

respective Units.

ARTICLE V

Insurance and Casualty Losses

Section 5.1. Hazard Insurance.

(a) The Association shall obtain, maintain and pay the premiums, as a Common Expense, upon a "master" or "blanket" type policy or policies of property insurance covering the entire Project, except (i) land, foundation, excavation, or other items normally excluded from coverage; (ii) all improvements and betterments made to Units by Owners at their expense; and (iii) personal property of Owners and lessees of Owners, their families, invitees and guests. Such coverage shall also insure supplies, equipment and other personal property of the Association. All policies of property insurance shall be single entity condominium insurance coverage. The master insurance policy shall afford, at a minimum, protection against losses or damage by fire and other perils normally covered by standard extended coverage endorsement; and all other perils which are customarily covered with respect to condominium projects similar in construction, location and use, including all perils normally covered by a standard "all risk" endorsement, where such is available. The policy shall be in an amount equal to 100 percent of the current replacement cost of the Project, exclusive of land, foundations, excavation, and other items normally excluded from coverage; and "agreed value" and "inflation guard" endorsements shall also be obtained, if available. A "deductible amount" not to exceed amounts permitted in applicable provisions of the Federal National Mortgage Association Conventional Home Mortgage Selling Contract Supplement may be included at the discretion of the Board of Directors if a material savings in premium cost results therefrom, but the deductible amount shall be considered a Common Expense and borne by the Association regardless of

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