

TERM LOAN NOTE

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\$18,300,000.00

Los Angeles, California

October 2, 1978

The undersigned corporation, Plitt Southern Theatres, Inc. ("Borrower") promises to pay to the order of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION ("Bank") at its Beverly Hills Main Office, the principal sum of EIGHTEEN MILLION THREE HUNDRED THOUSAND DOLLARS (\$18,300,000), in lawful money of the United States of America together with accrued interest thereon in installments as follows:

A. Principal and interest shall be payable 30 days after the end of each quarter beginning with the quarter ending December 31, 1978 and continuing until all outstanding principal and accrued interest thereof has been paid in full.

B. Installments are to be equal to total Operating Cash Flow less a maximum of \$1,000,000 available on an annual and consolidated basis with Plitt Properties, Inc. ("PPI"), Plitt Theatre Holdings, Inc. ("Holdings") or any subsidiaries of any of the foregoing, for capital improvements and expansion, or additional leasehold obligations. Provided, however, installments shall not be less than a minimum of (i) \$780,000 for installments due for the quarters ending December 31; (ii) \$2,340,000 for installments due for the quarters ending March 31; (iii) \$780,000 for installments due for the quarters ending

ANNEX A

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