

MURRAY PARK CONDOMINIUM ASSOCIATION OF UNIT OWNERS
Resolution of the Board of Directors

INSURANCE

RECITALS

- A. “**Association**” is the Murray Park Condominium Association of Unit Owners, an Oregon nonprofit corporation. The Association is governed by the following:
1. “**Declaration**” is the *Declaration of Unit Ownership for Murray Park Condominium*, recorded on March 24, 1980 as document number 80010276 of the records of Washington County, Oregon;
 2. “**Bylaws**” is *Bylaws of Murray Park Condominiums*, recorded simultaneously with the Declaration;
 3. “**Act**” is *the Oregon Condominium Act, Oregon Revised Statutes, Chapter 100*.
- B. ORS 100.405(1)(a) provides that a condominium association serves as a means through which the unit owners may take action with regard to the administration, management, and operation of the Condominium.
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- C. ORS 100.435 allows the Association to adopt a resolution to assign responsibility for payment of the Association’s insurance deductible, to require unit owners to obtain insurance coverage on their units, and to prescribe procedures for processing insurance claims.
- D. Article IV, Sections 1, 2, and 3 of the Bylaws provide that the Board of Directors shall have all of the power to obtain insurance or bonds pursuant to the provisions of the Bylaws.
- E. Article 6.8 and Article 7 of the Declaration; Article IV, Section 3(f) of the Bylaws; and ORS 100.405(4)(a) provide that the Association has the authority to promulgate rules and regulations necessary for the administration of the affairs of the Association.
- F. Article VII, Section 1 of the Bylaws 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 unit owners.
- G. The Declaration and Bylaws are silent regarding responsibility for the payment of the Association’s insurance policy deductible.
- H. 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 100.435 and in consideration of the recitals above, the conditions, requirements, and procedures set forth below be adopted:

**ARTICLE 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 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, 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 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 Three Hundred Thousand Dollars (\$300,000) for each occurrence and shall provide coverage for, without limitation, the negligent acts of owners and tenants, their guests or other occupants of the unit for damage to the general and limited common elements and other units 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 \$1,000.
 - (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 unit not covered by the Associations 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.
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- (g) **Association as Additional Insured.** Owners and tenants shall cause the Association to be named as an additional insured on any insurance policy that owners and tenants are required to obtain under this section.

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 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.
 - (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 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 an owner, the deductible shall be allocated to the negligent owner.

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

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

Subject to the requirements of Article 9 of the Bylaws, if the cost to repair damage to a unit is less than the amount of the deductible of the Association insurance policy, the owner of the damaged unit is responsible for the cost of the repairs.

**ARTICLE III
DUPLICATE INSURANCE COVERAGE.**

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

**ARTICLE IV
PROCEDURE FOR CLAIMS HANDLING.**

- 4.1 Tending 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.
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- 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 unit 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 unit owners to contact the unit owner's insurance agent to determine the effect of this Resolution on the unit owner's individual insurance coverage be delivered to each unit owner or mailed to the mailing address of each unit owner or to the mailing address designated in writing by the unit owner.

ATTEST:

Andrew C. Hodachek
Chairman, Board of Directors
Murray Park Condominium
Association of Unit Owners

Victoria E. Cooper
Secretary, Board of Directors
Murray Park Condominium
Association of Unit Owners

DATED: Dec 31, 2013.