

the premises covered by this lease, and hereby warrants its title thereto and right to enter into this lease.

Lessee hereby agrees as follows:

a. To pay the hereinbefore reserved rent, on the dates and in the amounts hereinbefore stated; to pay for water, heat and light consumed or used in or upon the demised premises, including also the portion of the building excepted and reserved from the lease, the heat for such reserved portion to be furnished as provided in subdivision "1" on page 11.

b. To expend within one year from the date of the commencement of this lease a minimum of Thirty-five Thousand (\$35,000.00) Dollars in making repairs and improvements to said demised premises and in purchasing new equipment for said theatre, including specifically a new marquee, new theatre seats and a complete new air conditioning system. It is further agreed that as to any fixtures or improvements belonging to the Lessor and replaced by new ones installed by the Lessee, the replaced fixtures shall be and remain the property of the Lessor.

c. To make all inside repairs to said demised premises necessary to keep same in first-class condition, including repairs to the heating, ventilating, water and sewerage systems, with the distinct understanding, however, that nothing herein contained shall obligate Lessee to make any repairs which Lessor under the terms of this lease is obligated to make.

d. To pay all taxes and/or assessments levied or assessed against the equipment in said building and fixtures and improvements installed therein by Lessee, and to insure and keep same insured for a reasonable amount against loss or damage caused by fire or otherwise.

e. To maintain on said premises a theatre first-class in every particular, showing therein only the better type of motion pictures.

f. The Lessee herewith agrees to execute and deliver to