree to pay to Lessor or Lessor's designee an amount to equal the first (1st) and the last month's rent upon signing of this Lease Agreement.

Lessees covenant and guarantee that the premises hereby leased shall be used by Lessee for carrying on business of a retail food store. This operation may include the sale of beer, gasoline, the operation of a kitchen, delicatessen and every other department usually or customarily operated in conjunction with a retail food store of the general character operated by Junior Food Stores, Inc.

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6. LESSEE'S USE COVENANT: The Lessees may use and occupy the leased property for any lawful purpose. The Lessees shall not use or knowingly permit any part of the leased property to be used for any unlawful purpose.

In addition thereto, Lessee shall have the right to sell beer, install gasoline tanks and equipment and sell gasoline at the leased premises.

7. TAXES: Lessees agree to pay when due all property taxes and governmental assessments levied upon the land and all improvements that may be placed on the land at any time during the term of this lease, with any partial year's taxes being prorated. It shall be Lessor's responsibility to supply Lessee with tax notices and the Lessor shall promptly forward to Lessees all tax notices received by Lessor.

8. TERMINATION: It is mutually agreed that in the event Lessees shall default in the payment of rent herein reserved when due, or shall fail to pay when due and payable all taxes and governmental charges provided in paragraph 7 above, and shall fail to cure such default or failure within thirty (30) days after written notice thereof from Lessor, or if Lessees are adjudicated bankrupt, or if a permanent

receiver is appointed for Lessees' property and such receiver is not removed within sixty (60) days after written notice from Lessor to Lessees to obtain such removal, or if, whether voluntarily or involuntarily, Lessees take advantage of any debtor relief proceeding under any present or future law whereby the rent or any part thereof, or is proposed to be, reduced or payment thereof is deferred; or if Lessees make an assignment for the benefit of creditors; or if Lessees' effects should be levied upon or attached under process against Lessees if not satisfied, dissolved or stayed by bond within thirty (30) days after written notice from Lessor to Lessees to obtain satisfaction thereof; then, and in any of the aforesaid events, Lessor, at its option, may at once or within six (6) months thereafter (but only during continuance of such default or condition) terminate this lease by written notice to Lessees, whereupon this lease shall end.

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9. TRADE FIXTURES: Lessor recognizes that from time to time throughout the original and any renewal term hereof, Lessees will place upon demised premises and within the building located thereon, certain machinery, equipment, fixtures and trade fixtures, which personal property may be the subject of a conditional sales agreement, a mortgage or other security interest. Lessor does hereby acknowledge and agree that all such items of personal property placed or located upon the demised premises shall be and remain the sole property of Lessees or any secured party of Lessees. Lessor further covenants that said equipment and fixtures shall be and remain the personal property of Lessees regardless of the manner in which said equipment and fixtures are attached or secured to the demised premises, that such equipment and fixtures shall not at any time be deemed a part of the realty, and that such equipment and fixtures may be removed from the demised premises by Lessees or its secured party at any time before or within thirty (30) days after termination of this Lease Agreement and any extension or renewal hereof; provided, however, that Lessees or its said secured party shall repair any damage caused by such removal.

The law in effect at the time a question may arise as to what

property is personal property as stated herein or real property as stated herein shall be controlling in the interpretation of this paragraph.

10. INSURANCE: Lessees shall, at its own cost and expense, obtain and maintain through the term of this lease, public liability insurance for the benefits of the Lessor and Lessees in the amount of not less than Two Hundred and Fifty Thousand Dollars (\$250,000) for any one injury and Five Hundred Thousand Dollars (\$500,000) for any one casualty. Lessees shall also carry an umbrella policy in the amount of One Million Dollars (\$1,000,000). The insurance referred to above shall be in the name of Lessor and Lessees and shall be issued under the Lessees' general policy. Lessees shall furnish Lessor with certificates thereof issued by Lessees' insurance company. Lessees further agree to save and hold harmless Lessor from any and all claims, causes, actions and damages, including the cost of defense of the same, which may arise from or on account of the erection, maintenance, or operation of any business, building, structure or appurtenance by Lessee under this lease.

