

MINTURN TOWNE HOMES OWNERS ASSOCIATION, INC.

Policies and Procedures Regarding Insurance Claims and Deductibles

The following Policies and Procedures Regarding Insurance Claims and Deductibles have been duly adopted by Board of the Minturn Towne Homes Owners Association, Inc. (the “Association”). The definitions set forth in the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Minturn Towne Homes (the “Declaration”) shall apply to all capitalized terms contained in these Policies and Procedures, unless otherwise noted.

WHEREAS, pursuant to the Bylaws of the Association, the Board is empowered to establish, make and enforce these policies and procedures.

WHEREAS, pursuant to the Declaration and C.R.S. §38-33.3-313(6), the Association may specifically adopt and establish policies and procedures related to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment.

Purpose: To provide Unit Owners with information pertaining to the filing of claims with the Association’s insurance carrier, the responsibility for payment of insurance claim deductibles, and other relevant matters. Further, to provide for the safety and protection of the Association and the Property as a whole.

A. *Owner v. Association Insurance Coverage*

Insurance requirements are set forth in Article 10 of the Declaration. Generally, the Association’s insurance covers the Common Elements, injuries that occur within the Common Elements, and directors and officers liability; generally, the Owner’s insurance covers the Unit, the Owner’s personal property, and liability for injuries within the Unit. This may vary in accordance with the Association’s insurance policy and applicable law.

B. *Submittal of Claims*

1. *Claim by Owner for Damages to Unit.* In the event of any accident or occurrence which results in damages within a Unit, if the accident or occurrence falls within the Association’s insurance coverage responsibility, the following procedures should be followed by the Owner of the Unit:

- (a) The Owner must promptly put their personal homeowner’s carrier on notice of the occurrence in the manner required by the carrier.
- (b) Owners are not permitted to make a claim directly to the Association’s insurance carrier. The Owner must, in writing, contact the Board President regarding the subject matter of the claim and provide the following information:
 - i. The Owner’s mailing address, telephone number, and Unit number;
 - ii. The time, date, place, and circumstances of the occurrence causing damage to the best of the Owner’s knowledge;

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- iii. Identification of the damaged property, both personal property and damage to the Unit, to the extent known;
- iv. The approximate amount of the claim, if known, and copies of any bids obtained for repair; and
- v. The names, addresses and phone numbers of any witnesses and any injured persons.

Note: It is typical for both the Owner's insurance and the Association's insurance, and other Owners' carriers if applicable, to be involved in a claim regardless of the source of damage.

2. *Response by Association.* The Association shall have **14 days** from receipt of the Owner's written claim to respond to the Owner in writing. The Association may request an opportunity to inspect the damage and such inspection shall be allowed by the Owner at the earliest mutually agreeable date and time.

3. *Determination by Board.* If the Board, in its sole discretion, determines that the subject matter of the claim submitted by the Owner is within the Association's insurance coverage responsibility, the Board may either submit a claim to the Association's insurance carrier or the Board may elect to pay for the damage out of existing Association funds and allowed to allocate the expense in accordance with Section 5.5 of the Declaration, if applicable (L.C.E. expenses benefiting fewer than all Units, shall be assessed against the Units benefited). The amount of the claim must exceed the deductible to be submitted to the Association's insurance carrier. The Board, in its sole discretion, may also withdraw claims that have been submitted.

4. *Claims for Damages to Common Elements and Association Property.* In the event of any accident or occurrence which results in damages to Common Elements, including Limited Common Elements, and any property of the Association, the Board shall determine whether the subject matter of the claim is within the Association's insurance coverage responsibility. If the subject matter is within the Association's coverage, the Board may either submit a claim to the Association's insurance carrier or the Board may elect to pay for the damage out of existing Association funds. The amount of the claim must exceed the deductible to be submitted to the Association's insurance carrier.

5. *Negligence.* In all cases where damage is caused to Common Elements, including Limited Common Elements, by an act or failure to act (e.g. negligence) by an Owner or any tenant, guest, or representative of an Owner, as determined by the Board in its sole discretion, the Association may seek reimbursement from the causing Owner of any damages which are not recovered from insurance proceeds, including any deductible amounts.

C. *Payment of Deductibles*

Should the Association insurance be applicable, deductibles shall be paid as follows:

1. For each and every loss regardless of its amount for which the Association pays or is required to pay all or part of a deductible (the "Deductible"), the Association, through the Board, shall assess such Deductible against the Owner ("Responsible Owner"), if any, (i) whose act or omission, or the

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act or omission of such Owner's invitee, guest, tenant, licensee, employee, contractor or agent caused the loss, even if such act or omission was not negligent or otherwise improper or unlawful, and/or (ii) who owns the Unit from which the loss originated, was caused, or came from. In the event that there is more than one Responsible Owner, the Board in its reasonable discretion may assess each Responsible Owner a pro rata share of the Deductible. In the event that there is a Deductible for which there is no Responsible Owner, or if the Board determines in its reasonable discretion that good cause has been shown to not assess all or part of a Deductible against a Responsible Owner, any such Deductible or part thereof shall be paid by the Association and shall be a common expense.

2. Any deductible amount incurred by the Association for claims caused by an act or failure to act by an Owner or any tenant, guest, or representative of an Owner shall be paid by that Owner.

3. Should multiple Owners be responsible for payment of a deductible amount, the Board may allocate the amount to each Owner in its sole and absolute discretion.

4. Notice of the amount of the deductible shall be sent to the Owner via electronic mail if such address is available (and if not, by U.S. Certified Mail, Return Receipt) and shall be paid within 10 business days of the date the notice was mailed. If the Owner fails to pay as required, the amount due shall be deemed an Assessment and payment may be enforced as an Assessment.

Note: Owners should add Loss Assessment Coverage on their own insurance policy to cover the payment of a deductible to insure if the Owner is determined to be negligent or otherwise responsible for the deductible.

D. *Proof of Insurance Coverage Requirements*

All Owners are required to provide proof of Unit insurance to the Board, no later than March 1 of every year. Should an Owner fail to provide such proof of insurance, the Association, after one additional notice, may proceed to enforce this obligation under its Policy and Procedure for Enforcement of Covenants.

E. *Reporting Requirements*

OWNERS ARE RESPONSIBLE FOR IMMEDIATELY REPORTING TO MANAGEMENT ANY LEAKS OR OTHER POTENTIAL CAUSES OF DAMAGE DETECTED IN THEIR UNIT OR AS PERSONALLY OBSERVED ON COMMON ELEMENTS.

F. *Mitigation of Damages*

Nothing herein shall absolve any Owner or the Association from taking such steps as are reasonable under the circumstances at the time of discovery of damage to minimize the resulting damages.

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G. *Amendment*

The Policies and Procedures set forth below may be amended, modified, changed, deleted or added to by the Board and shall be done in accordance with the Policy and Procedure for Adoption and Amendment of Policies, Procedures and Rules.

Certification: The undersigned, being the President of the Minturn Towne Homes Owners Association, Inc., certifies that the foregoing Policies and Procedures were adopted by the Board of the Association at a duly called and held meeting of the Board on 07.13.2023, and in witness thereof, the undersigned has subscribed his name.

By: Michael Gottino
Michael Gottino, President of the Association