

**BRIDGEPORT CONDOMINIUMS UNIT OWNERS ASSOCIATION
BOARD OF DIRECTORS**

INSURANCE RESOLUTION

RECITALS

A. The Board of Directors ("**Board**") of the Bridgeport Condominiums Unit Owners Association, an Oregon nonprofit corporation ("**Association**"), is charged with the operation and management of Bridgeport Condominiums, located in Clatsop County, Oregon.

B. The Association is governed, in part, by documents recorded in Clatsop County, Oregon Official Records, including the:

- Declaration Submitting Bridgeport Condominiums to Condominium Ownership, recorded on February 11, 2008, as Document No. 200801171; Amendment Transferring Parking Spaces, Bridgeport Condominiums, recorded on October 8, 2008, as Document No. 200809326; First Amendment to Declaration of Bridgeport Condominiums, recorded on July 8, 2009, as Document No. 200906524; Second Amendment Transferring Parking Spaces, Bridgeport Condominiums, recorded on March 27, 2009, as Document No. 200902792; Third Amendment Transferring Parking Spaces, Bridgeport Condominiums, recorded on May 21, 2009, as Document No. 200904692; Fourth Amendment Transferring Parking Spaces, Bridgeport Condominiums, recorded on March 18, 2014, as Document No. 201401520; ("**Declaration**").
- Bylaws of the Bridgeport Condominiums Unit Owners Association, recorded as Exhibit D to the Declaration ("**Bylaws**").
- Plat of Bridgeport Condominiums, recorded as Document No. 200801172.

C. In addition to the Declaration, Bylaws, and Plat, the Association is governed by its Articles of Incorporation, Rules and Regulations, and Board resolutions. Collectively, these documents are referred to as the "**Governing Documents**."

D. The Association is also governed by the Oregon Condominium Act, ORS 100.005 *et seq.*, and the Oregon Nonprofit Corporation Act, ORS Chapter 65.

E. Article 3, Sections 3.7 and 3.18 of the Bylaws grants the Board the powers and duties necessary for administering the Association's affairs, including obtaining insurance under the provisions of the Bylaws.

F. Article 8 of the Bylaws requires the Board to obtain and maintain insurance policies.

G. Article 8, Section 8.1 of the Bylaws prescribes the type of property insurance the Association is required to obtain to cover the units and common elements and the type of liability insurance required to protect the Association and its members.

H. Article 8, Section 8.1(f) of the Bylaws requires that each owner purchase insurance policies insuring that owner's property and appurtenant limited common elements for any losses below the deductible amount under the Association's policies and for insuring their personal property for any loss or damage. In addition, Owners and tenants of all Units are required to procure and maintain comprehensive liability policies having combined limits in amounts reasonably set by the Board. Owners are also required to provide proof of insurance coverage to the Association.

I. Article 8, Section 8.1(a) of the Bylaws requires the Board to determine the deductible amount for Association-maintained insurance policies. The Association's governing documents do not completely address responsibility for the payment of the deductible under the Association's insurance policies or the procedure for processing insurance claims.

J. Article 8, Section 8.2(c) of the Bylaws provides that in the event of duplicate insurance coverage, the insurance policy obtained by the Association shall be deemed to be the primary coverage.

K. ORS 100.435(4) states: "Notwithstanding a provision in the declaration or bylaws of a condominium, including a condominium created before September 27, 2007, that imposes a maximum deductible amount of \$10,000 or less in an association insurance policy, if the board of directors determines that it is in the best interest of the association of unit owners and of the unit owners, as provided in subsection (5) of this section, the board may adopt a resolution authorizing the association to obtain and maintain an insurance policy with a deductible amount exceeding the specified maximum, but not in excess of the greater of: (a) The maximum deductible acceptable to the Federal National Mortgage Association; or (b) \$10,000."

L. ORS 100.435 (5) states: "In making the determination under subsection (4) of this section, the board of directors shall consider such factors as the availability and cost of insurance and the loss experience of the association."

