

RESOLUTION OF THE BOARD OF DIRECTORS
HARRISON WEST CONDOMINIUMS OWNERS ASSOCIATION
INSURANCE DEDUCTIBLES AND PRIMARY COVERAGE

The following Resolution is adopted as of the 28th day of October, 2020, by the Board of Directors ("Board") of the Harrison West Condominiums Association ("Association").

RECITALS

WHEREAS, "Declaration" is the *Declaration Submitting Harrison West Condominiums to Condominium Ownership*, as amended, "Bylaws" is *Bylaws of the Harrison West Condominiums Owners Association*, as amended, "Act" is the Oregon Condominium Act, Oregon Revised Statutes, Chapter 100, "Association" is the Harrison West Condominiums Association, and "Board" is the elected Board of Directors of the Association;

WHEREAS, Article 8 of the Bylaws prescribes the types of insurance the Association must obtain and maintain at all times and pay for out of common expenses funds, for the benefit of the Association and unit owners;

WHEREAS, Article 8.1(f) of the Bylaws specifies that each unit owner is responsible for obtaining liability insurance, and casualty insurance coverage for his or her unit and personal property at his or her own expense;

WHEREAS, Articles 7.3(c), 7.5(k), and 7.5(j) of the Bylaws provide that unit owners shall be assessed for the cost of repairing or replacing any portion of the common elements damaged due to the unit owner's fault if the loss is not covered by the Association's insurance;

WHEREAS, ORS 100.435(4) provides that the Board may adopt a resolution authorizing the purchase of a property insurance policy with a deductible in excess of \$10,000, up to the maximum deductible amount authorized by the Federal National Mortgage Association, notwithstanding any contrary requirement of the Declaration or Bylaws;

WHEREAS, ORS 100.435(6) provides that the Board may adopt a resolution assigning responsibility for payment of insurance deductibles and the Declaration and Bylaws are silent regarding responsibility for the payment of the Association insurance policy deductible; and

WHEREAS, it is the intent of the Board of Directors to purchase and maintain insurance coverage that complies with the requirements of the Bylaws and Oregon law and allocate the payment of the deductible for any claim on the Association's policy in a fair and equitable manner;

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

I. Insurance Requirements

The Association and the unit owners are required to obtain and maintain the insurance coverage described in Article 8 of the Bylaws. Unit owners and tenants are responsible for obtaining their own insurance, at their own expense, covering their units, personal property and liability.

II. Deductible Amount and Notice of Change

A. Deductible Amount. The Board has determined that the deductible for the Association's property and liability insurance coverage shall be \$25,000. In the Board's discretion, the deductible for earthquake and other non-standard coverages may exceed \$25,000.

B. Notice of Change. The Board shall give written notice to all owners of any change in the amount of the deductible applicable to the Association's property and liability insurance policies. The Board may, but is not required to, give notice of any change in the amount of the deductible applicable to earthquake and other non-standard coverages. The notice shall be provided not more than (10) days after the effective date of the change and shall include the following statement:

Notice of Change in Association Insurance Coverage

The Association's insurance coverage has changed. The changes are described in this notice. These changes could affect your interests in the event of a loss or claim. You should immediately contact your insurance agent and seek advice as to the adequacy of your own insurance coverage.

III. Allocation of Deductible for Losses Not Caused by Negligence

In the event of a loss which was not caused by the negligence of the Association or any owner, tenant, guest, or invitee, the deductible for any claim on the Association's insurance shall be allocated as follows:

A. Damage to Common Elements Only. The deductible shall be paid as a common expense of the Association.

B. Damage to One Unit. The unit owner shall be responsible for the entire amount of the deductible.

C. Damage to Multiple Units. The unit owners shall be responsible for their proportionate share of the deductible as determined by the relative cost to repair each unit.

D. Damage to Unit(s) and Common Elements. The unit owner(s) and the Association shall be responsible for their proportionate share of the deductible as determined by the relative cost to repair the unit(s) and common elements. The Association's share of the deductible shall be a common expense.

IV. Allocation of Deductible for Losses Caused by Negligence

If a loss is caused by the negligence of a unit owner, or an owner's tenant, guest, or invitee, the owner shall be responsible for payment of the entire deductible. If a loss is caused by the Association's negligence, or the negligence of the Association's agent, the Association shall pay the entire deductible as a common expense.

V. Damage Less Than Deductible

No claim shall be submitted to the Association's insurance for any loss less than the amount of the deductible on the Association's policy. Unit owners and/or unit owners' insurers shall be responsible for any such losses, unless the loss was caused by the Association's negligence.

VI. Owner Policy Deductible

Unit owners shall be responsible for the payment of any deductible for any claims on the unit owner's policy.

VII. Duplicate Insurance Coverage

If a loss is covered by both the Association's property insurance and one or more unit owners' insurance policies, the unit owner's policy or policies shall provide primary coverage up to the limits of those policies. The Association's policy shall provide excess coverage.

VIII. Owner and Tenant Liability Coverage

All unit owners and all tenants shall obtain and maintain comprehensive liability insurance coverage with per-occurrence policy limits of not less than \$300,000. Such liability policies must provide coverage for property damage arising from the negligent acts or omissions of the unit owner or tenant, and any of their guests or invitees.

IX. Proof of Coverage

Owners shall provide proof of the insurance coverage required herein in the form of a policy declarations page, within 10 days, upon request by the Association or its community manager.

X. Claims Handling

A. Claim Submission. All claims for losses in excess of the amount of the Association's insurance deductible shall be submitted to the Association's community manager. If the claim is submitted by an owner, the owner must provide the owner's mailing address, email address, and telephone number. The owner shall also provide a description of the loss along with any available photos and video and the names and contact information of non-owner unit occupants and any witnesses who observed the loss.

B. Review. The Board shall review the claim and determine whether it is covered under the Association's policy. The Board may seek the advice of legal counsel and/or the Association's insurance broker in making this determination. If the Board determines that the claim is covered under the Association's policy, then the community manager shall submit the claim to the Association's insurance carrier. If the Board determines that the claim is not covered under the Association's policy, the community manager shall notify the owner that the claim will not be submitted to the Association's insurance carrier.

C. Manager Fees. If the Association's community manager charges a fee for reviewing and submitting insurance claims, such fees shall be allocated to the Association and the owner(s) in the same proportion as the deductible on the Association's insurance policy.

XI. Other Rights and Remedies.

Nothing in this Resolution limits the rights of any parties to pursue remedies, including, but not limited to contribution or subrogation that such party may be legally entitled to pursue.

[Signatures on Following Page]

ATTEST:


Chairperson


Secretary