

thereto, and has installed the permanent fixtures and appurtenances thereof, in accordance with the plans and specifications initialed by the parties to this lease and by this reference thereto made a part hereof, and in accordance with the requirements of each and every state, county and city governmental authority and their respective departments and bureaus having jurisdiction thereof.

(b) That acceptance of possession by Lessee shall not be a waiver or construed to be a waiver, of any defect in construction or any failure or omission to erect and complete the said theatre building and exits therefrom and/or said lobby entrance thereto and/or to install the permanent fixtures and appurtenances thereof, in conformity with the plans and specifications hereinbefore referred to, and/or in conformity with the requirements of any existing law, rule, order or regulation, and Lessor will, notwithstanding any acceptance of possession, promptly, at lessor's sole cost and expense, immediately correct any defect or omission on notification thereof from Lessee, and should Lessor fail or omit so to do, within reasonable time after notice thereof, Lessee may correct the defect or omission and deduct the cost and expense thereof from any subsequent installment or subsequent installments of rent due and payable under this lease.

(c) That no part of the theatre or its entrances or exits shall be used in common by the Lessee and the occupant or occupants of any of the spaces hereinbefore reserved and excepted from this lease, or the occupant or occupants of any other space or premises whatsoever; and the ^{Sala} stores and offices and other space reserved by the Lessor shall be distinct from and shall not communicate with the theatre, or any part thereof.

(d) That Lessee may use the exterior walls of the lobby and theatre building, or any of them, or any part of all, or any part of them, for advertising or other purposes, unless and until Lessor builds in any other land in front of the said theatre building and/or on the side or 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.

(e) 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.

(f) 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.

(g) 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 -

(Next Page)

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, with the understanding and agreement, however, that should the Lessor in rebuilding, erect a theatre on the premises hereby demised, or on any part thereof, Lessee shall have the option to rent the same for a term, which with the then expired portion of the term demised by this lease, will equal the fifteen (15) year term demised by this lease, at an annual rental equivalent to ten per cent (10%) of the cost of the erection of the theatre and ten per cent (10%) of the cost of the market value of the land upon which the theatre has been erected, or if the theatre be part and not all of the rebuilt structure, at an annual rental equivalent to ten per cent (10%) of the cost of the theatre portion of the building and ten per cent (10%) of an equitable proportion of the market value of the land upon which the building has been erected. 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.

(h) That the permanent fixtures which have been installed by Lessor, at Lessor's sole cost and expense and without contribution thereto by Lessee, are as follows:

- (1) Marquise as specified, with all electric wiring, but exclusive of theatre signs and decorating or decorative lights upon such marquise.
- (2) Electric wiring and all electric and/or lighting fixtures for the electric light fixtures in the auditorium of the theatre building and in the lobby entrance thereto.
- (3) Ticket selling booth.
- (4) Permanent motion picture booth without equipment, but with wiring complete.
- (5) Entire separate ventilating system complete with all fans and electric motors incident thereto.
- (6) All switchboards as specified in the electrical specifications, including stage switchboard and necessary controls for projection machinery.
- (7) Entire separate heating system and equipment.
- (8) Pipe railings.
- (9) All plumbing and plumbing fixtures which form and become part of the building proper.
- (10) Any and all other permanent fixtures set forth on the plans and specifications hereinbefore referred to.

All of the foregoing have been or are to be installed in accordance with the said plans and specifications.

(1) That the demised premises, when completed, will be free of rubbish, materials and tools, and will be thoroughly cleaned by Lessor.

(j) That Lessee may, at any time, at its sole cost and expense, install a separate refrigerating and air conditioning system, making whatever changes necessary so to do, and if Lessee should -

(Over)