11. EMINENT DOMAIN: If all of the leased premises are taken under the power of eminent domain or conveyed under threat of condemnation proceedings, or if only a part of such premises are so taken or conveyed and Lessees shall determine that the remainder is inadequate or unsatisfactory for its business purposes, which determination shall not be arbitrarily or capriciously made, then in either event, this lease shall terminate effective as of the date Lessees are required to give up the right to occupy or use any part of the leased premises or common areas. In the event the Lessor disagrees with Lessees determination that the remaining property is inadequate or unsatisfactory for the conduct of Lessees' business purposes, Lessor and Lessees shall each choose one arbitrator and the two arbitrators so chosen shall choose a third arbitrator and the decision of any two of the arbitrators as to the inadequacy of the premises to the Lessees in and about the conduct of its business, shall be binding on the parties. The termination of this lease as above provided shall not operate to deprive Lessees of the

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right to make claim against the condemning authority for any damages suffered by Lessees, but Lessees shall have no right to make any claim against Lessor because of such termination. If this lease is not terminated as above provided, Lessor and Lessees shall agree upon an equitable reduction of the rental. If the parties fail to agree upon such reduction within sixty (60) days from the date of the final award or payment for the part of the leased premises so taken or conveyed, Lessor and Lessees shall each choose one arbitrator and the two arbitrators so chosen shall choose a third arbitrator. The decision of any two of the arbitrators as to the rental reduction, if any, shall be binding on Lessees and Lessor and any expense of arbitration shall be divided equally between Lessees and Lessor.

12. SUBLETTING: Lessees shall have the right to sublet the whole or any part of the leased property, provided that no part of the lease property shall be sublet for a purpose which is unlawful, dangerous, obnoxious or offensive. No subletting by the Lessees shall affect the obligation of the Lessees to perform all of the covenants required to be performed by the Lessees under the terms of this lease. The Lessor and the Lessees shall have the right to assign or transfer its respective right, title and interest in and to this lease without the consent of the other party. No such assignment shall operate to relieve the assigning party of any obligation or liability arising under the terms of this lease unless the other party shall specifically agree in writing that such proposed assignments shall so release the assigning party.

13. WARRANTY: Lessor represents and warrants that Lessor is the owner in fee simple of this demised premises, that on the date hereof the demised premises are free and clear of any liens, encumbrances, tenancies, and leases (other than this lease), that Lessor has the power and authority to execute and deliver this indenture and to incur all obligations provided herein, and that the leased premises may be used by the Lessees during the entire term for the purposes herein set forth.

It is specifically understood by Lessor that it warrants that the lot is commercial and that there are no county or state regulations that would prohibit the Lessee from selling beer, wine, or gasoline on the demised premises. The parties understand, however, that Lessor does not warrant nor make any representation whatsoever with regard to whether or not Lessee can or will successfully obtain a permit, license or other governmental authority to sell beer, wine or gasoline, or to operate a commercial business upon said property.

14. COMPLIANCE WITH LAWS; Lessees will promptly comply with all applicable and valid laws, ordinances and regulations of federal, state, county, municipal or other lawful authority pertaining to the use and occupancy of the leased premises.

15. BANKRUPTCY: Should Lessees make an assignment for the benefit of creditors, or be adjudicated a bankrupt, such action will constitute a breach of this lease for which Lessor, at its option, may terminate all rights of Lessees or its successors in interest under this lease.

16. ATTORNEYS FEES; If suit is brought by Lessor to enforce any covenant or condition herein contained, or to collect the rents hereunder due, or if it is necessary for Lessor to retain an attorney to accomplish the same, Lessee shall bear the cost and pay all reasonable attorney's fees and interest which may be due or be adjudicated to be due hereunder.

17. NOTICES: All rentals payable to Lessor and notices required or permitted hereunder shall be in writing and delivered either in person to the Lessor's agent, Johnson-Rast & Hays Company, or by United States Certified Mail, Return Receipt Requested, postage fully prepaid, to the addresses set forth hereinafter, and to be given to Lessor under this lease shall be sent to Lessor's agent at;

Johnson-Rast & Hays Company
2131 Magnolia Avenue, South
Birmingham, Alabama 35255

and all notices required to be given to Lessees shall be sent to Les-

secs at:

Junior Food Stores
P. O. Box 5338
Meridan, Mississippi 39301

or to such other address as either party may designate in writing and deliver as herein provided.

18. LEASEHOLD TITLE POLICY: Lessor agrees to furnish Lessees a leasehold title policy for \$100,000 by a title company acceptable to Lessees. The cost for said title policy shall be split equally between the parties, provided, however, that Lessor's cost shall not exceed One Hundred and Sixty Dollars (\$160.00) regardless of the cost of said policy.

19. LIENS: Lessees shall at all times have the right to encumber, by mortgage or deed of trust, or other proper instrument in the nature thereof, as security for any actual bona fide debt, its leasehold estate hereby created, or any portion thereof, together with its leasehold right and interest in and to all buildings and improvements and its interest in any equipment located on the premises.

If at any time after the execution and recordation in the proper records of the county in which the demised premises are located or any such mortgage or deed of trust, the mortgagee or trustee therein shall elect to notify the Lessor in writing that such mortgage or deed of trust has been executed and delivered by Lessees and shall furnish Lessor with the address to which said mortgagee or trustee desires copies of notices to be mailed, then Lessor hereby agrees that it will thereafter mail to such mortgagee or trustee at the address so given a duplicate copy of any and all notices in writing which Lessor may from time to time give or serve upon Lessees under and pursuant to the terms and provisions of this lease.

