

**OSWEGO RIDGE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS
RESOLUTION RE: INSURANCE**

RECITALS

A. The Declaration of Condominium Ownership for Oswego Ridge Condominium Association, *a nonprofit corporation formed under the laws of the State of Oregon*, states the Association shall obtain and maintain in force policies of insurance as provided in the Declaration or the Bylaws (governing documents) of the Association:

B. The governing documents of the Association, prescribes the type of insurance and specifies the responsibilities of the Association and the owners to place and maintain in force at all time appropriate insurance to protect the owners, the Association and its members.

C. It is the intent of the Board of Directors to:

1. Ensure the Association has adequate coverage for property and liability insurance;
2. Ensure the continuing insurability of the Association at a reasonable price;
3. Prescribe a procedure for reporting and processing insurance claims and
4. Approve a program to minimize the number of insurance claims.

D. The Declarations and Bylaws of the Association are silent regarding responsibility for the payment of the Association insurance policy deductible.

NOW THEREFORE, BE IT RESOLVED THAT the conditions, requirements and procedure set forth below be adopted.

I. INSURANCE DEDUCTIBLE; OWNER AND TENANT INSURANCE

1.1. Determination of Deductible; Notice.

(a) Determination of Deductible by Board. The Board of Directors shall determine the amount of the deductible for property loss insurance policies and any other insurance policies required to be obtained by the Association as provided in the Declaration or the Bylaws of the Association or applicable law. In determining the deductible under the policies, the Board shall take into consideration, among other factors, the availability, the cost and loss experience

of the Association. In making the determination, the Board members shall exercise their reasonable business judgment.

1.2. Responsibility for Insurance. The Responsibility for insurance shall be as provided in this section.

(a) Owners Property Insurance. Owners shall be responsible for obtaining and maintaining insurance policies insuring their units for any losses less than the deductible amount under the Association's policies and for insuring their own personal property for any loss or damage.

(b) Tenants. Tenants shall be responsible for insuring their own personal property for any loss or damage.

(c) Owner and Tenant Liability Insurance. Owners and tenants of all units shall obtain and maintain comprehensive liability policies having combined limits of not less than Three Hundred Thousand Dollars (\$300,000) for each occurrence. The insurance shall provide coverage for, without limitation, the negligent acts of owners and tenants and their guests or other occupants of the units for damage to the general and limited common elements and other units and the personal property of the others located therein.

(d) Association. The Association shall have no responsibility to obtain or assist in obtaining property loss insurance for any owner or tenant for:

(1) Damage to a unit not covered by the Associations policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or

(2) For any damage or loss to the owner's or tenant's personal property.

1.3. Deductible.

(a) Damage Not Resulting from Negligence.

(1) Damage Affecting More Than One Unit and/or Common Element. If a loss affects more than one unit and/or common element, when there is no negligence by any party, the parties which have sustained damage (the Association, unit owners or both), shall pay their proportionate share of the Association deductible. The share shall be a percentage determined by dividing the damage to those portions of the building the non-casualty maintenance of which is the responsibility of the party under the governing documents of the

association, into the total of all building damage incurred in the loss. If the total damage falls below the deductible, each party pays for repair of its' own components.

(2) Damage Affecting One Unit. If the damage is confined to a single unit, the unit owner shall be responsible for the entire deductible of the master association policy.

(3) Damage Affecting the Common and/or Limited Common Element. If the damage is confined to the common and/or the limited common elements, the Association shall be responsible for the deductible of the master association policy.

(b) Damage Resulting From Negligence. If a loss affects more than one unit, the common elements or a combination thereof, to the extent the damage is the result of the negligence of a party, the deductible shall be allocated to the negligent party.

(c) Owner Policy Deducible. Owners of damaged units shall be responsible for payment of their individual condominium unit owner policy deductible.

II. Duplicate Insurance Coverage. In the event of duplicate insurance coverage, the insurance policy obtained by the unit owners shall be considered the primary coverage.

III. Procedure for Claims Handling

3.1 All claims against the Association's insurance shall be processed through and coordinated by the Board of Directors, or, if authorized, the Association's managing agent.

3.2 Charges of managing agent for handling Association claims shall be paid by the Association. The deductible is per occurrence.