

prior to such damage or destruction and that Lessee deems it unwise to rebuild, repair and restore or that the restoration cost would exceed the proceeds of insurance and delivery of the certificate shall constitute an exercise of the option by Lessee. On the proposed date of purchase and upon payment of the purchase price in cash, Lessor shall convey the Leased Premises to Lessee subject to and pursuant to Section 22.06 hereof and Lessee shall be entitled to all insurance proceeds resulting from such damage or destruction and the Trustee under the Indenture or the Lessor shall assign and pay over to Lessee all such insurance proceeds.

Section 12.03. Damage or Destruction When No Bond Indebtedness is Outstanding. Notwithstanding any other provision hereof, if all or any part of the Facilities shall be destroyed or damaged and at such time Lessor shall have no Bond Indebtedness outstanding, Lessee may elect to effect such repair or restoration from its own funds and upon written notice of such election to the Lessor any insurance proceeds payable on account of such damage or destruction shall be paid to Lessee, in which event this Lease shall continue in accordance with its terms, or Lessee may elect by written notice to Lessor to purchase the Leased Premises pursuant to Section 22.03 hereof, in which event Lessee shall have no further liability hereunder and any insurance proceeds payable on account of such damage or destruction shall be paid to Lessee.

ARTICLE XIII

Additions, Alterations, Improvements Replacements and New Construction

Section 13.01. Additions, Alterations and Improvements by Lessee. Lessee shall have the right to make additions to, alterations of, and improvements on the Leased Premises, structural or otherwise, and to construct or add additional Facilities, at its expense, subject, however, to the provisions of Article XX.

The Lessee shall have the privilege of erecting any additional building or buildings and of remodeling the Facilities from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that such remodeling shall not damage the basic structure of the then existing Facilities or materially decrease their value, with no obligation to restore or return the Facilities to their original condition, but the cost of such new building or buildings and improvements and remodeling shall be paid for by it and upon the expiration of termination of this Lease, shall belong to and be the property of the Lessor, subject, however, to the Lessee's right to purchase under Article XX hereof and to the right of the Lessee to remove from the Leased Premises at any time before the expiration or termination of this Lease and 30 days thereafter and while it is in good standing with reference to the payment of Basic Rent and its performance of other obligations hereunder, all improvements, machinery, fixtures, equipment and appliances placed in or upon the Leased Premises by the Lessee which can be removed without material damage to the existing building or structures or if they cannot be removed without such damage, then provided that Lessee repairs any damage caused by such removal.