

If any such tax or assessment is not so assessed then it shall be included in the budget of the Association as a recurring expense and shall be paid by the Association as a common expense and charged to the particular residence owner or owners to which it is attributable. Otherwise, each residence owner is responsible for paying taxes assessed or levied with respect to his residence and his undivided interest in the Common Area and Limited Common Area and facilities.

XVI.

INSURANCE

Insurance (other than title insurance) which shall be carried upon the Common Areas, Limited Common Areas and facilities and the residences shall be covered by the following provisions:

A. All insurance policies upon the Common Areas, Limited Common Areas and facilities and the residences shall be purchased by the Association for the benefit of the residence owners, the mortgagees and the Association, as their interests may appear. Such policies shall provide that all proceeds covering losses shall be paid to a trustee, herein referred to as the Insurance Trustee. Such insurance coverage shall be fire and extended coverage or covering such additional risks (including vandalism and malicious mischief) and with such deductible amounts as the Board of Directors shall determine, and shall be written on the property in the name of the Association for the benefit of the residence owners in the percentage interests established in this Declaration. Provision shall be made for the issuance of evidence of insurance to mortgagees of residence owners and for the issuance of certificates of insurance to the residence owners, such insurance to be for the full insurable value of the residences. The Association will review the amount of the policy from year to year to attempt to maintain the amount thereof at the full replacement value of the common facilities and of the residences (exclusive of contents of, additions to, and betterments of residences). The Association shall further cause the residences and the common facilities to be reappraised or revalued not less frequently than once each three years by an insurance agent, or by such other means as the Association shall deem appropriate, and shall cause the amount of such coverage to be adjusted in accordance with such reappraisal or revaluation. Such insurance shall not insure any of the contents, additions to or betterments of the residence.

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