

ASSOCIATION OF UNIT OWNERS OF
ST. JOHNS COURT CONDOMINIUM

Resolution of the Board of Directors

INSURANCE DEDUCTIBLE RESOLUTION

Background

1. The Association of Unit Owners of St. Johns Court Condominium (“Association”) oversees the affairs and operations of the St. Johns Court Condominium.
2. The Association and the owners are governed by ORS 100, the Oregon Condominium Act (“Act”), and the following documents:
 - 2.1. Restated Declaration Submitting St. Johns Court Condominium to Condominium Ownership, recorded as document number 2006-080853 in the official records of Multnomah County, Oregon (“Declaration”); and
 - 2.2. Bylaws of the Association of Unit Owners of St. Johns Court Condominium (“Bylaws”).
3. 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.
4. Article VI of the Bylaws provides that the Board of Directors shall have all of the powers permitted under the Act, the Declaration, and the Bylaws to acquire and pay for, out of common expense funds, all services required for the proper functioning of the Condominium. Article X of the Bylaws further provides that the Board shall obtain insurance policies pursuant to these powers.
5. The Declaration, 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.
6. Article X 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. Further,

Section 6 of Article X specifies that a unit owner or unit owners must obtain additional insurance for his or her unit at his or her own expense.

7. The Association seeks to clarify the responsibility for payment of the Association's insurance policy deductible in the event of a claim.
8. It is the intent of the Board of Directors to ensure that the Association has adequate coverage for property and liability insurance; ensure the continuing insurability of the Association at a reasonable price; and prescribe a procedure for reporting and processing insurance claims.

Resolution

1. Determination of Deductible; Notice

- 1.1. **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.
- 1.2. **Notice.** The Board of Directors shall give written notice to the owners of the amount of the deductible under the Association's policies and any change in the deductible proposed in renewal or replacement insurance policies not more than thirty (30) days prior to 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.

2. **Responsibility for Insurance.** The responsibility for insurance shall be as provided in this section.

2.1. **Owner Insurance.** Owners shall be responsible for obtaining and maintaining the insurance contained in Article X, Section 6 of the Bylaws.

2.2. **Tenant Property Insurance.** Tenants shall be responsible for insuring their own personal property for any loss or damage.

2.3. **Association Insurance.** The Association is obligated to maintain the insurance policies described in Article X of the Bylaws.

3. **Deductible**

3.1. **Damage Not Resulting from Negligence**

3.1.1. **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's deductible. The percentage shall be allocated to each party based on the total cost of fixing the damage (Party's Costs of Damage Remediation / Total Cost for All Remediation = Percentage Share of Deductible Payment). Example: Units 1, 2, & 3 are damaged. Unit 1 sustains \$3,000 in repair costs, Unit 2 sustains \$4,000 in repair costs, and Unit 3 sustains \$5,000 in repair costs. The total repair costs are \$12,000. The deductible would be split: Unit 1 - 25%; Unit 2 - 33%; and Unit 3 - 42%.

3.1.2. **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's policy.

3.2. **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 a party, the deductible shall be allocated to the negligent party. The Board of Directors, in its

sole discretion, shall determine whether the damage was caused by negligence.

3.3. Owner Policy Deductible. Owners of damaged units shall be responsible for payment of their individual condominium unit owner policy deductibles.

4. Damage Less Than the Deductible

4.1. If the cost to repair damage to a unit is less than the amount of the deductible of the Association's insurance policy, the owner of the damaged unit is responsible for the cost of the repairs.

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

6. Procedure for Handling Claims

6.1. 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. All Owners must immediately notify their personal insurance carrier and the Association of any water damage to their Unit or the common elements.

6.2. Charges of managing agents for handling claims shall be paid by the Association to the extent that the deductible is paid by the Association; and by the owner or owners to the extent that the deductible is paid by the owner or owners under Section 3, above. The deductible is per occurrence. The Association shall, when possible, include the managing agent's administrative services within the insurance claim, if a claim is filed.

6.3. 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 3.2, above. If owners of more than one unit are responsible for the damage, the allocation of expenses shall be allocated as provided in Section 3.1.1, above.

7. Other Rights and Remedies

- 7.1. 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.
- 7.2. In the event an owner refuses to pay their portion of the deductible or damage restoration expenses, the Association has the right to pay for all costs of remediation, with such costs becoming a lien upon the unit and the personal obligation of the owner.

8. Miscellaneous. A copy of this Resolution shall be provided to all owners.

Michael O'Rourke
President

2024-10-09
Date

Lauren McRory
Secretary

2024-10-10
Date

Signature Certificate

Reference number: QS9MJ-BWUHS-UFZTN-WQG5X

Signer

Timestamp

Signature

Michael O'Rourke

Email: stjohncourthoa@gmail.com

Sent: 10 Oct 2024 02:16:00 UTC
Viewed: 10 Oct 2024 02:22:11 UTC
Signed: 10 Oct 2024 02:22:31 UTC

Michael O'Rourke

Recipient Verification:

✓Email verified 10 Oct 2024 02:22:11 UTC

IP address: 24.22.55.105
Location: Portland, United States

Lauren McRory

Email: runren520@gmail.com

Sent: 10 Oct 2024 02:16:00 UTC
Viewed: 10 Oct 2024 14:41:01 UTC
Signed: 10 Oct 2024 14:42:02 UTC

Lauren McRory

Recipient Verification:

✓Email verified 10 Oct 2024 14:41:01 UTC

IP address: 73.180.57.86
Location: Portland, United States

Document completed by all parties on:

10 Oct 2024 14:42:02 UTC

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