

owner, such residence owner to be liable for (and the Association in no way to be liable for) the premium for such endorsement. In addition, a liability insurance policy for the protection of the Association and the residence owners shall be obtained by the Association covering the common areas and facilities covering such risks and with such deductible amounts as the Association shall determine, but not less than \$300,000 for injuries to each person, \$300,000 for each occurrence and \$300,000 for damage to property. In addition, the Association may obtain such insurance as is reasonably necessary to protect the Association and its members from liability to others by reason of contractual obligations. Each residence owner is and shall be authorized and permitted to purchase apart from the insurance above stated any additional insurance as such residence owner may desire, including a "tenant's homeowner policy" covering contents of his residence, personal injury and property damage liability, burglary and the like. The Association may carry workmen's compensation insurance. Premiums upon insurance policies purchased by the Association (but not the premiums for any insurance endorsements purchased by a residence owner) shall be paid by the Association and charged to the common expense account.

B. The Insurance Trustee shall be a banking institution (selected by the Board of Directors) with offices in the State of South Carolina and having trust powers. The Insurance Trustee shall receive such insurance proceeds as are paid on insurance policies owned by the Association and hold in trust and/or distribute the insurance proceeds in accordance with the terms hereof. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. Each person who hereafter becomes a residence owner thereby appoints the Board of Directors as agent for each residence owner to adjust all claims arising under insurance policies purchased by the Association, such appointment being coupled with an interest and irrevocable.

C. Proceeds on account of damage to common areas and facilities shall be held in undivided shares in ratio equal to the