

**RESOLUTION OF THE
COTTAGES AT CRESCENT PARK HOMEOWNER'S ASSOCIATION
REGARDING INSURANCE DEDUCTIBLE POLICY**

- SUBJECT:** Adoption of a policy for the Cottages at Crescent Park Homeowner's Association ("Association") regarding the payment of insurance deductibles.
- PURPOSE:** To adopt a uniform procedure to be followed for the payment of an insurance deductible.
- AUTHORITY:** Association Declaration, Articles of Incorporation, and Bylaws of the Association, and Colorado law.
- EFFECTIVE DATE:** February 11, 2019
- RESOLUTION:** The Association hereby adopts the following procedures to be followed for the payment of any insurance deductible:

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby adopt the following Resolution setting forth the policies and procedures for claim submissions to the Association's insurance carrier and allocation of the deductible.

1. **DETERMINATION OF REPAIR AND INSURANCE OBLIGATIONS.** Any time repairs are necessitated inside a Unit, a determination must first be made as to who has the repair obligation and insurance obligation for the pertinent component. This determination will be made based on the Association's governing documents.
2. **REPAIRS BY THE ASSOCIATION.** In the event the Association has the repair obligation for the damaged component, the Owner must notify the Board of Directors of the need for repair in writing. The Board will then contract with the appropriate vendor to make the necessary repairs. Any Owner who undertakes such repairs by him/herself, without written authorization from the Board, may not be entitled to reimbursement of any repair costs from the Association.
3. **REPAIRS BY OWNERS.** In the event an Owner has the repair and insurance obligation for the damaged component, such Owner may undertake appropriate repairs to the damaged component as he/she deems necessary.

If an Owner has a maintenance obligation but not the insurance obligation with respect to a damaged component, such Owner must notify the Association of the

damages in writing and request that a claim be filed with the Association's insurance carrier.

In the event an Owner fails to request a claim submission and undertakes the necessary repairs him/herself, such Owner may not be entitled to reimbursement from the Association.

4. **RESPONSIBILITY FOR DEDUCTIBLE.** Whether the Board, in its discretion, chooses to submit a claim under the Association's insurance policy or not, the payment of the deductible amount for claims that the Association is responsible for insuring, shall be as follows:
 - a. **Common Elements or Units/Based on Maintenance Allocation:** The Association shall pay or absorb the deductible for any work, repairs or reconstruction for damage to Common Elements or for damages to Units that would be the maintenance responsibility of the Association in the absence of insurance. However, if the damage is caused by the negligent or willful act or omission of an Owner, his family, guests, or invitees, then, in that case, the Association shall seek reimbursement of the deductible amount from such Owner as a Supplemental Assessment under the Declaration
 - b. **Units/Owner Maintenance:** The Owner shall pay or absorb the deductible for any work, repairs, reconstruction or replacement for damage to a Unit that would be the Owner's maintenance responsibility in the absence of insurance, unless the loss is caused by the negligent or willful act or omission of the Association or another Owner, in which case, the negligent party shall be responsible for the deductible.
 - c. **Multiple Units or Unit and Common Element Damages:** If a claim covers damage to more than one Unit or to portions of a Unit and Common Elements that are the maintenance responsibility of both the Owner and the Association, the deductible shall be allocated between Owners or between the Association and the Owner(s) in the same proportion as that portion of the claim which would be their maintenance responsibility in the absence of insurance bears to the total insurance paid for the occurrence as determined by the Board of Directors. However, if the loss is caused by the negligent or willful act or omission of the Association or another Owner, then, in that case, the negligent party shall be responsible for the deductible.
5. **DEFINITIONS.** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
6. **SUPPLEMENTAL TO LAW.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.

7. **DEVIATIONS.** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
8. **AMENDMENT.** This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Association certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 16, 2019 and in witness thereof, the undersigned has subscribed his/her name.

**Cottages at Crescent Park
Homeowner's Association**
a Colorado nonprofit corporation

By: , President