Such mortgagee or trustee, may at its option, at any time before the rights of the Lessees shall have been forfeited to the Lessor as herein provided, pay any of the rents due hereunder, or do any other

act or thing required of or permitted to the Lessees by the terms of this lease, to prevent the forfeiture or termination of this lease, and all payments so made and all things so done and performed by or for an such mortgagee or trustee shall be as effective to prevent a forfeiture of the rights of the Lessees hereunder as the same would have been if done and performed by Lessees.

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20. RIGHT OF FIRST REFUSAL: If during the term of this lease, or any extension thereof, Lessor shall receive a bona fide offer to purchase the demised premises, which offer is acceptable to Lessor, Lessor agrees that Lessees shall have and is hereby granted an option to purchase the demised premises upon the same terms and provisions. Lessor agrees immediately after receipt of such offer to give Lessees notice in writing of the terms and provisions thereof, and that Lessees may exercise its option to purchase said property at any time within twenty (20) days after such notice is received by Lessees. If Lessees shall elect to exercise such option it shall do so by giving notice in writing to Lessor within such twenty (20) day period and a contract of sale shall be executed by the parties and title closed within a reasonable time thereafter. The Lessor reserves the right to make a charitable gift of this property prior to purchase by Lessees.

21. QUIET ENJOYMENT: That Lessees, upon paying the rent and performing the covenants and agreements of this lease shall quietly hold and enjoy the demised premises and all rights granted Lessees in this lease during the term thereof and extensions thereto, if any.

22. COMMISSION AGREEMENT: Whereas Johnson-Rast & Hays Company was instrumental in leasing that certain property described in Exhibit A attached hereto, to Junior Food Stores for an original term of fifteen (15) years as evidenced by this lease, therefore, in consideration of the rental of said property and the handling of the same in the manner customarily handled by Real Estate Agents for the term of said lease, or any renewal or extension thereof, the said Lessor agrees to pay unto

said Johnson-Rast & Hays Company the sum of six percent (6%) of all rents collected in and from said Lessees by virtue of said lease or renewal or extension thereof:

The undersigned hereby agrees that in addition to the six percent (6%) of rentals collected, it shall pay to Johnson-Rast & Hays Company the entire first month's rent payable by said lease. Said percentage commission on rents collected shall not apply on the first month's rent. This additional commission shall not apply to any renewal or extension of said lease.

23. APPROVAL OF CONSTRUCTION: Lessees will construct improvements in accordance with the Riverchase Covenants and Restrictions and with the approval of the Riverchase Architectural Committee.

24. MISCELLANEOUS:

(a) This lease contains the entire agreement of the parties hereto and no modifications of this lease shall be binding unless in writing duly executed by all the parties hereto and properly witnessed for recording in the state in which the demised premises are located.

(b) No waiver of any covenant or condition or breach of this lease by either party shall be deemed to imply or constitute a further waiver of the same covenant or condition or any other condition or covenant of this lease or a waiver of any other or subsequent breach.

(c) All of the covenants, agreements, provisions, and conditions of this lease shall inure to the benefit of and be binding upon the parties hereto, their successors, legal representatives and assigns.

(d) The captions, section numbers and index appearing in this lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such section of this lease nor in any way affect this lease.

(e) This Lease Agreement shall become binding upon all parties and be of full force and effect upon the last execution date

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hereof.

IN WITNESS WHEREOF, this parties hereto hereunto affix their hands and seals on this 31st day of July, 1980.

EXECUTED BY LESSOR, this 31st day of July, 1980.

WITNESS:

LESSOR; Dr. Warren W. Kent, Jr.

[Signature]

[Signature]

EXECUTED BY LESSEES, this 26 day of August, 1980.

WITNESS:

LESSEES; Junior Food Stores, Inc.

[Signature]

By: [Signature]

ITS: president

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STATE OF ALABAMA]
COUNTY OF]

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Shelby Cnty Judge of Probate, AL
10/09/1980 00:00:00 FILED/CERTIFIED

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Dr. Warren W. Kent, Jr., whose name is signed to the foregoing Lease Agreement, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the Lease Agreement, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 31 day of July, 1980.

[Signature]
Notary Public

STATE OF ALA. SHELBY CO.
NOTARY PUBLIC
1980 OCT -9 AM 8:13
[Signature]
JUDGE OF PROBATE

Deed tax - 171.50
Rec. 18.00
Ind. 1.00
190.50

STATE OF
COUNTY OF

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Junior Food Stores, Inc., signed for by GLEN S. DEWEESE as President (officer) for said Junior Food Stores, Inc., whose name is signed to the foregoing Lease Agreement, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the Lease Agreement, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 26th day of August, 1980.

[Signature]
Notary Public
My commission expires April 28, 1984.

