

shall be bonded in such amount as the Board of Directors shall require. Any agreement for professional management of the project must provide that the management contract may be terminated for cause on ninety (90) days written notice and the term of such contract can not exceed three (3) years.

E. Notice. Notice for any purpose may be given by the Association to residence owners and the residence owners to the Association in the manner provided in the By-Laws for notice of meetings to members of the Association.

F. Limitation of Liability. Notwithstanding the duty of the Association to maintain, repair and replace parts of the common areas and facilities, the Association shall not be liable for injury or damage caused by any latent condition of the common areas and facilities nor for injury or damage caused by the elements, or residence owners or other persons.

XI. INSURANCE. Insurance (other than life insurance) which shall be carried upon the common areas and facilities and the residences shall be covered by the provisions set out in Appendix Two, which is attached as part of this Declaration. Some of these provisions are summarized as follows:

A. The Association will carry at the common expense of the residence owners the following policies:

1. Fire and extended coverage on the residences (but not contents) and common facilities for the benefit of the residence owners and their mortgagees in an amount not less than the full insurable value thereof with such deductible amounts as the Board of