

Insurance

ARTICLE X

Insurance policies upon the 23 individual condominium properties including the structures but excluding the furnishings of individual Dwelling Units shall be purchased by individual unit owners in their name and for the benefit of Owners (Members), mortgages and lien holders, as their interests may appear. The insurance shall be full replacement coverage and cover common elements which include the building structure and fixtures, installations, interior walls, and additions by an individual Dwelling Unit owner. Coverage is intended to insure those permanently attached items which would not normally be removed in the event of a sale. Unit owner is responsible for repair or rebuilding the unit in its entirety if damaged or completely destroyed.

Common grounds insurance shall cover all buildings and improvements upon the land and all personal property included in the general and limited common elements in an amount equal to the full insurability value thereof (excluding foundations, walks, drives and excavation costs) as determined annually by the Association but with coinsurance clauses being permitted. Such coverage shall afford protection against all risks. The Association is also authorized to procure and maintain such other hazard insurance as it may, from time to time, desire. In addition, insurance shall be procured for workmen's compensation coverage and at least \$1,000,000 bodily injury and property damage public liability insurance covering the common elements and such other insurance as the Board may deem advisable from time to time. Insurance premiums shall be deemed common element expense.

Any deficiency in unit insurance coverage shall be borne by the Association and a lien place on Dwelling Unit for deficient amount. The Association is hereby the irrevocable appointed agent for said Dwelling Unit to adjust all claims arising under said insurance policy purchased by the Association and to execute and deliver releases upon payment of claims without joinder by the individual Owner. All insurance proceeds shall be applied by the Association toward repairing the damage suffered or reimbursing the Unit Owner who has made the repairs, provided that reconstruction or repair shall not be compulsory where the damage exceeds two-thirds of the value of all the buildings and improvements. In such case, and unless otherwise agreed upon in writing by Owner (Member) representing three-fourths (3/4) of the total basic value of the condominium regime, within 120 days after such damage or destruction, the condominium regime shall be deemed waived and the property shall be subject to a partition action and may be sold and the proceeds, along with the insurance indemnity, if any, shall be credited to the Association each Dwelling Unit Owner in accordance with his/her insurance coverage and sums shall be first applied toward satisfaction of any recorded first mortgage against each Dwelling Unit, next toward satisfaction of junior recorded liens in order of their priority, the cost of clearing the Dwelling Site and the remainder, if any, paid to each Dwelling Site Owner. In case the insurance proceeds do not equal the cost of repairs, the Dwelling Unit Owners may, by unanimous resolution adopted after the date of loss, elect not to repair the damage. Each dwelling unit owner is encouraged to obtain personal homeowners' insurance (PHO) that covers personal possessions.

Individual Dwelling Unit specifications for obtaining insurance shall be stipulated annually by the Association Board to include submission requirements, dates, and processes.