

insurance shall be deposited with any first mortgagee who may require the same. The Insurance Trustee must first acknowledge that the insurance policies and any proceeds thereof will be held in accordance with the terms hereof. The Board of Directors shall pay, for the benefit of the owner of each unit and each unit mortgagee, all premiums upon insurance policies purchased by the Association and such premium payments shall be charged as a common expense. The insurance shall be purchased from recognized insurance companies duly licensed to operate in the State of South Carolina and shall be in such amounts as deemed appropriate by the Association.

(C) The buildings and all other insurable improvements upon the land and all personal property as may be owned by the Association shall be covered by the following insurance:

(1) Fire and extended coverage insurance and vandalism and malicious mischief insurance in an amount or amounts equal to the maximum insurable replacement value as determined annually by the Board of Directors, together with other casualty or physical damage insurance customary with respect to buildings similar in construction, location and use as the Board of Directors of the Association may hereafter determine. The Association shall cause the units and common facilities to be reappraised or revalued not less frequently than once every three years by an insurance agent or by such other means as the Association shall deem appropriate, and shall cause the amount of such coverage to be adjusted in accordance with such reappraisal or revaluation.

(2) Public liability and property damage insurance, in such amounts and in such forms as shall