

XII. INSURANCE

Insurance (other than title insurance) which shall be carried upon the Common Areas and the residences shall be covered by the provisions set out in Appendix One, which is attached as part of this Declaration. Some of these provisions are summarized as follows:

A. The Association will carry at the common expense of the residence owners the following policies:

1. Fire and extended coverage on the residences (but not contents) for the benefit of the residence owners and their mortgagees in an amount not less than the full insurable value thereof with such deductible amounts as the Board of Directors may determine which amount of coverage shall be adjusted by reappraisal or revaluation of the insured property not less frequently than once every three years.

2. Liability coverage covering the Common Areas for the benefit of the Association in amounts of not less than \$300,000 for injuries to each person, \$300,000 for each occurrence, and \$300,000 for damage to property.

B. The residence owners may carry at their own initiative and expense the following policies:

1. A building additions and alterations endorsement to the residences policy in (a)1. above for the exclusive benefit of the residence owner.

2. A tenant's homeowner policy covering casualty to contents, burglary and other risks.

3. A personal liability and property damage policy for the residence owner's protection.

C. An Insurance Trustee shall be selected in accordance with Appendix One.

D. In the event of a conflict between the summary contained in this paragraph XIII and the provisions of Appendix One, Appendix One will govern.