

**RESOLUTION
OF THE
HILLSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.
REGARDING PROCEDURE FOR CLAIM SUBMISSIONS TO THE ASSOCIATION'S
INSURANCE CARRIERS AND ALLOCATION OF DEDUCTIBLES**

SUBJECT: Adoption of a procedure for claim submissions to the Association's insurance carriers and the allocation of the Association's deductible.

PURPOSE: To adopt a policy regarding the procedure for claim submissions to the Association's insurance carrier and regarding the allocation of the Association's deductible.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:** March 1, 2015

RESOLUTION: The Association hereby adopts the following Policy and Procedures:

The following resolution has been adopted by the Hillsboro Condominium Owners Association, Inc. (the "Association") pursuant to Colorado law, at a regular meeting of the Board of Directors.

1. **PROPERTY AND GENERAL LIABILITY CLAIMS OF THE ASSOCIATION.** The following procedures shall be followed by the Board for property and general liability claims of the Association:
 - a. The Board shall consult with its insurance agent to determine (1) whether there is coverage for the claim; and (2) if coverage exists, whether to submit a claim under its policies by balancing the benefits conferred to the Association under the policy with the costs associated with the claim to the Association.
 - b. If coverage exists, then: (1) In the event that the Board determines that it is in the best interests of the Association to submit a claim under its insurance policies, the Board shall follow the procedures set out in the insurance policies. The Board may notify directly affected Owners of the filing of a claim; or

(2) In the event Board determines that it is not in the best interests of the Association to submit a claim under its insurance policies, the Association shall still be obligated to complete repair of the damages to property, out of existing Association funds, in a reasonable time, as if a claim had been made and adjusted as claimed, subject to the following.

2. **CLAIMS ON BEHALF OF OWNERS.** If an occurrence is made known to an Owner that results in damages or injury to an Owner or an Owner's Unit which may come within the Association's coverage as required in Declaration or under Colorado law, the following procedures should be followed by the Owner:
 - a. The Owner(s) shall promptly notify his or her personal insurance carrier of the damage.
 - b. In the event the Owner determines it is in the Owner's best interests to submit a claim under the Owner's insurance policies, the Owner shall follow the procedures set out in those insurance policies describing the insured's duties in the event of an occurrence, claim, or suit.
 - c. The Association may require the Owner to provide copies of the claim the Owner may make to his/her own carrier, as well as copies of the adjustment or determination of that carrier as a condition before the Owner makes any claim on the Association's policies.
 - d. In the event the subject matter of the claim may fall within the Association's insurance responsibilities under the Declaration or Colorado law, the Owner shall promptly notify the Association of the damage by providing written notice to the Managing Agent setting forth the following:
 - (i) Owner's home address and phone number and Unit address, if different;
 - (ii) The time, place and circumstances of the event;
 - (iii) Identification of damaged property; and
 - (iv) The names and addresses of the injured and witnesses, if applicable.
 - e. The Board shall then make a determination as to whether the occurrence or claim consists of damages for which the Owner or the Association is responsible for insuring under the Declaration. The Association shall so notify the Owner in writing of its determination within 15 days of written notification of the damage to the Association.

- f. If the Board determines, in its sole discretion, that the subject matter of the claim is within the Association's insurance obligations, the Board may submit a claim to the Association's insurance carrier on behalf of the Owner in accordance with the requirements of the insurance policy, and as provided above.

3. RESPONSIBILITY FOR PAYMENT OF DEDUCTIBLE AMOUNT.

If the damage is in excess of the Association's deductible, whether the Board, in its discretion, chooses to submit a claim under the Association's insurance policy or not, or if the damage is below the Association's deductible, the payment of the deductible amount for claims that the Association is responsible for insuring, shall be as follows:

- a. **Common Elements:** 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, unless said damage is caused by the negligent or willful act or omission of an Owner, his family, Guests, tenants, contractors or other persons or parties acting with the consent of any of the foregoing, in which case the Association may seek reimbursement of the deductible amount from such Owner as an assessment under the Declaration.
- b. **Units/Owner Maintenance.** The Owner shall pay or absorb the deductible for any loss to the Unit that would be the responsibility of the Owner in the absence of insurance unless:
 - (i) The loss is caused by the negligent or willful act or omission of an Owner or an Owner's family, Guests, tenants, contractors or other persons or parties acting with the consent of any of the foregoing, in which case, that Owner shall be responsible for the deductible; or
 - (ii) The damage is caused by Common Elements located outside of the Unit, including without limitation, broken water pipes, sewer lines or other utilities, in which case the Association shall be responsible for the deductible.

4. **RESPONSIBILITY FOR OWNERS' ACTIONS.** In all cases where damage is caused by the negligent or willful act or omission of an Owner, or his family, Guests, tenants, contractors or other persons or parties acting with the consent of any of the foregoing, as determined by the Board of Directors in its sole discretion, the Association may seek reimbursement of any such damages which are not recovered from insurance proceeds, including not only the deductible amounts under the Association's insurance policies, but any amount of such damages not otherwise recovered and for which the Association may be held responsible under its governing documents. Such amounts shall be collected in the same manner as assessments.
5. **DEFINITIONS.** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
6. **SUPPLEMENT 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 Project.
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 Hillsboro Condominium Owners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on February 23, 2015 and in witness thereof, the undersigned has subscribed his name.

**HILLSBORO CONDOMINIUM OWNERS
ASSOCIATION, INC.**

a Colorado non-profit corporation,

By: *Marilyn J. Baldwin*
President