

If improvements and betterments are covered by the Association's insurance policy(s), the Association shall pay the deductible amount (or the value of a claim if it is less than the deductible amount) in the event a claim is made for damage to unit improvements and betterments. However, any increased cost may be assessed by the Association against the units affected.

2. In the event a claim is made by a unit owner under the Association's insurance policy(s) for damage to the owner's unit, other units, or the common elements, which damage is caused by the unit owner or other occupants or guests of the owner's unit, or from whose unit the damage or cause of loss originated, the said unit owner shall be responsible for paying the deductible amount. In the event the value of such a claim is less than the deductible amount, the said unit owner shall be responsible for paying the claim as a personal expense. Alternatively, said unit owner should check his/her individual homeowner's policy for coverage for the claim, if any.

Examples: A unit's toilet leaks or washing machine hose burst causing water damage to lower units or to the common elements. A unit owner or occupant negligently or deliberately allows the bathroom to overflow causing water damage to lower units or to the common elements.

3. In the event the Board of Directors intends on assessing the deductible amount to a unit owner who caused the damage or from whose unit the damage or cause of loss originated (#2 above), written notice shall be given to the unit owner and an opportunity to be heard. Hearings shall usually be held at the next scheduled Board meeting following the written notice.

4. Depending upon the circumstances, the Board reserves the right to require the unit owners of the units affected to pay the deductible amount. In that event, the notice and hearing requirements set forth in #3 above shall apply.

5. All unit owners are encouraged to review their individual homeowner's insurance policies (HO-6) to insure that their policies include loss assessment coverage with sufficient limits of coverage to cover the deductible amount.

CERTIFICATE

I hereby certify that the above resolution was adopted pursuant to the law and the Declaration and Bylaws of The Association of Apartment Owners of Holiday Manor by the Board of Directors of the Association, at a Board meeting on Feb 25, 2016.

DATED: Honolulu, Hawaii, February 25, 2016.


Secretary