

REPAIRS

6. Tenant agrees upon completion of the construction contemplated hereunder to keep and maintain the demised premises and all improvements from time to time located thereon, and all appurtenances thereto, and the sidewalks, parking and service areas thereon, (excluding the building occupied by Shaw's Drugs) in good and tenantable condition and repair throughout the term of this lease and any extensions thereof, ordinary wear and tear and depreciation excepted, and, to the extent more specifically provided hereinafter, damage by fire or the elements or other casualty and condemnation also excepted.

FIRE OR
OTHER
CASUALTY

7. Tenant agrees to carry fire and extended coverage insurance on all improvements on the demised premises (excluding the building occupied by Shaw's Drugs) in an amount equal to the full insurable value thereof, above foundation walls, in Landlord's and Tenant's names, as their interests may appear, with companies licensed to transact business in the state in which the demised premises are located. All sums payable under such insurance coverage shall be paid to and held and disbursed by Tenant as a trust fund for the purpose of providing funds for restoring, replacing or rebuilding the improvements located on the demised premises (excluding the building occupied by Shaw's Drugs).

It shall be the basic responsibility of Tenant to repair, replace or reconstruct the building occupied by Tenant on the demised premises in the event of damage thereto caused by fire or the elements or other casualty; provided, however, in the event that the insurance proceeds shall not be sufficient to repair or restore the improvements, as demonstrated by an architect's certificate or competitive bids for the cost of such repair or restoration, Tenant, at its election, may cancel or terminate this lease by giving notice to Landlord within thirty (30) days following such damage, and upon such termination the net proceeds of insurance shall be divided between the parties hereto in such fashion that Tenant shall be reimbursed the net unamortized value of its total investment cost in the building addition calculated on a straight-line basis over the ten (10) year initial term of this lease, with

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