RENT

The Tenant hereby agrees to pay to the Landlord without demand at its office, or at such other place or places as Landlord may from time to time designate in writing, the following rents for the aforesaid leased premises, for the term of this lease to wife.

(A) Minimum Rent: The fixed minimum annual rent during the term of this lease shall be payable by Tenant in equal monthly installments on or before the first day of each month in advance, and without any deduction or set-off whatsoever, and shall be as follows:

The term "lease year" as used herein shall mean the twelve month period beginning with the term of the commencement of this lease as hereinbefore determined and each successive twelve month period thereafter during the term of this lease. The period between the date on which the Tenant opens for business, if other than the first day of the month, shall be included as part of the first month of the first "lease year". For any fractional part of a lease year other than the period provided for in the preceding sentence. Tenant shall pay such percentage of gross sales equal to the amount by which such percentage of gross sales made in such fractional part of a lease year exceeds the minimum rent payable for such period.

The said percentage rent shall become due and payable fifteen (15) days after the last day of each three (3) month period of the term of the lease with respect to gross receipts during said three (3) month period. The amount of the quarterly payment of percentage rent shall be equal to the amount, if any, by which the percentage of the gross receipts for said three (3) months exceed one fourth (3) of the annual fixed minimum rent. If, at the end of any lease year, the total amount of rent paid by the Tenant exceeds the total amount of fixed and percentage rent required to be paid by the Tenant during such lease year, the Tenant shall receive a credit equivalent to such excess, which may be deducted by the Tenant from the next percentage payment due under this lease.

GROSS RECEIPTS DEFINED

Gross Receipts Defined: The term "gross receipts" such as used herein is hereby defined to mean gross sales of Tenant and all licensees, concessionaires and tenants of Tenant, from all business conducted upon or from the leased premises or elsewhere, and whether such business be conducted by Tenant or by any licensees, concessionaires or tenants of Tenant, and whether such sales be evidenced by check, credit, charge account, exchange or otherwise, and shall include, but not be limited to, the amounts received from the sale of goods, wares and merchandise and for services performed on or at the leased premises, together with the amount of all orders taken or received at the leased premises, whether such orders be filled from the leased premises or clsewhere, and whether such sales made by means of merchandise or other vending devices in the leased premises. If any one or more departments or other divisions of Tenant's business shall be sublet by Tenant or conducted by any person, firm or corporation other than Tenant, then there shall be included in gross receipts for the purpose of fixing the percentage rent payable hereunder all the gross sales of such departments or divisions, whether such sales be made at the leased premises or elsewhere, in the same manner and with the same effect as if the business or sales of such departments and divisions of Tenant's business had been conducted by Tenant itself. Gross sales shall not include sales of merchandise for which cash has been refunded, or allowances made on merchandise claimed to be defective or unsatisfactory, provided they shall have been included in gross sales; and there shall be deducted from gross sales the sales price of merchandise returned by customers for exchange, provided that the sales price of merchandise delivered to the customer in exchange shall be included in gross sales. Gross receipts shall not include the amount of any sales, use or gross receipts tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein, and paid by the Tenant to such governmental authority. No franchise or capital stock tax and no income or similar tax based upon income or profits as such shall be deducted from gross receipts in any event whatever.

It is agreed that each sale upon installment or credit shall be treated as a sale for the full price in the month in which such sale shall be made, irrespective of the time when Tenant shall receive partial or complete payment thereof from its customer.

Within fifteen (15) days after the end of each calendar month of the term of this lease. Tenant shall deliver to Landlord an accurate statement signed and certified as correct by the Tenant, or by a principal executive of Tenant, if Tenant be a corporation, showing the gross sales for the preceding calendar month or fraction of a calendar month, as the case may be. Within thirty (30) days after the end of each lease year or termination or expiration of this lease. Tenant shall deliver to Landlord a cumulative statement showing the gross sales made in, at or from the demised premises for the preceding lease year. Such statement shall be certified by a certified public accountant and if the Tenant shall not theretofore have paid to the Landlord the full amount of percentage rent payable to Landlord for the period of such cumulative statement. Tenant shall simultaneously with the delivery of said cumulative statement make payment of any balance due for the period of the cumulative statement.

All cash sales made upon the demised premises shall be immediately registered on a cash register equipped with tape. Tenant agrees to install and keep on the demised premises complete and accurate books and records of all business conducted in or from the demised premises and the Landlord shall have the right to examine them and copy from them. Tenant agrees to keep and preserve for at least one (1) year after the end of each lease year all tapes, sales slips, books, records and other evidences of the business conducted in the demised premises for that lease year. All tapes shall be dated and totalled and be available for inspection. If any audit by the Landlord discloses that gross sales for any lease year or part thereof have been under-stated by more than one (1%) per cent. Tenant agrees to pay for the cost of the auditing. Any audit shall be made during regular business hours. Tenant shall permit no one to occupy any part of the demised premises who does not comply with the provisions of this article, but nothing herein contained shall be deemed as a consent by Landlord to any assignment or subletting or occupancy other than by the Tenant.

Tenant makes no representation or warranty as to the sales which it expects to make in the leased premises and Landiord agrees to hold in confidence all sales figures and other information obtained from Tenant or upon the inspection and audit of Tenant's books and records.

At all times during the term of this lease the Tenant shall keep the entire demised premises open for business during regular business hours and to conduct its business in a high class and reputable manner with an adequate staff and full stock of merchandise, subject to strikes and other causes beyond the Tenant's control.

The percentage payments herein mentioned are payable out of the business which the Tenant intends to conduct in the premises as hereinafter set forth. Tenant covenants and agrees to conduct said business upon or from said premises during said term and not to divert it therefrom by any device whatsoever which will effect a diminution of the percentage payments herein stipulated.

** five percent (5%) over the first \$300,000 of volume annually during the full term of the lease (ten years)....

(CONTINUED ON ACCOUNTINGS)