

1137-001

PFI agrees to become sublessee with regard to the ground lease for said location and to honor terms, covenants and provisions, specifically including the obligation to make monthly rental payments as set forth in the lease for said location. It is the intention of SOUTHERN and PFI that as of August 1, 1980 PFI shall be entirely responsible for this location and that it shall at all times during the term of this agreement have sole responsibility for all financial obligations, employee matters, lease obligations included in this document and general business commitments in any wise related to such purpose.

2. That PFI effective August 15, 1980 shall assume the ground lease on the SHARECROPPER restaurant located in High Point, North Carolina. PFI also agrees to assume the existing equipment lease with SECURITY CAPITAL LEASING COMPANY, which lease requires monthly rental payments of One Thousand Nine Hundred Sixty Six and 58/100 (\$1,966.58) Dollars provided, however, that PFI shall pay only One Thousand Four Hundred Sixty Six and 58/100 (\$1,466.58) Dollars per month with the remaining balance of Five Hundred and No/100 (\$500.00) Dollars per month to be paid by SOUTHERN. The term of the sublease and equipment lease assumption for this location shall be for a period of thirty months beginning with the effective date of August 15, 1980. Thereafter, and upon six months written notice to SOUTHERN, PFI shall have the option to extend its sublease on an annual basis with the understanding that PFI shall be require to pay the entire monthly equipment lease payment to SECURITY CAPITAL LEASING COMPANY. This option to sublease on an annual basis shall continue until the equipment lease with SECURITY CAPITAL LEASING COMPANY shall expire. At that time PFI, at its option, shall have the right to extend its sublease for this location for the remaining period of the lease held by SOUTHERN. SOUTHERN further agrees that upon the expiration date of the equipment lease with SECURITY CAPITAL LEASING COMPANY, PFI shall have the right to buy all of said equipment from SOUTHERN and the leasing company for an amount not to exceed ten percent of its original purchase price, with SOUTHERN and Ellison Smith to personally guarantee to pay to the leasing company any additional monies necessary to pass clear title.

SOUTHERN warrants that this equipment and all other equipment and supplies in connection with this restaurant, specifically including equipment added for the serving of breakfast, is free and clear from all liens and encumbrances except the aforementioned equipment lease with SECURITY CAPITAL LEASING COMPANY. SOUTHERN agrees that upon the passing of title from SECURITY CAPITAL LEASING COMPANY to PFI that the title to all equipment and supplies in connection with this restaurant

0694

4328 RV-2