

A. Hazard Insurance. The Board of Directors shall insure the Property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, and lightning, with extended coverage, in an amount not less than the maximum insurable replacement value of the Property as determined by the Board in conjunction with the insurance agent. The Board may in its discretion employ a qualified appraiser(s). The Board of Directors shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Property. All hazard insurance shall cover the entire Property, exclusive only of the contents and furnishings of the individual units.

(1) All hazard insurance policies obtained by the Board of Directors shall designate the Board of Directors as the named insured as Insurance Trustee for the benefit of all the Owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid jointly to the Board of Directors as Insurance Trustee under the provisions of this Master Deed and to any mortgagee holding mortgages on one or more units, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the Horizontal Property Act and the provisions of this Master Deed.

(2) All hazard insurance policies obtained by the Board of Directors shall provide for the issuance of Certificates of Insurance to each unit Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate the amount of insurance covering the building within which the unit is located. If a unit is mortgaged, a Certificate of Insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.

(3) If obtainable, all hazard insurance policies upon the Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Association, its agents and employees, and against the individual Owners and their servants, agents, and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the unit owner upon the contents and furnishings of their units.

(4) Each hazard insurance policy shall contain a loss payee provision designating the interest of the various mortgagees as to the various units within the Regime which are covered by the Master Policy. Such policies shall also provide that they shall not be cancelled without giving thirty (30) days prior written notice to all such mortgagees about which the insurer has been given written notice.

B. Public Liability Insurance. The Board of Directors may obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Association to an individual unit owner and to liabilities of one unit owner to another unit owner.

C. Workmen's Compensation Insurance. The Board of Directors as necessary, shall obtain Workmen's Compensation Insurance to meet the requirements of law.

D. Premiums. All premiums upon insurance policies purchased by the Board of Directors shall be assessed as Common Expenses to be paid by the unit owners through periodic assessment as herein provided.

E. Adjustment. Each unit owner shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under policies purchased by the Administration, subject to the rights of mortgagees of such unit owners.

F. Insurance by Unit Owners. Each unit owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, decorations, and furnishings within his own unit and the additions and improvements made by him to the unit. Each unit owner shall also be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his unit. All such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation claims against the Association and against individual unit owners, as well as their agents, servants, employees, and guests; and (ii) any right of the insurer to contribution or pro-rata because of the master hazard policy.

G. Substitution of Insurance Trustee. The Board of Directors, in its discretion, may decline to serve as Insurance Trustee and may appoint in its place any financial institution which is qualified and willing to act as Trustee and which also has offices in Greenville County, South Carolina. Any substitute Insurance Trustee appointed by the Board of Directors shall succeed to all of the powers and responsibilities vested in the Board as Insurance Trustee under the terms of this Master Deed.