

5. Insurance:

(a) The Lessee, at its sole cost and expense, shall keep any building hereafter constructed on the leased premises insured for the mutual benefit of the Lessors and the Lessee, during the term of this lease, against loss or damage by fire and against loss or damage by other risks now or hereafter embraced by "extended coverage", so called, in amounts sufficient to prevent the Lessors or the Lessee from becoming a co-insurer under the terms of the applicable policies, but in any event in an amount not less than 80% of the then "full insurable value"; the term "full insurable value" shall mean actual replacement (exclusive of the cost of excavations, foundations and footings below the basement floor) without deduction for physical depreciation. Lessee, at its expense, will also maintain public liability and property damage insurance applicable to the leased premises in amounts reasonable for the risks involved. Such insurance shall be issued by financially responsible insurers duly authorized to do business in the State of South Carolina. All such policies of insurance provided for in this Article shall name the Lessors and the Lessee as the insureds as their respective interests may appear, and, if obtainable without additional premium, shall include an effective waiver by the insurer of all rights of subrogation against any named insured or such insured's interest in the leased premises or any income derived therefrom. Such policies shall also be payable, as required by the Lessee, to the holders of any mortgage on the leased premises, or any leasehold interest therein, as the interest of such mortgage holder may appear.

(b) Insurance proceeds payable as a result of any damage to or destruction of the leased premises shall be apportioned between the Lessee and the Lessors (subject to the rights of any mortgagees) as follows:

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