

LOSS PREVENTION POLICY
FOR
THE BAY CLUB AT FRISCO -- CONDOMINIUMS

Adopted April 22, 2014

WHEREAS, The Declaration of Covenants, Conditions and Restrictions for The Bay Club at Frisco Condominiums ("Declaration"), recorded in the real property records of Summit County, Colorado on March 20, 1998, at Reception No. 561249, sets forth the maintenance obligations of the Association and Owners;

WHEREAS, Article VI, Paragraph 1(a) of the Declaration requires the Association to obtain insurance coverage on Common Elements and those parts of Units not specifically excluded therein;

WHEREAS, Article VIII, Paragraph 1(a) of the Declaration places responsibilities on Owners of Units to maintain, repair, and replace fixtures, equipment, utilities, and improvements in their Unit;

WHEREAS, failure of an Owner to regularly maintain, repair and replace improvements and fixtures within their Units as required by the Declaration can lead to significant damage to the Common Elements and other Owners' Units which would be a financial burden for the Association or its insurance provider,

WHEREAS, failure of multiple Owners to perform regular maintenance, repairs and replacement of the improvements and fixtures in their Units as required by the Declaration can lead to significant damage to the Common Elements and other Owners' Units which would significantly increase the financial burden for the Association or its insurance provider;

WHEREAS, it is the Board's intent and desire to minimize and prevent losses and damage to the Common Elements and Owners' Units, and thereby attempt to minimize the cost of insurance and payment of deductibles, through the adoption of this Loss Prevention Policy;

WHEREAS, the Association may reduce costs of insurance and prevent expensive damage to Common Elements and adjoining Units by performing inspections and, if required, essential routine maintenance and repairs to the Units;

WHEREAS, Article VIII, Paragraph 2 of the Declaration, as further regulated in the Self-Help policy duly adopted by the Board, allows the Association to undertake Owners' repair obligations at the Owner's expense should such obligations remain unfulfilled for a period of thirty (30) days after written notice to the Owner; and

WHEREAS, the Association has authority pursuant to Article VIII, Paragraph 2 of the Declaration to charge such costs to the Owner of the Units in which the work is performed.

NOW, THEREFORE, IT IS RESOLVED the Association, acting through its Board of Directors, adopts the following policy for the purposes of inspecting the Units and improvements and fixtures therein so as to minimize damage and losses to the Common Elements and Units:

1. An Owner must regularly maintain his or her Unit to prevent damage to Common Elements, Limited Common Elements and adjoining Units. Such maintenance includes adequate inspections and, if necessary, replacement of water supply lines for toilets, washing machines and refrigerators, dryer vent hoses and hot water heaters, smoke and fire detectors and thermostats. If damage to a Common Element,

Limited Common Element or adjoining Unit is caused by or related to ice, water, fire, smoke, mold, or similar damage resulting from or related to a lack of Owner maintenance, the Association in accordance with Article VIII, paragraph 3 and paragraph 4, may apportion costs of repair, as well as insurance deductibles, to the Owner of the Unit in which the condition originated.

2. The Board, through its authorized agents, intends, from time to time, to conduct inspections of Owners' Units to assure that required maintenance, repairs and replacements are being performed in the Units and to improvements and fixtures whose failure would most likely cause significant and expensive damage to the Common Elements and other Units. The inspections will be conducted following announcement by the Board or its authorized agent in a manner deemed by the Board to be most likely to reach all Owners, and may include U.S. mail, email, publication on the Association's website, or posting on the community bulletin board, or a combination of some or all of these methods. The conditions intended to be inspected may include, but are not necessarily limited to the following:
 - a. inspecting water supply hoses to toilets, washing machines and refrigerators;
 - b. inspecting hot water heaters, toilet seals, drains, sink, bathtubs, and shower basins; and
 - c. inspecting smoke detectors, carbon monoxide monitors, freeze alarms, and thermostats.

In conjunction with such inspections, the Board, through its authorized agent, may adjust thermostats, heating units or ventilation to ensure temperatures in a Unit remain above 55°F. In all cases when a Unit is being inspected, the persons undertaking the inspection shall loudly knock and announce their presence before entering the Unit.

3. If an Owner is under contract with its own management company which includes the provision of maintenance services to his or her Unit, the Owner may have that other management company notify the Association that the inspections listed in paragraph 2 above have been performed in the last month, and no maintenance, repair or replacement is necessary, in which event the Association will forego its inspection of the Owners' Unit.

4. After inspection, Owners will be notified by mail or email (if the Owner has provided an email address to the Association) of any required maintenance, repairs or replacements to the Owner's Unit or the improvements or fixtures therein. Any required maintenance, repair or replacement shall be performed by the Owner within thirty (30) days' after the notice from the Association. Upon performing such maintenance, repair or replacement, the Owner shall provide verification thereof to the Association. Such verification may include, but is not limited to, paid receipts of contractors' invoices, receipts for supplies necessary to perform the required maintenance, repairs or replacements, photographs of the replaced components, or such other verification as the Board or its authorized agent may deem reasonable and necessary.

5. Should the Owner fail to provide verification of the required maintenance, repair or replacement within the allowed thirty (30) days, the Board shall then have the right, through its authorized agents, to cause the required maintenance, repairs and replacements to an Owner's Unit to be performed in accordance with the Association's Self-Help Policy. Except in cases of emergency or otherwise specified in the Self-Help policy, Owners will be provided five (5) days advance notice of entry into their Unit, with notice given by U.S. mail or email, telephone and conspicuously placed on the front door of the Unit. In all cases, the persons undertaking the work shall loudly knock and announce their presence before entering the Unit. In cases of emergency, the entry may be made with such expediency as may be called for under the circumstances, and the Board or its authorized agent shall attempt to give notice as is reasonably calculated to reach the Owner either before or after the entry.

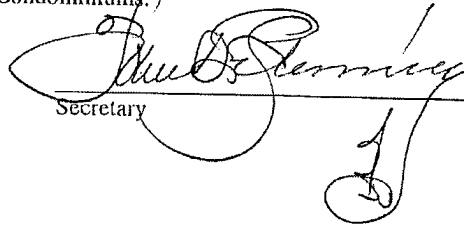
6. The cost of any maintenance, repair or replacement performed by the Association to the Owner's Unit, or the improvements or fixtures therein shall be assessed to the Owner in accordance with the provisions of Article VIII, paragraph 2 of the Declaration.

7. This policy does not alter the division of Owner and Association maintenance responsibilities as specified in the Declaration. The Association's provision of preventative maintenance and ability to undertake maintenance after notice to Owners is not an assumption of any obligation to make repairs to defective items, nor is any obligation created that the Association will detect all required maintenance, repair or replacement. The Association bears no responsibility for damage after an inspection that does not reveal defects, damage that could have been prevented through timely inspections, or defective repairs.

The Bay Club at Frisco -- Condominiums

By: Laurie E Helnick
Title

This Loss Prevention policy was adopted by the Board of Directors on the 22nd day of April, 2014, effective the 22nd day of April, 2014, and is attested to by the Secretary of The Bay Club at Frisco -- Condominiums.


Secretary