

ARTICLE XIV
(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:

1. 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, except, however, in the event the amount of damage is less than \$500.00, the proceeds of insurance may be paid to the Association. 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 residences. A residence owner may seek to obtain at his own expense and management a building additions, betterments, and alterations endorsement to the aforesaid insurance policy for the exclusive benefit of the particular residence owner, such residence owner to be liable for (and the Association in no way liable for) the premium for such endorsement. In addition, a liability insurance policy for the protection of the Association and the residence owners shall be obtained by the Association covering the common areas and facilities covering such risks and with such deductible amounts as the Association shall determine, but not less than \$100,000.00 for injuries to each person, \$100,000.00 for each occurrence and \$100,000.00 for damage to property. In addition, the Association may obtain such insurance as is reasonably necessary to