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3. OPTION TO ENLARGE: Effective as of the date of this agreement the paragraph of the Lease captioned "OPTION TO ENLARGE" is hereby stricken therefrom in its entirety.

5. DEFINITION OF "NET RETAIL SALES": The definition of the term "net retail sales" as set forth in the Lease shall be, and it hereby is, stricken therefrom and the following definition substituted therefor, effective as of the first day of the first month following the date hereof.

"The term 'net retail sales' as used in this lease is hereby defined to mean the gross retail sales made upon the demised premises by Tenant and the gross retail sales, if any, made upon the demised premises by Tenant's departmental lessees, concessionaires and licensees occupying space upon the demised premises, after deducting or excluding, as the case may be, the following: (1) the amount of all sales, net of excise, retailers' occupation or other similar taxes imposed in a specific amount or percentage upon, or determined by, the amount of retail sales made upon the demised premises; (2) amounts in excess of Tenant's (or its departmental lessees', concessionaires' and licensees') cash sale price charged on sales made on credit or under a time payment plan; (3) sales of merchandise ordered through the use of Tenant's mail order catalogs or filled through Tenant's catalog order channels, regardless of the place of order, payment or delivery; (4) employee discounts, amounts credited on the purchase price of items by reason of goods traded in as part payment thereof, and returns and allowances as such terms are known and used by Tenant in the preparation of Tenant's profit and loss statements; (5) receipts from snack bars and cafeterias operated solely for the use of Tenant's employees, weighing machines, vending machines maintained for the convenience of Tenant's employees and the incidental convenience of customers, amusement devices, and public telephones; (6) sales of gift certificates, provided, however, that the cash sales price of any item purchased with such a certificate shall be included in net retail sales; (7) premiums, commissions, payments and other amounts received from or in connection with (i) the sale of policies of insurance, mutual funds, stocks, bonds and other securities, travelers' checks, money orders, and similar items; (ii) the making of personal loans; (iii) the operation of savings plans; (iv) the cashing or issuing of checks; (v) the sale or rendition of any and all other financial services; and (vi) the sale of postage stamps, fishing and hunting licenses, and tickets (including, but not limited to, those customarily sold by travel and theatre agencies); (8) sales of any items (not among those listed in (7) above) which are owned by others than Tenant, its departmental lessees, concessionaires or licensees and for which Tenant receives a commission or brokerage fee, provided, however, that there shall be included in net retail sales the amounts received as commission or brokerage fees on such sales; (9) delivery charges, and installation and service charges relating to work performed outside the demised premises; (10) that portion of the selling price of an item, whether or not separately stated, which approximates the cost of services or labor performed outside the demised premises in connection with the sale of the item by Tenant; (11) sales of offices, departments or divisions not located upon the demised premises including, but not limited to, those resulting from referrals or solicitations made on or from the demised premises; and (12) sales made through the commercial and industrial sales department of Tenant."

4. AGREEMENT BINDING ON HEIRS, ETC.: This agreement shall extend to and be binding upon the heirs, devisees, executors, administrators, successors in interest and assigns of both Landlord and Tenant.

IN WITNESS WHEREOF, Landlord and Tenant have caused this agreement to be duly executed and sealed the day and year first above written.

Witnesses (as to Landlord):

George M. Becht
B. H. Williams

W. B. Schoolfield
W. B. SCHOOLFIELD

(Seal)



Attest:

Conelius Coburn
Assistant Secretary

J. C. PENNEY COMPANY, INC.

R. W. [Signature]
Vice President

Witnesses (as to Tenant):

Carl Spataro