

**THIS RESOLUTION AFFECTS YOUR INSURANCE COVERAGE. OWNERS MUST CONTACT THEIR INSURANCE AGENTS RIGHT AWAY TO DISCUSS THE EFFECT OF THIS RESOLUTION ON THEIR INDIVIDUAL INSURANCE COVERAGE.**

**ASSOCIATION OF UNIT OWNERS OF SUNSHINE CREEK CONDOMINIUMS  
RESOLUTION OF THE BOARD OF DIRECTORS  
Increasing the Insurance Deductible to \$25,000  
Regarding Insurance 2021-01**

The Association of Unit Owners of Sunshine Creek Condominiums is located in Washington County, Oregon and is subject to ORS Chapter 100, the Oregon Condominium Act.

WHEREAS the Association of Unit Owners of Sunshine Creek Condominiums is an Oregon Nonprofit Corporation created to oversee the affairs and operations of the Condominium.

WHEREAS the Association Secretary, by signing below, attests that pursuant to the Association Bylaws, all Directors were provided notice of the meeting pursuant to Bylaws Section 5.14; and a quorum of the Board was present in person at the meeting in accordance with the Bylaws Section 5.13.

At a regular meeting of the Board of Directors held on **December 9, 2021**, the Board made the following findings:

The Declaration, the Bylaws and ORS 100.405(4)(a) provides that the Association has the authority to promulgate rules and regulations necessary for the administration of the affairs of the Association.

The Bylaws provides that the Board of Directors shall have all of the powers permitted under the Act, the Declaration, and the Bylaws to acquire and pay for, out of common expense funds, all services required for the proper functioning of the Condominium. Article 8 of the Bylaws further provides that the Board shall obtain insurance policies pursuant to these powers.

The Association has adopted an Insurance Resolution dated December 9, 2021.

Pursuant to Article 10 of the Bylaws, the Association is responsible for providing Property Damage Insurance for the Condominium, the cost of which is a common expense.

Pursuant to Article 10.9 the Board of Directors shall determine the amount of the deductible for the property loss insurance policies, as well as other insurance policies required to be procured by the Association under this Article 10. In determining the deductible under the policies, the Board shall take into consideration, among other factors, the availability, cost, and loss experience of the Association. In this regard, as in other Board responsibilities, the Board members shall exercise their reasonable business judgment.

The Board has consulted with its insurance agent, community manager, and legal counsel and has determined that current Property Damage Insurance deductible limit of **\$10,000** per occurrence is prohibitively expensive due to the cost and availability of the insurance and the Association's loss experience.

ORS 100.435(4) permits the Board to approve an insurance policy with a deductible in excess of the maximum deductible specified in the Bylaws, if any, as long as it is not in excess of the maximum deductible acceptable to the Federal National Mortgage Association (FNMA).

The maximum deductible acceptable to FNMA is 5% of the face amount of the policy, which in the Association's case is greater than **\$25,000**.

The Association's Insurance Resolution requires the Board to give written notice to the owners of the amount of the deductible and any change not more than 30 days prior to the effective date of the change; and

The Board of Directors is authorized to adopt a resolution regarding these matters in accordance with ORS 100.435 and the Bylaws.

NOW THEREFORE IT IS HEREBY RESOLVED that:

The deductible for the Association's Property Damage Insurance shall be **\$25,000** per Unit for claims resulting from water damage, and **\$25,000** per occurrence for all other claims effective **February 1, 2022**.

The Board directs Management to send a copy of this Resolution to each owner with the following notice language:

**NOTICE  
CHANGE IN ASSOCIATION INSURANCE COVERAGE**

**THERE ARE CHANGES IN INSURANCE POLICIES CARRIED BY THE ASSOCIATION. YOU SHOULD IMMEDIATELY NOTIFY YOUR INSURANCE AGENT OF THE CHANGES SET FORTH IN THE ENCLOSED INFORMATION AND ASK YOUR AGENT TO DETERMINE IF CHANGES TO YOUR INSURANCE POLICIES ARE NECESSARY.**

Approved and adopted on: \_\_\_\_\_ December 9 \_\_\_\_\_, \_\_\_\_\_ 2021

Unit Owners of Sunshine Creek Condominiums

By:

DocuSigned by:  
Sharon Bacon  
Chairperson

DocuSigned by:  
Tamara Mills  
Secretary