

CLAREMONT GREENS TOWNHOME ASSOCIATION  
Resolution of the Board of Directors

INSURANCE

RECITALS

A. "Association" is the Claremont Greens Townhome Association, an Oregon nonprofit corporation. The Association is governed by the following:

1. "CCRs" is Declaration of Additional Covenants, Conditions and Restrictions for Claremont Greens Townhomes ("CCRs") recorded as document number 96114751 in the deed records for Washington County, State of Oregon as amended and supplemented from time to time; -

2. "Bylaws" is the First Amended Bylaws of Claremont Greens Townhome Association recorded as document number 2006-055768 in the deed records for Washington County, State of Oregon as amended and supplemented from time to time; and

3. "Act" is the Oregon Planned Community Act, ORS Chapter 94.550-94.783.

B. ORS 94.630 and Section 3.4 & 3.9 of the CCRs vest the Board of Directors with all of the powers and duties necessary for the administration of the affairs of the Association. ORS 94.630(l)(r) and Section 7.1 of the Bylaws further provides that the Board of Directors may exercise any powers necessary and proper for the administration and operation of the association.

C. ORS 94.630(l)(a) and Section 3.9 of the Bylaws empower the Board of Directors to adopt Rules and Regulations for the planned community. This includes the authority to adopt rules and regulations interpreting conflicting provisions within the CCRs and resolving ambiguities;

D. Section 3.10.2 of the CCRs prescribes the types of insurance the Association must obtain and maintain at all times and pay for out of the common expenses funds, for the benefit of the Association and townhome owners.

E. The CCRs and Bylaws are silent regarding responsibility for the payment of the Association's insurance policy deductible.

F. ORS 94.676 authorizes the Association to adopt a resolution assigning responsibility for payment of the Association's insurance deductible, to require homeowners to obtain insurance coverage on their townhomes, and to establish procedures for processing insurance claims.

G. 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, and (c) prescribe a procedure for reporting and processing insurance claims.

NOW THEREFORE BE IT RESOLVED THAT, pursuant to ORS 94.767 and in consideration of the recitals above, the conditions, requirements, and procedures set forth below be adopted:

ARTICLE 1  
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 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 towhome, mailed to the mailing address of each homeowner, or mailed to the mailing address designated in 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 Property Insurance. Owners shall be responsible for obtaining and maintaining insurance policies covering the full insurable value of their own

property, including the cost of any deductible for which the owner may be responsible under Section 1.3, below, and, if applicable, any other insurance requirement contained in the Declaration.

- (b) Tenant Property Insurance. Tenants shall be responsible for insuring their own personal property for any loss or damage.
- (c) Owner and Tenant Liability Insurance. Owners and tenants shall obtain and maintain insurance policies. The coverage shall be a comprehensive liability policy with combined limits of not less than One Million Dollars Dollars (\$1 for each occurrence and shall provide coverage for, without limitation, the negligent acts of owners and tenants, their guests or other occupants of the townhome for damage to the Building Structures, Outdoor Living Areas, Landscaped Areas and other townhomes and the personal property of the others located therein, including the cost of any deductible for which owner may be responsible under Section 1.3, below.
- (d) Board Notification. Owners shall notify the Board, in writing, prior to making any improvement valued at more than \$5,000.
- (e) Association. The Association shall have no responsibility to obtain or assist in obtaining property loss insurance for any owner or tenant (1) for damage to a townhome not covered by the Association's policy or (2) for any damage or loss to the owner's or tenant's personal property.
- (f) Proof of Insurance. Each owner shall provide a certificate of insurance to the Board of Directors for any insurance policy that owners must obtain under this section. Owners are responsible for ensuring that tenants provide the Board of Directors any insurance policy that tenants must obtain under this section.

### 1.3 Deductible

- (a) Damage Not Resulting from Negligence.
  - (1) Damage Affecting More Than One Townhome. If a loss affects more than one townhome, when there is no negligence by any party, the parties which have sustained damage (the Association, townhome 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.
  - (2) Damage Affecting One Townhome. If the damage is confined to a single townhome, the townhome owner shall be responsible for the entire deductible of the association policy.

- (b) **Damage Resulting from Negligence.** If a loss affects more than one townhome, the common elements or a combination thereof, to the extent the damage is the result of the negligence of an owner, the deductible shall be allocated to the negligent owner.
- (c) **Owner Policy Deductible.** Owners of damaged townhomes shall be responsible for payment of their individual condominium townhome owner policy deductible.

**ARTICLE 11  
DAMAGE LESS THAN THE DEDUCTIBLE.**

Subject to the requirements of Section 3 of the CCRs, if the cost to repair damage to a townhome is less than the amount of the deductible of the Association insurance policy, the owner of the damaged townhome is responsible for the cost of the repairs.

**ARTICLE 111  
DUPLICATE INSURANCE COVERAGE.**

In the event of duplicate insurance coverage, the insurance policy obtained by the townhome owners shall be considered the primary coverage.

**ARTICLE IV  
PROCEDURE FOR CLAIMS HANDLING.**

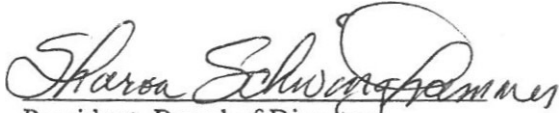
- 4.1 **Tendering Claims.** All claims against the Association's insurance shall be processed through and coordinated by the Board of Directors, or, if authorized, the Association's managing agent.
- 4.2 **Charges and Administrative Services.** Charges of managing agents for handling claims shall be paid by the Association to the extent the deductible is paid by the Association; and by the owner or owners to the extent the deductible is paid by the owner or owners under Section 1.3, above. 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.
- 4.3 **Reimbursement.** 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 under Section 1.3, above. If owners of more than one townhome are responsible for the damage, the allocation of expenses shall be allocated as provided in Section 1.3, above.


**ARTICLE V OTHER RIGHTS AND REMEDIES**

Nothing in this Resolution prohibits owners from pursuing any rights or remedies, such as contribution or subrogation, that an owner may be legally entitled to pursue.

BE IT FURTHER RESOLVED THAT 1) a copy of this Resolution and 2) a notice advising townhome owners to contact the townhome owner's insurance agent to determine the effect of this Resolution on the townhome owner's individual insurance coverage be delivered to each townhome owner or mailed to the mailing address of each townhome owner or to the mailing address designated in by the townhome owner.

ATTEST:

  
President, Board of Directors

  
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ry, Board of Directors

Claremont GreensClaremont Greens Townhome AssociationTownhome Association

DATED this 7 of July, 2015.