

- (c) Steam boiler, machinery and pressurized vessel insurance;
- (d) Loss of rent and business interruption coverage in an amount not less than \$2,000,000; and
- (e) The types and amounts of coverage as are customarily maintained by owners or operators of like properties including, without limitation, flood insurance if the Project is located in an area designated by the Secretary of Housing and Urban Development as a special flood hazard area.

So long as an Event of Default shall have occurred and shall be continuing hereunder, the Surety may, at any time and in its sole discretion upon written notice to the Developer, procure and substitute for any and all of the policies of insurance required above, such other policies of insurance, in such amounts, and carried in such companies, as they may select, and in such event, those policies of insurance shall be included within the definition of "Insurance Policies" set forth herein.

SECTION 7. INSURANCE POLICIES.

All Insurance Policies shall be in form with companies and in amounts reasonably satisfactory to the Surety and with a South Carolina authorized insurer rated at least A Class XI Best Rating. All Insurance Policies insuring against casualty, rent loss and business interruption and other appropriate policies shall include noncontributing mortgagee endorsements in favor of and with loss payable to the Surety as well as standard waiver of subrogation endorsements, shall provide that the coverage shall be not terminated or materially modified without 30 days' advance written notice to the Surety and shall provide that no claims shall be paid thereunder without 10 days' advance written notice to the Surety. The requirements of the preceding sentence shall apply to any separate policies of insurance taken out by the Developer concurrent in form or contributing in the event of loss with the Insurance Policies. The Developer will deliver all Insurance Policies, premium prepaid, to the Surety and, in case of Insurance Policies about to expire, the Developer will deliver renewal or replacement policies not less than 30 days prior to the date of expiration. Insurance Policies maintained by the Developer under the First Mortgage may, if in conformity with the requirements of this Mortgage and if approved by the Surety, will satisfy the Developer's obligation hereunder.

SECTION 8. DEPOSITS FOR TAXES.

In order to assure the payment of Taxes as and when the same shall become due and payable so long as an Event of Default shall have occurred and shall be continuing hereunder:

- (a) The Developer shall deposit with the Surety on the first business day of each and every calendar month, following such Event of Default, an amount equal to one-twelfth of the Taxes to become due upon the Premises between one and 13 months after the date of such deposit; provided that in the case of the first such deposit, there shall be deposited in addition an amount which, when added to the aggregate amount of monthly deposits to be made hereunder with respect to Taxes to become due and payable within thirteen months after such first deposit, will provide (without interest) a sufficient fund to pay such Taxes, one month prior

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