

Page 2.

to be paid to the state, city or federal government, and in arriving at gross receipts it is also understood and agreed that should the Lessee use the theatre for added attractions of the type of vaudeville or musical units or other live stage entertainment, the cost of such vaudeville or musical units or other live stage entertainment shall be deducted from the normal gross receipts, and the balance treated as gross receipts for the purpose of calculating the rent hereunder, and provided further, that should the Lessee use the theatre for so called road shows where the attraction is exhibited on a percentage basis, and is not a motion picture road show, only the theatre's share of such receipts shall be considered as the theatre's gross receipts in determining the rental payable hereunder; provided, further, however, that gross receipts shall include the net rental received by Lessee from outside parties to whom it may rent said theatre for a day or a number of days, but subtenants' receipts shall not be included.

The Lessee shall furnish the Lessor with a statement of the gross receipts of said theatre at the end of each quarter or thirteen (13) week period within a reasonable time after the termination thereof, and in addition thereto, shall, as soon as possible after each lease year, furnish the Lessor with a statement showing the gross receipts of said theatre for said year, and the Lessor shall be entitled to inspect the records of the Lessee insofar as they are pertinent to the gross receipts of said Rivoli Theatre and deductions therefrom herein authorized. Such inspection shall be made only at reasonable times and after reasonable notice from Lessor as to the date whereon it desires to inspect the records of Lessee pertinent to gross receipts of said theatre, so that the Lessee may have opportunity to secure and have ready such records.

It is agreed that if fifteen (15%) percent of the gross receipts of said Rivoli Theatre for each six months' period shall equal or be less than Four thousand five hundred (\$4500) Dollars for such period of six (6) months, then the payment by Lessee of the sum of Seven hundred fifty (\$750) Dollars per month above mentioned as being on account of rental, shall be and be accepted by Lessor as rental in full for the period covered by said payments on the fifteen (15%) percent basis. It is further agreed that, should there be paid to Lessor any sums on the fifteen (15%) per cent basis at any semi-annual settlement, as provided for above, on a sum in excess of Sixty thousand (\$60,000) Dollars per year of gross receipts, such amount shall be credited on any payment due at the end of the year under the higher percentage payments on excesses above Sixty thousand (\$60,000) Dollars per annum of gross receipts.

This instrument shall not create, or ever be construed to create, a co-partnership or joint venture between the Lessor and Lessee.

Lessor hereby agrees as follows:

- a. That Lessee may use the exterior walls of the lobby and theatre building, or any or them, or any part of all, or any part of them, for advertising or other purposes, unless and until Lessor builds on any other land in front of the said theatre building and/or on the side of sides of the said lobby entrance thereto, and as a result thereof some or all of the said exterior walls be not available for such purposes, in which event Lessee's right to use said exterior walls shall continue only with respect to so much thereof as may be available.
- b. Lessor will make all repairs to the roof and walls of both the said theatre building and the said lobby entrance thereto, and also make all other inside and outside repairs of a structural character, and also make any and all changes, improvements and alterations of a structural character required by any governmental authority; that should Lessor fail or omit to make any one or more of same, Lessee may make the same and deduct the cost and expense thereof from any subsequent installment or subsequent installments of rent due and payable under this lease and until Lessee has been repaid, the amount thereof shall constitute and be a lien upon the demised premises.
- c. That Lessor will pay all taxes and/or assessments levied or assessed against the demised premises and the buildings and improvements thereon erected, and also insure the said theatre building and the said lobby entrance thereto against loss arising out of destruction thereof or damage thereto by fire, etc.
- d. That in the event of damage to or destruction of the said theatre building and/or the said lobby entrance thereto by fire or by any other casualty, Lessor will immediately repair and restore at Lessor's sole cost and expense, and if, as a result of such damage or destruction, Lessee be unable to use the demised premises for the purpose of giving public performances therein and thereon, rent shall abate from and after the date of such damage or destruction and during the time of repair and restoration and until the demised premises have been completely repaired and restored and possession thereof delivered to lessee; that should the destruction to the said theatre building and/or the lobby entrance thereto amount to what is commonly known and designated as "total destruction", this lease, at the option of the Lessor, shall immediately terminate and come to an end, prepaid rental in such an event to be apportioned and adjusted and the unearned part thereof returned to lessee. And should Lessor fail or omit to exercise the said option, Lessor will, at Lessor's sole cost and expense, rebuild and restore the said theatre building and said lobby entrance thereto, with all due diligence and dispatch, beginning reconstruction not later than sixty (60) days after the destruction caused by fire or other casualty, and complete same and deliver possession thereof to Lessee within one year thereafter, and rent shall abate from and after the date of such destruction and during the time of rebuilding, and until possession thereof has been delivered to Lessee; that all unearned prepaid rent will be apportioned and adjusted.