

ARTICLE 1 INSURANCE

1.1 Property Insurance.

1.1.1 Landlord's Property Insurance. Landlord will keep the Property insured for the benefit of Landlord in an amount equivalent to the full replacement value thereof (excluding foundation, grading and excavation costs) against: (a) loss or damage by fire; and (b) such other risk or risks of a similar or dissimilar nature as are now or may in the future be, customarily covered with respect to buildings and improvements similar in construction, general location, use, occupancy and design to the Property in the Minneapolis-St. Paul, Minnesota metropolitan area, including, but without limiting the generality of the foregoing, windstorms, hail, explosion, vandalism, theft, malicious mischief, terrorism, earthquake, flood, civil commotion and such other coverage as may be deemed reasonably necessary by Landlord, provided such additional coverage is obtainable and provided such additional coverage is such as is customarily carried with respect to buildings and improvements similar in construction, general location, use, occupancy and design to the Property in the Minneapolis-St. Paul, Minnesota metropolitan area. These insurance provisions do not limit or modify any of the obligations of Tenant under any provision of this Lease. Landlord agrees that such policy or policies of insurance will contain a waiver of subrogation clause as to Tenant, and, anything in this Lease to the contrary notwithstanding, Landlord waives, releases and discharges Tenant from all claims or demands whatsoever which Landlord may have or acquire arising out of damage to or destruction of the Property or Landlord's business therein occasioned by fire or other cause, whether such claim or demand may arise because of the negligence or fault of Tenant and its agents, contractors, servants, employees, licensees, customers, business invitees or otherwise; provided, however, to the extent any such damage or destruction is caused by the negligence or willful misconduct of Tenant or its agents, contractors, servants, employees, licensees, business invitees and all or any portion of such loss is "deductible", then Tenant will pay to Landlord the amount of such deductible loss (not to exceed \$25,000 per event). Except with respect to any deductible loss, as aforesaid, Landlord agrees to look to the insurance coverage only in the event of such loss.

1.1.2 Tenant's Property Insurance. From and after the Commencement Date (or such earlier date on which Tenant first accesses the Premises), Tenant will keep all of its machinery, equipment, furniture, fixtures, plate glass, inventory, goods, personal property (including also property under the care, custody or control of Tenant) and business interests which may be located in, upon or about the Premises insured for the benefit of Tenant in an amount equivalent to the full replacement value or insurable value thereof against: (a) loss or damage by fire; and (b) such other risk or risks of a similar or dissimilar nature as are now, or may in the future be, customarily covered with respect to a tenant's machinery, equipment, furniture, fixtures, inventory, goods, personal property and business located in a building similar in construction, general location, use, occupancy and design to the Property in the Minneapolis-St. Paul, Minnesota metropolitan area, including, but without limiting the generality of the foregoing, windstorms, hail, explosions, vandalism, theft, malicious mischief, civil commotion and such other coverage as Tenant may deem appropriate or necessary. Tenant agrees that such policy or policies of insurance shall contain a waiver of subrogation clause as to Landlord, and, anything in this Lease to the contrary notwithstanding, Tenant waives, releases and discharges Landlord from all claims or demands whatsoever which Tenant may have or acquire arising out of damage to or destruction of the machinery, equipment, furniture, fixtures, inventory, goods, personal property and business of Tenant occasioned by fire or other cause, whether such claim or demand may arise because of the negligence or fault of Landlord and its agents, contractors, servants, employees, licensees, business invitees or otherwise; provided, however, to the extent any such

damage to or destruction of such property of Tenant is caused by the negligence or willful misconduct of Landlord or its agents, contractors, servants, employees, licensees, business invitees and all or any portion of such loss is "deductible", then Landlord will pay to Tenant the amount of such deductible loss (not to exceed \$25,000 per event). Except with respect to any deductible loss, as aforesaid, Tenant agrees to look to the insurance coverage only in the event of such loss.

1.2 Liability Insurance.

1.2.1 Landlord's Liability Insurance. Landlord will maintain, for its benefit and the benefit of its Property Manager, commercial general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, such insurance to afford protection to Landlord and Property Manager.

1.2.2 Tenant's Liability Insurance. From and after the Commencement Date (or such earlier date on which Tenant first accesses the Premises), Tenant will procure and maintain, at its sole cost and expense, a policy of commercial general liability insurance (providing coverage at least as broad as the current ISO form) with respect to the Premises and Tenant's activities in the Premises and upon and about the Property, and naming Landlord, Property Manager, and mortgagees, if any, as additional insured parties, on an "occurrence" basis, with coverage limits of a minimum of Three Million and 00/100 Dollars (\$3,000,000.00), and to be written by insurance companies reasonably satisfactory to Landlord. Tenant will obtain a written obligation on the part of its insurance company to notify Landlord at least 30 days before cancellation of such insurance. Such certificates of insurance will be delivered to Landlord at least 15 days before the expiration of the policy term. The minimum limits of the commercial general liability policy of insurance will in no way limit or diminish Tenant's liability under Section 10.2.2. At such time as insurance limits required of tenants in buildings of similar use and occupancy in the Minneapolis-St. Paul, Minnesota metropolitan area and are generally increased to greater amounts, Landlord will have the right, upon 30 days' notice to Tenant, to require such greater limits as may then be customary. Tenant agrees to include in such policy contractual liability coverage insuring Tenant's indemnification obligations herein. Any such coverage shall be deemed primary and non-contributory to any liability coverage secured by Landlord. If Tenant serves, dispenses or sells alcoholic beverages of any kind in the Premises, Tenant will comply with any "Dram Shop" or similar requirements under Minnesota law and will obtain insurance for such protection as required by Landlord. Notwithstanding anything in this Lease, Tenant shall be able to use its umbrella policies and/or blanket policies to meet the minimum coverage limits set forth in this Lease.