M. It is the intent of the Board to:

1. Establish a deductible that accounts for the availability and cost of insurance, the loss experience of the Association, and the rising repair costs;

2. Ensure that the Association has adequate coverage for property and liability insurance;
3. Ensure the continuing insurability of the Association at a reasonable price;
4. Prescribe a procedure for reporting and processing insurance claims;
5. Explain the allocation responsibility under the Bylaws requiring owners to pay the deductible amount and establish allocation responsibility when multiple units or the common elements are damaged; and
6. Establish a rule requiring all Unit owners to provide to the Board of Directors copies of the policies (and the declaration pages thereto) they are required to obtain under Article 8, Section 8.1(f) of the Declaration.

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

RESOLUTION

1. Insurance Deductible—Owner and Tenant Insurance

1.1. Determination of Deductible; Notice.

(a) Determination of Deductible by Board. The Board will determine the amount of the deductible for property loss insurance policies and any other insurance policies required to be obtained by the Association as permitted under ORS 100.435, and any subsequent statutes. In determining the deductible under the policies, the Board will take into consideration, among other factors, the availability, cost, and loss experience of the Association. In making the determination, the Board members will exercise their reasonable business judgment.

(b) Notice. As reasonably practicable, the Board will 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 within 30 days following the effective date of the change. The notice will be delivered to each unit, emailed to each owner, or mailed to the mailing address of each unit or mailed to the mailing address designated in writing by the owners. The notice shall include substantially the following notice in 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 will be as required under Article 8, Section 8.1(f) of the Bylaws and as further provided in this section.

(a) Owners' Property Insurance. Owners are responsible for obtaining and maintaining insurance policies that insure their units for losses less than the deductible amount under the Association's policies and their personal property for any loss or damage.

(b) Tenants. Tenants are responsible for insuring their personal property against loss or damage. Owners are responsible for notifying tenants that their personal property is not covered by the Association's policy.

(c) Owner and Tenant Liability Insurance. Owners and tenants must obtain and maintain comprehensive liability policies having combined limits of not less than \$100,000 for each occurrence. This coverage amount may be increased or decreased by the Board of Directors with notice to the owners. The insurance must provide coverage for, without limitation, the negligent acts of owners and tenants and their guests or other occupants of the units for damage to the common elements and other units and the personal property of the others located therein.

(d) Association. The Association shall have no responsibility to obtain or assist in obtaining property loss insurance or any responsibility to cover losses for any owner or tenant for:

(1) Damage to a unit not covered by the Association's policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or

(2) For any damage or loss to the owner's or tenant's personal property.

1.3. Deductible or Other Uninsured Loss. Article 7, Section 7.4 of the Bylaws requires that each owner shall be responsible for the cost of repairing, reconstructing, or rebuilding the owner's unit not covered by the Association's insurance and to the extent of any deductible under the Association's insurance. For purposes of this Section 1.3, the term "deductible" includes both the deductible portion of an insured loss and a loss that is not insured when not required to be insured under the terms of the Declaration or Bylaws. The Board adopts the following rules for allocating the deductible:

(a) Responsibility for Deductible Follows Responsibility for Maintenance. The deductible amount under the Association's property loss insurance policy will be paid by the party(ies) with responsibility for maintenance, repair, and replacement of the damaged item(s) without regard to whether the loss may have been caused by the negligence of any party. Because the Association is charged with maintenance, repair, and replacement of the common elements and individual owners are charged with maintenance, repair, and replacement of their individual units, the Association will pay the deductible for damage to the common elements, and individual owners will pay the deductible for damage to their units.

(b) Allocation Among Several Parties. If a loss occurs to more than one unit or to common elements and one or more units, the deductible amount under the Association's property loss insurance policy will be allocated between or among the parties in proportion to their total respective losses. For example, if an event damages the common elements to the extent of \$100,000 and damages a single unit to the extent of \$50,000, if the Association's deductible amount is \$10,000, the \$10,000 shall be allocated \$6,667 to the Association, and \$3,333 to the owner because the Association suffered twice the amount of loss that the owner suffered.

