

covering such risks and with such deductible amounts as the Association shall determine, but not less than \$300,000.00 for injuries to each person, \$300,000.00 for each occurrence and \$300,000.00 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 unit owner is and shall be authorized and permitted to purchase apart from the insurance above stated any additional insurance as such unit owner may desire, including a "tenants home owner policy" covering contents of his unit, 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 unit owner) shall be paid by the Association and charges 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 unit owner thereby appoints the Board of Directors as agent for each unit 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 undivided percentage interests of the unit owners in the common areas and facilities.

D. Proceeds on account of damage to units shall be held in the following undivided shares:

1. For the owners of units which have been damaged or destroyed, in proportion to the cost of repairing the damage (exclusive of a unit owner's alterations and additions) suffered by each such unit owner in the circumstance where the number of units destroyed, if any, is fewer than all of the units and the damaged or destroyed units are to be restored.