

DAMAGE TO IMPROVEMENTS - SECTION EIGHT

If the major improvements upon the demised premises shall be damaged or destroyed by fire or any hazard coverable by fire insurance with what is commonly referred to as extended coverage, or by any other casualty, to an extent less than fifty per cent (50%) of its full, fair, insurable value, or if not in excess of twenty per cent (20%) of the demised premises shall be damaged or destroyed by any hazard not coverable by any insurance, the Lessor will proceed with diligence to repair, restore or replace same to the conditions as existed before such damage or destruction.

If the major improvements upon the demised premises shall be damaged or destroyed by fire or any other hazard coverable by fire insurance with what is commonly referred to as extended coverage, or by any other casualty, to an extent greater than fifty per cent (50%) of its full, fair, insurable value, or if in excess of twenty per cent (20%) of the value of the demised premises shall be damaged or destroyed by any hazard not coverable by any insurance, and Lessor neglects or refuses to repair or restore or replace same within two years from such damage, then either party shall have the option to cancel this lease by giving written notice of such cancellation to the other.

Lessor shall have the right of prior written approval of any plans, specifications, or designs for such repair, restoration, or replacement, which approval shall not be reasonably withheld.

INSURANCE - SECTION NINE

The Lessee agrees that it will keep any improvements on the demised premises insured against loss or damage by fire or other casualty with extended coverage to the full, fair, insurable value thereof, including protection from earthquake, collapse, subsidence, and water damage and shall name Lessor as beneficiary.

NUISANCE AND LIABILITY DAMAGES - SECTION TEN

The Lessee shall not permit a nuisance to exist upon the demised premises, and Lessee hereby covenants to save Lessor harmless from damages from liability for any and all acts committed or permitted or occurring upon the demised premises while leased by Lessee, except those under the direct supervision of Lessors' employees or their representatives.

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