

term shall not include any sums collected and paid out for any sales or excise tax imposed by duly constituted governmental authority nor shall it include the exchange of merchandise between stores of the Tenant made solely for the convenience of operation or business by the Tenant and not for the purpose of consummating a sale which has been theretofore made at, in, from or upon the leased premises and/or for the purpose of depriving Landlord of the benefit of a sale which otherwise would be made at, in, from or upon the leased premises, nor any amount of returns to shippers or manufacturers nor the amount of any cash or credit refund, other than trade-in allowances, made in good faith upon any sale made on or from the premises where the merchandise sold, or some part thereof, is thereafter returned by the purchaser and accepted by the Tenant.

"Lease Year" as used herein shall mean the twelve-month period immediately following the day preceding the time when rent begins to accrue under the terms hereof. Provided, however, the parties may by written agreement prorate the rents and change the lease year to such twelve-month period as may from time to time be mutually agreeable.

7. During the term of said lease, Tenant will keep in accordance with sound accounting practice, such records as are reasonably necessary and proper to reflect all activities which would enter into the determination of the rents under the terms hereof. Within thirty (30) days after the end of each twelve-month period for the determination of percentage rents, Tenant will furnish Landlord a written statement setting forth in reasonable detail the Gross Sales, as hereinbefore defined, for such twelve-month period. Each such statement shall be certified by a certified public accountant.

Landlord shall have the right to examine and audit Tenant's records, including sales tax reports with reference to the leased premises but not more often than twice a year. Should any such audit or examination disclose an understatement of rental by three (3%) per cent or more for any twelve-months percentage rental period, the Tenant will reimburse the Landlord for the reasonable costs of such audit, otherwise the same shall be at the expense of the Landlord.

All information with reference to Gross Sales shall be treated by Landlord as confidential, provided, however, Landlord may make use thereof in discussions with prospective tenants.

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