

-COPY-
RESOLUTION OF THE BOARD OF DIRECTORS
OF
THE ASSOCIATION OF UNIT OWNERS OF
GLENWOOD PLACE CONDOMINIUM
REGARDING INSURANCE

RECITALS

WHEREAS, “Declaration” is the *Declaration Submitting Glenwood Place Condominium Phase 1 to the Oregon Condominium Act*; “Bylaws” is the *Restated Bylaws of the Association of Unit Owners of Glenwood Place Condominium*; “Act” is the *Oregon Condominium Act, Oregon Revised Statutes (ORS) Chapter 100*; and “Association” is the *Association of Unit Owners of Glenwood Place Condominium*;

WHEREAS, Article 1 Section 3 of the Bylaws provides that the Association was formed to serve as a means through which the unit owners may take action with regard to the administration, management and operation of the condominium.

WHEREAS, Article V Section 2 of the Bylaws provides that the Board of Directors shall have all powers and duties necessary to carry out the responsibilities of the Association and do all such acts and things as are not by law or the Bylaws directed to be exercised by unit owners. Article V Section 2(j) further provides that the authority of the Board includes obtaining insurance pursuant to the Bylaws.

WHEREAS, pursuant to ORS 100.405(4) the Board, on behalf of the Association, has the authority to adopt and amend rules and regulations necessary for the administration of the affairs of the Association.

WHEREAS, Article X of the Bylaws prescribes the type of insurance the Association must obtain and maintain at all times, and Article X Section 2 requires that the cost of such insurance is a common expense for which all unit owners are obligated, and Section 2(g) provides that other items properly chargeable as an expense, such as deductibles, is a common expense.

WHEREAS, Article IX of the Bylaws specifies that unit owners are responsible for certain types of damage.

WHEREAS, Article X Section 6 prescribes the type of insurance unit owners must obtain and maintain at each owner’s expense.

WHEREAS, ORS 100.435(4) provides that the Board is prohibited from obtaining any property damage policy containing a deductible exceeding the lesser of \$10,000 or the maximum deductible acceptable to the Federal Mortgage Association.

WHEREAS, the Declaration and Bylaws are silent regarding responsibility for payment of the Association insurance policy deductible.

WHEREAS, it is the intent of the Board of Directors to:

- A. Ensure that the Association has adequate coverage for property and liability insurance.
- B. Ensure the continuing insurability of the Association at a reasonable price.
- C. Prescribe a procedure for reporting and processing insurance claims.

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

I. INSURANCE DEDUCTIBLE; OWNER AND TENANT INSURANCE

1.1. Determination of Deductible; Notice.

(a) Determination of Deductible by Board. Pursuant to ORS 100.435(4), 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, cost and loss experience of the Association. In making the determination, the Board members shall exercise their reasonable business judgment.

(b) Notice. The Board of Directors shall give written notice to the owners of the amount of the deductible under the Association policies and any change in the deductible proposed in renewal or replacement insurance policies not more than ten (10) days after the effective date of the change. The notice shall be delivered to each unit or mailed to the mailing address of each unit or mailed to the mailing address designated in writing by the owners. The notice shall include the following notice in at least 12-point type that is either all capitals or boldface:

*NOTICE
CHANGE IN ASSOCIATION
INSURANCE COVERAGE*

THERE ARE CHANGES IN INSURANCE POLICIES CARRIED BY THE ASSOCIATION. YOU SHOULD IMMEDIATELY NOTIFY YOUR INSURANCE AGENT OF THE CHANGES SET FORTH IN THE ENCLOSED INFORMATION AND ASK YOUR AGENT TO DETERMINE IF CHANGES TO YOUR INSURANCE POLICIES ARE NECESSARY.

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

(a) Owner's Property Insurance. Owners shall be responsible for obtaining and maintaining insurance policies insuring their units for any losses, including the costs of any deductible for which the owner may be responsible and, if applicable, any other insurance requirement contained in the Bylaws or Declaration, including their own personal property for any loss or damage.

(b) Tenants. Tenants shall be solely responsible for insuring their own personal property for any loss or damage. The Association shall have no responsibility for the failure to obtain such insurance.

(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 Five Hundred Thousand Dollars (\$500,000) 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, including any deductible for which the owner may be responsible herein.

(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 Association's 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.

The obligations set forth in (1) and (2) above shall be the sole responsibilities of owners/tenants.

1.3. Deductible.

(a) Damage Not Resulting :from Negligence.

(1) Damage Affecting More Than One Unit. If a loss affects more than one unit, when there is no negligence by any party, the owners of units which have sustained damage shall pay their proportionate share of the Association deductible. The share shall be the percentage that each unit's damage bears to the total amount of damage incurred in the loss.

(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.

(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 Deductible. Owners of damaged units shall be responsible for payment of their individual condominium unit owner policy deductible.

(d) Damage Less Than Deductible. If the cost to repair damage to a unit is less than the amount of the deductible of the Association's insurance policy, the owner of the damaged unit is solely responsible for the cost of the repairs.

(e) No Monitoring. The Association has no obligation to monitor whether owners and tenants comply with their respective obligations to maintain required insurance.

II. DUPLICATE INSURANCE COVERAGE

In the event of duplicate insurance coverage, the insurance policy obtained by the Association 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 agents for handling claims shall be paid by the Association to the extent the deductible is paid by the Association; and by the owner to the extent the deductible is paid by the owner. The deductible is per occurrence. The Association shall, when possible, include the managing agent's insurance claims administrative services within the insurance claim, if a claim is filed.

3.3 The Association shall seek reimbursement for all expenses of processing the claim from an owner when the claim exists and the insurance does not cover all the costs if an owner is responsible for damage as set forth herein. If owners of more than one unit are responsible for the damage, the allocation of expenses shall be based on the same percentage share as the deductible is allocated.

ATTEST:

S/ Ida Jean Tweeten
Chair, Board of Directors
Association of Unit Owners of
Glenwood Place Condominium

S/ Nancy Stathas
Secretary, Board of Directors
Association of Unit Owners of
Glenwood Place Condominium

Date: 10-29-14

*Original contains Notary
statement, signature, and official
seal of Julia R. Lynne, whose
commission expires on 9-18-16.*