

item, said rental to be paid from said date up to the first day of the month after the date when all of said new fixtures and equipment of Lessor shall have been so paid for and delivered to Lessee in said store (at which time the term of the Lease hereinafter mentioned shall begin) and the rental for any fractional month shall be the sum arrived at by multiplying the applicable days in said month by 1/30th of the above mentioned monthly rental.

3. Lessee from receipt of such delivery from Lessor of any item of said new fixtures or equipment until the expiration of the 10 year lease term hereinafter mentioned, shall be responsible to keep same insured, at Lessee's expense, for (a) the same or substantially equivalent physical loss or damage coverage as Lessee presently carries on Lessee's own fixtures and equipment, or (b) fire and extended coverage insurance with any loss based upon actual cash value at time of casualty insured against, with any loss to be payable to Lessee, and Lessee agrees to use any loss proceeds payable from said insurance (within a reasonable time from receipt by Lessee of such proceeds) toward the replacement of the item if destroyed or the repair of the item if damaged, to the end that the replacement or repaired item will be at least equivalent in quality and condition to the replaced or repaired item just prior to the damage or destruction of same. The repaired or replacement item shall be owned by Lessor and be covered by this Lease Agreement as a substitute for the item repaired or replaced. If the above insurance coverage in effect at the time of any insured loss should contain any limitation of amount, below actual cash value, of insurance applicable to a loss insured against hereunder or any loss deductible clause, Lessee will pay toward any above repair or replacement any monetary deficiency (in any insurance loss proceeds payable) caused by the operation of such limitation or deductible clause. Notwithstanding damage to or destruction of any item of said new fixtures or equipment, the monthly rental provided for during this Lease Agreement shall continue to be paid by Lessee.

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