

18. Insurance.

The Board of Directors of the Association shall provide and maintain fire and extended coverage insurance on all buildings, including limited common areas and common areas and facilities, and any portion thereof in Group I in the amount of the full insurable value (replacement value) of the buildings, excluding foundations and excavation costs. The Board of Directors of the Association may provide insurance covering such other risks which from time to time customarily shall be covered with respect to buildings similar in construction, location and use, or which the Board deems necessary. All such insurance shall be obtained in the name of the Association as trustee for the unit owners and their respective mortgagees as their interest may appear, naming each unit owner as an additional insured.

To the extent possible and necessary, the insurance shall provide that the insurer waives its rights of subrogation as to any claims against unit owners, the Association, and their respective servants, agents and guests and that the insurance policy cannot be cancelled, invalidated or suspended on account of conduct of any one or more unit owners, or the Association, or their servants, agents and guests, without thirty (30) days prior written notice to the Association giving it an opportunity to cure the defect within that time. The amounts of protection and the types of hazards to be covered shall be reviewed by the Board of Directors at least annually, and the amount of coverage may be increased or decreased at any time it is deemed necessary as determined by the Board of Directors to conform to the requirements of full insurable value.

In the event of partial or total destruction of a building or buildings, and it is determined to repair or reconstruct such building or buildings in accordance with paragraph 17 hereof; the proceeds of the insurance shall be paid to the Association to be applied to the cost thereof. If it is determined not to reconstruct or repair, then the proceeds shall be distributed to the unit owners and their mortgagees, if any, as their respective interest may appear. The insurance policy or policies shall not cover items of personal property of each unit owner which shall be the responsibility of each unit owner to insure. The policies shall state whether or not the following items are included within coverage so that the unit owners may insure themselves if the items are not insured by the Association: drapes and other window coverings, floor coverings except floor slab, inside paint and other inside wall finishes, air-conditioning equipment, service equipment such as dishwasher, laundry, refrigerator, oven, stove, disposal, water heater, furnace, whether or not such items are built-in, interior fixtures such as plumbing and electrical fixtures, and any other such items which may be excluded from coverage.

If insurance coverage is available to combine protection for the Association and the unit owner's individual unit or any additional coverage which a unit owner may desire, the Board of Directors is hereby given discretionary power to negotiate such combined insurance protection on an equitable cost-sharing basis under which the unit owner would be assessed individually for the amount of insurance which he directs the Board of Directors to include in such policies for his additional protection. Copies of all such policies shall be provided to each mortgagee. Nothing contained in this paragraph shall be deemed to prohibit any unit owner, at his own expense, to provide any additional insurance coverage which will not duplicate any insurance provided by the Association.

Premiums for insurance policies purchased by the Association shall be paid by the Association as a common expense, except for combined protection provided above and except for any amount of increase over the annual premiums occasioned by the use, misuse, occupancy or abandonment of a unit or its appurtenances by a unit owner which shall be assessed against said owner.

The Board of Directors on behalf of the Association as its common expense shall also provide and maintain comprehensive general liability insurance covering all unit owners in Group I and naming each unit owner as an additional insured, and further covering all unit owners, including those in other groups, if any, who own an interest in the general common areas, for any liability resulting from their ownership of the general common areas, all in such amounts as may be determined at the discretion of the Board of Directors from time to time but in no event will limit less than \$300,000 for injury to any one person, \$500,000 for injury to more than one person in any one accident or occurrence and \$50,000 property damage, without prejudice to the right of any unit owner to maintain additional liability insurance. The cost of insurance covering the general common areas shall be assessed against all unit owners, in accordance with their interest therein as set forth in paragraph 8(b) above. The Board of Directors may also provide workmen's compensation insurance and fidelity bonds on such officers and employees and such other insurance as shall be deemed necessary for the protection of the Association and the unit owners, all in such amounts as is determined by the Board of Directors from time to time. The Board of Directors may also provide "additional living expense" insurance for the benefit of unit owners in Group I.