

November 1, 1978 -- October 31, 1981	\$20,000
November 1, 1981 -- October 31, 1984	\$22,000
November 1, 1984 -- October 31, 1987	\$24,200
November 1, 1987 -- October 31, 1990	\$26,620
November 1, 1990 -- October 31, 1993	\$29,282

In the event that the Lessee elects to exercise the option to renew set forth in paragraph (2) hereof, the annual rental shall continue to increase by a factor of ten percent (10%) with every three year period, as described above. The annual rental payment shall be payable to the Lessors without notice or demand therefor in twelve (12) equal monthly installments payable on or before the tenth (10th) of each calendar month during the initial fifteen (15) year term of this lease and during the two (2) successive terms of five (5) years each.

(4) MAJOR IMPROVEMENTS. It is understood and agreed that any major improvements to the demised premises (such as increased warehousing or office space), as shall be deemed necessary or appropriate in the Lessee's judgment during the term or any extended term of this lease shall be subject to the approval of the Lessor. Any major improvements approved by the Lessor shall be at the Lessor's cost and expense, with an appropriate rental adjustment.

(5) OTHER IMPROVEMENTS. It is understood and agreed that any minor alterations or improvements to the demised premises as shall be deemed necessary or appropriate in the Lessee's judgment during the term or any extended term of this lease shall be subject to the approval of the Lessor. Any such minor alterations or improvements approved by the Lessor shall be undertaken by the Lessee at its own cost and expense.

The Lessee warrants that it will save the Lessor harmless from any liability on account of payroll taxes, compensation insurance, necessary permits, and other expenses or claims of every character arising out of the construction of any alterations or improvements undertaken by the Lessee. It is further understood and agreed that the Lessee will pay all bills of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify Lessor against all legal costs and charges, including attorneys