

Thousand Dollars (\$420,000).

In the event the Tenant is unable to open the leased premises and the Cauble property for business on the first day of the first lease year, the percentage rental shall be calculated and paid from the time said leased premises and the Cauble property are opened for business to the end of the first calendar year, to-wit: December 31, 1942, and thereafter said percentage rental shall be calculated and paid according to the calendar year, which is the same as the lease year. In the event the term of this lease shall end at a time other than the end of the lease year, the aggregate gross sales done in the leased premises and the Cauble property shall be prorated accordingly for the purpose of calculating whether or not there is any percentage rental due under the terms of this lease for such portion of a lease year.

The Tenant agrees that within sixty days after the end of each lease year, it will deliver to the Landlord a written statement, verified and certified to be true, accurate, and complete by one of its officers, showing therein the total amount of the gross sales from the leased premises and from the adjoining premises known as the Cauble property also to be occupied by the Tenant during the preceding lease year, and to pay to the Landlord the aforesaid percentage rental, if any, for the preceding lease year as above set forth.

The Tenant further agrees that it will keep a true and accurate separate account of the daily gross sales made by it from the leased premises and from the Cauble property and agrees to deliver to the Landlord at the time of each annual payment of percentage rental, if any, a statement of such gross sales from said leased premises and the Cauble property for the period covered by such payment. In the event that no payment of percentage rental is due by the Tenant to the Landlord for the next preceding lease year, the Tenant shall deliver to the Landlord within sixty days after the end of said lease year a statement of its daily gross sales showing that no percentage rental is payable under the terms hereof. The Landlord agrees to keep such information in respect to sales and business of Tenant confidential so far as possible consistent with the enforcement of the Landlord's rights hereunder.

The term "gross sales" as used herein shall include receipts from the sale of all merchandise or services sold by the Tenant or by any concession therein or from or in the adjoining Cauble property without distinction as to the properties, whether for cash or credit, paid or unpaid, collected or uncollected, less allowances or refunds for returned or defective merchandise, exchanges, discounts, and other credits of a similar nature. For the purpose hereof, all sales shall be considered completed on the delivery of the merchandise or the performances of the services, irrespective of the terms of payment. The term gross sales shall not include credits for returned merchandise or the transfer of merchandise from the leased premises and the adjoining Cauble property to another store or premises of the Tenant, not transferred for the purpose of making delivery under a sale made on the leased premises or the adjoining Cauble property, nor shall said term include money or credits received resulting from claims for loss or damage to merchandise in transit, merchandise returned for credit to factories or jobbers and allowances, premiums, or free merchandise to the trade, nor shall it include the amount of any sales tax applicable to any transaction in or from the leased premises or the adjoining Cauble property under any law or ordinance now existing or hereafter enacted and payable by and/or collected from the Tenant's customers.

Notwithstanding anything hereinabove stipulated in the next preceding paragraph, the Landlord agrees to allow the Tenant a credit as against the percentage rental for the balance due on unpaid accounts for goods sold on credit and not paid for, said credit to be allowed when said accounts have been charged off the books of the Tenant as bad debts.

BOOKS OF TENANT AND EXAMINATION

4. The Tenant agrees that it will keep the records hereinabove referred to, showing its daily gross sales in or from the demised premises or in or from the adjoining Cauble property on the premises occupied by the Tenant under this lease and said records shall be kept in accordance with its regular system of accounting now in effect or hereafter adopted and in accordance with good accounting practices.

Said records shall be available for inspection at all times during the term of this lease on business days and during business hours to the Landlord or to the Landlord's duly authorized representative, but such inspection shall not be made more often than once annually. The Landlord shall have the right to have said sales records audited by a certified public accountant chosen by the Landlord at the Landlord's expense. Unless within one year after the end of any lease year, the Landlord notifies the Tenant, in writing, that it is not satisfied with the statement showing the gross sales on the demised premises and on the adjoining Cauble property, the said statement shall, after said period of time, be considered binding and conclusive as to the gross sales for the year covered by said statement.