

-2-

IMPROVEMENTS, REPAIRS AND UPKEEP

The lessor agrees prior to the beginning of the lease to paint the inside of the building and change the position of the heat unit. Lessee covenants to keep the building and land in good condition and repair throughout the term of this lease. Lessee shall be responsible for making any improvements and alterations during the term of this lease. Lessee shall have the right to make any minor alterations, improvements, repairs and decorations at will so long as such do not tend to decrease the value of the property, but any alterations or repairs requiring any structural changes to the building, or any alterations to the land of a permanent nature, shall first be approved by Lessor. Lessor agrees to repair the roof should it leak and shall keep the roof in good repair.

UTILITIES

All heat, fuel, electricity, water and utilities of all kinds shall be furnished at the expense of the Lessee.

DAMAGE BY FIRE OR CASUALTY

If, during the term of this lease or any extension thereof, the building located on the leased premises is damaged by fire or other casualty and the damage thereto does not render the building untenable, then the Lessor shall immediately repair said damage at Lessor's expense. However, if the damage resulting to the building from fire or other casualty is great enough to cause the premises to become untenable, then Lessor may elect to terminate this lease as of the date of the damage by such fire or other casualty by giving written notice to the Lessee within thirty (30) days after such date, or the Lessor may repair or restore the building at Lessor's expense, in which case the rent shall abate from the date of the damage until the date that the building is again ready for occupancy. If Lessor so elects to repair the building and does not substantially complete the work within ninety (90) days of the date of the damage, then either party may terminate the lease as of the date of said damage.

continued on next page