(c) No Bar to Individual Claims. Nothing in this Resolution will bar a claim by any party, including, without limitation, any owner or the Association, to recover any loss or damage caused by the negligence of any other party. The purpose of this Resolution is to create an efficient, doubt-free mechanism to fund the deductible to permit the prompt repair of the damaged portions of the units, buildings, and other improvements to be insured. For example, if only Owner A's unit is damaged, and that owner believes the damage is due to the negligence of Owner B, the Bylaws and this Resolution require Owner A to pay the deductible portion of the loss. Following this payment, however, nothing in this Resolution prevents Owner A from pursuing a claim against Owner B to recover the deductible amount paid by Owner A.

(d) Earthquake Insurance. If the Association obtains earthquake insurance, the deductible under the Association's earthquake insurance policy or endorsement will be allocated among the owners and Association in the same manner as set forth in Section 1.3 (a) and (b) above. Because deductibles under earthquake policies tend to be substantially higher than conventional property loss policy deductibles, owners should be aware of the amount of these deductibles and should discuss coverage for such deductibles with their insurance providers.

(e) Monitoring. The Association shall request a copy of owners' insurance policies and those policies' declaration pages to monitor whether owners and tenants comply with their respective obligations to maintain required insurance. If an owner fails to comply with the Association's request to submit insurance policies and declaration pages, then the Association may levy fines against the owner (after giving notice and an opportunity to be heard) until the owner submits the requested policies and declaration pages to the Association's Board or its community manager.

2. Duplicate Insurance Coverage. In the event of duplicate insurance coverage (the Association and an owner have insurance covering the same element), the insurance policy obtained by the Association will be considered the primary coverage.

3. Procedure for Handling Claims

3.1 The Board or, if authorized, the Association's managing agent will process and coordinate all claims against the Association's insurance.

3.2 Charges of managing agents for handling claims, as well as fees and costs for consultants, counsel, and other persons assisting the Association, will be treated as part of the overall loss, apportioned, if at all, in the same manner as the deductible is apportioned.

4. Procedure for Investigation and Repair

4.1 Investigation. Upon the occurrence of damage affecting any unit(s) or common element, the Board will conduct any investigation as it considers reasonable under the circumstances to determine the nature and extent of the damage, the likely cause of the damage, and the likelihood of insurance coverage. The Board may retain any contractors, consultants, or counsel as it considers appropriate under the circumstances.

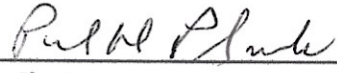
4.2 Repairs to Common Elements. The Association will always control the conduct of maintenance and repairs to common elements.

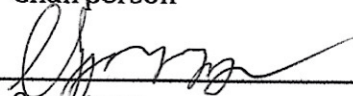
4.3 Repairs to Unit(s). In the event of damage to one or more units with respect to which there is any coverage under the Association's insurance policy, the Association retains the right, but not the duty, to control the solicitation of bids and the conduct of repairs for this damage. In its discretion, the Board may choose to permit an individual owner to control the conduct of repairs to the unit, depending upon (a) the relative financial contributions of the Association's insurance and the individual owner or its insurance carrier; (b) the Board's confidence that unit repair work will not adversely affect the common elements or other units; and (c) all other relevant factors.

(Signature page follows on page 7)

This Resolution was adopted at a meeting of the Board of Directors on May 18, 2024, and replaces and supersedes all prior insurance resolutions. Within 10 days of adoption, this resolution will be delivered to all owners electronically, or if the owner has declined to receive notice by electronic communication, then by mail at their last known address in the Association's records.

**BRIDGEPORT CONDOMINIUMS UNIT OWNERS
ASSOCIATION**, an Oregon nonprofit corporation

By: 
Chairperson

By: 
Secretary