

INSURANCE CLAIMS AND DEDUCTIBLES RESOLUTION – October 2020

The Board of Directors wishes to establish a uniform and systematic policy for submitting claims to the Association's insurance carriers and allocating deductibles.

The Association hereby adopts the following resolution with respect to insurance claims and deductibles:

1. The Association shall maintain property insurance and liability insurance for the Units and Common Elements, as more fully set forth in Article XII. Insurance of the Declaration.

2. If an Owner has a claim that the Owner believes to be covered by the Association's insurance policy, the Owner must promptly contact and/or advise the Association in writing regarding the subject matter of the claim. The Association shall be given a reasonable opportunity to inspect the damage and determine whether to make a claim. If the Association determines not to make a claim, it shall respond in writing to the Owner within 15 days of the date the Owner's written notice is received. The Association shall determine whether to submit a claim by balancing the benefits conferred to the Association under the policy with the costs associated with the claim to the Association.

3. In the event that the Board determines that it is in the Association's best interests to submit a claim under its insurance policies, the Board shall follow the procedures set out in the policies describing the insured's duties in the event of an occurrence, claim, or suit.

4. In the event that the Board determines that it is not in the Association's best interests to file a claim, the Association shall still be obligated to complete repair of the damages as if a claim had been made, if the loss would be covered. The Owner will remain responsible for the amount of the deductible as provided below, even if the Association performs the repair of the damages without submitting a claim.

5. Pursuant to Article XII, Section 12.8 and 12.9 of the Declaration, the Association shall act as the attorney-in-fact for any Owner to adjust or negotiate any losses and the payment of any insurance proceeds.

6. Whether a claim is submitted or not, the payment of the \$25,000.00 deductible for claims covered under the Association's policies shall be as follows:

A. The \$25,000.00 deductible shall be paid by the Association if the Association would normally be responsible for the maintenance of the damaged property (i.e the General Common Elements) or if the loss originates from property for which the Association has maintenance responsibility.

B. The \$25,000.00 deductible shall be paid by the Owner if the damage results from an item for which the Owner has maintenance responsibility and the damage is limited to that Owner's Unit. The deductible shall become an assessment and lien against the Owner's Unit.

C. In the absence of an intentional act or negligence, the \$25,000.00 deductible shall be paid by the parties benefiting from the insurance proceeds in proportion to the benefit if the damage results from an item for which an Owner is responsible, even if the damage extends to the Common Elements, or another Unit. If, after notice, the Association determines that such damage results from an Owner's intentional act or negligence, the \$25,000.00 deductible shall be paid by that Owner and shall become an assessment and lien against the Owner's Unit.

Approved and adopted by the Board of Directors