

5. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 4 hereof shall be applied as follows: (i) the Net Proceeds of the insurance required by Section 4(a) hereof shall be applied as provided in Section 8 hereof, and (ii) the Net Proceeds of the insurance required by Sections 4(b) and (c) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been or are to be paid.

6. Additional Provisions Respecting Insurance. All insurance required in Section 4 hereof shall be taken out and maintained with generally recognized responsible insurance companies selected by the Company and authorized to do business in the State of South Carolina. All policies evidencing such insurance shall provide for payment of losses to the Company and the Trustee as their respective interests may appear, and the policies required by Section 4(a) shall contain standard mortgage clauses requiring that all Net Proceeds of insurance resulting from any claim in excess of \$10,000 for loss or damage covered thereby be paid to the Trustee for application in the manner herein set forth, provided that all claims regardless of amount may be adjusted by the Company with the insurers. The insurance herein required may be contained in blanket policies now or hereafter maintained by the Company.

Such policies or a certificate or certificates of the insurers that such insurance is in force and effect shall be furnished by the Company to the Trustee and shall contain a provision that such policies may not be cancelled unless the Trustee is notified at least thirty days prior to such cancellation.

7. Advances by Trustee or Bondholders. In the event that the Company shall fail to maintain the full insurance coverage required by this Mortgage or shall fail to keep the Project in as reasonably safe condition as its operating conditions will permit, or shall fail to keep the Improvements or the Project Equipment in good repair and operating condition, the Trustee or any bondholder may (but shall be under no obligation to do so) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts so advanced therefor by the Trustee or any bondholder shall become an additional obligation

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