

or required in the common interest, including the right to abate or eliminate any nuisance, or any condition deemed hazardous by the insurance underwriters. The lien conferred by §57-514, 1962 Code of Laws of South Carolina, as amended, shall extend to and include such special assessments which may be enforced as a regular assessment upon the same terms and conditions provided therefor.

21. The insurance which shall be carried upon the condominium shall be governed by the following provisions:

21.1 All insurance policies (except as hereinafter allowed) shall be purchased by the Association for the benefit of the Association and the Unit Owners and their respective mortgagees as their interests may appear and shall provide for the issuance of certificates of insurance and mortgagee endorsements to the holders of first mortgages on the units or any of them and, shall provide that the insurer waives its right of subrogation as to any claim against unit owners, the Association and their respective servants, agents and guests. Such policies and endorsements shall be deposited with the Insurance Trustee (as hereinafter defined) who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof.

21.2 Each Unit Owner may obtain insurance, at his own expense, affording coverage upon his own property and for his liability as may be required by law, but all such insurance shall contain the same waiver of subrogation as that referred to in 21.1 and shall waive any right to contribution.

21.3 The following coverage shall be obtained:

21.3.1 The building and all other insurable improvements upon the land and all personal property as may be owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations) as determined annually by the insurance company affording such coverage. Such coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsements and such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including but not limited to vandalism, malicious mischief, windstorm and water damage.

21.3.2 Public liability and property damage in such amounts and such forms as shall be required by the Association, including but not limited to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage.

21.3.3 Workmen's compensation policy to meet the requirements of law.

21.3.4 All liability insurance shall contain cross liability endorsements to cover liabilities of the Unit Owners as a group to an individual Unit Owner and of one Unit Owner against another.

21.4 Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged as Common Expenses.

(Continued on next page)