

ARTICLE XIII: INSURANCE

1. Types of Insurance Policies. Except as TUKWILA HOMEOWNERS ASSOCIATION, INC. may otherwise provide, the Board of GOOSE HOLLOW HOMEOWNERS ASSOCIATION, INC. shall obtain and maintain at all times, and shall pay out of the common expenses fund, for the benefit of GOOSE HOLLOW SUBDIVISION and the owners, the following insurance:

**A policy or policies of fire insurance with the extended coverage and special form endorsements, for the full insurable replacement value, if available, of any structures on Common Property.*

**A policy or policies insuring the Association, its Board and the owners individually, against any liability to the public or the owners and their invitees or tenants, incident to the ownership, supervision, control or use of the Common Property. Limits of liability under such insurance shall be not less than \$500,000 per occurrence for bodily injuries and property damage liability. Such limit and coverage shall be reviewed at least annually by the Board which may increase the limit of and/or coverage, in its discretion.*

**A policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of named insureds under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.*

**The Board may obtain and maintain a fidelity bond naming such persons as maybe designated by the Board as principal and the Association and the owners as obligees, for the amount determined by the Board, and may require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association. The Association shall not be responsible for any loss or damage to real or personal property of any owner, whether stored on the Common Property or in the owner's Lot or Living Unit, nor shall the Association maintain any insurance coverage for such loss.*

2. Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating of "A+" and a size rating of "AAA", or better, by Best's Insurance Reports, or as may be otherwise acceptable to the Board.
3. Authority to Adjust Losses. All losses under policies hereafter in force regarding the Common Property shall be settled exclusively with the Board or its authorized representative. Releases and proofs of loss shall be executed by at least two (2) directors.
4. Prohibition of Contribution. In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by the individual owners or their mortgagees.
5. Provisions in Insurance Policies. The Board of Directors shall make every effort to secure insurance policies that will provide for the following: waiver of subrogation by the insurer as to any claims against the Board, the manager, the owners and their respective servants. provision that the policy cannot be cancelled, invalidated or suspended on account of the conduct of anyone or more individual owners. A provision that the policy cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board

without prior demand in writing that the Board of Directors or manager cure the defect. A provision that a "no other insurance" clause in the policy exclude individual owners' policies from consideration.

6. Review of Insurance Policies. At least annually, the Board shall review all insurance carried by the Association, which review shall include an appraisal of all improvements made to the Common Property by a representative of the insurance carrier writing the master policy.
7. Fire Insurance on Attached Units. The Association will provide insurance for all common wall or attached units. This insurance will cover full replacement costs for the structure only. The cost for this insurance will be paid by the owners of the common wall units receiving benefit.