

Section 16.2. Lessee covenants and agrees to effect the necessary repair, rebuilding or restoration promptly within a reasonable time, all items or improvements affected to be of no less similar size and value, and of no less similar design and quality of workmanship as existed immediately prior to the destruction or damage. Lessee's obligation to so repair, rebuild or restore shall be binding upon Lessee notwithstanding that insurance proceeds may not be sufficient to pay for the same, Lessee hereby agreeing to pay the excess costs thereof, if any.

Section 16.3. If during any portion of the Demised Term less than a substantial portion of the Demised Premises shall be destroyed or damaged by fire or by any other cause of whatsoever nature, Lessee shall restore, rebuild or repair the items destroyed, promptly within a reasonable time in accordance with the standards set forth in Section 16.2.

Section 16.4. Lessee agrees to apply any insurance proceeds received by Lessee by reason of insurance carried pursuant to Article 13 for the purpose of restoration, rebuilding or repair required by this Article 16. In the event of restoration, rebuilding or repair by Lessee pursuant to this Article 16, Lessor agrees to apply any applicable insurance proceeds received by Lessor by reason of insurance carried pursuant to Article 13, which proceeds shall be paid to and held by Lessor (without interest), provided that Lessor may withhold the disbursement of such proceeds until completion of the work of restoring, rebuilding or repair, and may disburse such proceeds jointly to Lessee and the contractors or subcontractors performing such work.

Section 16.5. In the event of destruction or damage which is not restored, rebuilt or repaired in accordance with the