

**PONDS at BLUE RIVER ASSOCIATION  
INSURANCE CLAIMS AND DEDUCTIBLES RESOLUTION**

Effective Date: 3-9-12

The Board of Directors wishes to establish a uniform and systematic policy for submitting claims to the Association's insurance carriers and allocating deductibles.

The Association hereby adopts the following resolution with respect to insurance claims and deductibles:

1. The Association shall maintain property insurance and liability insurance for the Buildings (including the Common Elements and Units), as required by Article 8 of the Declaration. The Owner is responsible for obtaining insurance on furniture, furnishings and other items of personal property, as well as liability insurance for the Owner's actions.
2. If an Owner has a claim that the Owner believes to be covered by the Association's insurance policy, the Owner must promptly advise the Association in writing regarding the subject matter of the claim. The Association shall be given a reasonable opportunity to inspect the damage and determine whether to make a claim. If the Association determines not to make a claim, it shall respond in writing to the Owner within 15 days of the date the Owner's written notice is received. The Association shall determine whether to submit a claim by balancing the benefits conferred to the Association under the policy with the costs associated with the claim to the Association. The Association may also decline to make a claim based on its good faith determination that the loss is not covered by the Association's insurance policy.
3. If the Association sends written notice that it will not make the claim, and if the subject matter of the claim falls within the Association's insurance responsibility, the Owner has the right to make a claim directly to the insurance carrier pursuant to Colorado law.
4. In the event that the Board determines that it is in the Association's best interests to submit a claim under its insurance policies, the Board shall follow the procedures set out in the Association's insurance policies describing the insured's duties in the event of an occurrence, claim, or suit.
5. In the event that the Board determines that it is not in the Association's best interests to file a claim (and assuming the Association has not declined to make a claim because the Association thinks the loss is not covered), the Association shall be obligated to complete repair of the damages as if a claim had been made and the loss was covered. The Owner will remain responsible for the amount of the deductible as provided below, even if the Association performs the repair of the damages without submitting a claim.
6. The Association shall act as the attorney-in-fact for any Owner to adjust or negotiate any losses and the payment of any insurance proceeds under the Association's policies.
7. Whether a claim is submitted or not, the payment of the deductible for claims covered under the Association's policies shall be as follows:
  - A. The deductible shall be paid by the Association if the Association would normally be responsible for the maintenance of the damaged property (i.e. those Common Elements for which the Association is responsible pursuant to Article 4 of the Declaration) or if the loss originates from property for which the Association has maintenance responsibility. However, if such damage results from an Owner's intentional act or negligence, then the Owner shall be responsible for the deductible and the deductible shall become an assessment and lien against the Owner's Unit.

B. The deductible shall be paid by the Owner if the damage results from an item for which the Owner has maintenance responsibility. The deductible shall become an assessment and lien against the Owner's Unit.

IN WITNESS WHEREOF, the undersigned certify that this resolution was adopted by the Board of Directors of the Association on this 9th day of March, 2012.

PONDS at BLUE RIVER ASSOCIATION, a Colorado nonprofit corporation,

By: \_\_\_\_\_

Its: President

ATTEST:

By: \_\_\_\_\_