

annum by the Lessee from the Finlay Building, and from any part of the leased premises occupied by the Lessee. In determining the amount of annual gross net sales realized from the sale of merchandise from the Finlay Building, there shall be taken into consideration the sales made by the Lessee from the Finlay Building, together with sales made from the Finlay Building by any assignee or assignees of the Lessee or by any sub-tenant or sublessee of the Lessee.

5. It is understood and agreed that the Lessor herein will at all times during the term of this lease, or any renewal thereof, keep the buildings and improvements which are situated on the demised premises insured against loss or damage by fire or other insurable hazard to the extent of the full insurable value of said buildings and improvements by means of policies of fire insurance with extended coverage written or issued by solvent fire insurance companies licensed to do business in South Carolina; the Lessor herein will procure said insurance policy or policies for the full insurable value of said buildings and improvements and annually advise and notify the Lessee in writing of the amount of insurance which is being carried on said building, buildings and improvements, and should any question at any time arise between the Lessor and Lessee as to what constitutes the full insurable value of said building, buildings or improvements and the parties hereto are unable to agree upon said full insurable value, the question as to what constitutes full insurable value at such time shall be submitted to arbitration and the parties hereto shall be bound by the result of said arbitration. The Lessor herein will pay the premiums on said policies of fire insurance to the extent of seventy-five thousand dollars so long as the present building remains upon said premises in its present condition, but should the full insurable value of the present building in its present condition at any time be in excess of seventy-five thousand dollars, the premiums on said insurance policies over and above the sum of seventy-five thousand dollars shall be at the expense of the Lessee. However, if during the term of this lease, or any renewal thereof, the Lessee shall make improvements, addition or additions to the present building or erect upon said premises a new building in lieu of the present building and such improved building or new building has a value in excess of one hundred thousand dollars, and shall connect the improved building or new building to and with the Finlay Building and use the building and improvements then situated on the demised premises in connection with the business operated by the Lessee in the Finlay Building, the Lessor will pay the premiums on said fire insurance policy or policies to the extent of one hundred thousand dollars but the premiums on said insurance policy or policies for any amount of insurance over and above the sum of one hundred thousand dollars necessary to insure said improved building or new building to the extent of its full insurable value shall be at the expense of the Lessee. However, the Lessee herein will notify the Lessor herein in writing when such improvements or additions have been made or new building erected in order that the Lessor may keep said building and improvements insured to the extent of their full insurable value, and shall likewise notify the Lessor in writing when said improved or new building has been connected with the Finlay Building.

6. It is mutually agreed between the Lessor and Lessee that if at any time prior to to April 1, 1947 the building and improvements located upon the premises hereby leased are destroyed in whole or in part by fire or other hazard, the Lessor shall within thirty days after such damage or destruction begin the repair or re-building of said building and improvements and continue the same with all reasonable dispatch until the completion thereof, and in the event the repair or re-building of said building and improvements, or the damaged part thereof, shall not have been completed and said building suitable for occupancy by April 1, 1947, the rent shall be abated for such time thereafter as may be necessary for the completion of the repairs or re-building of said building and improvements. However, in no event shall the Lessor herein be called upon to expend any sum or sums other than such sum or sums realized by the Lessor from the insurance carried on said building and improvements toward the repair or