[redacted]

Policy Regarding Insurance

A. ASSOCIATION INSURANCE

The Board must obtain and maintain in full force and effect, insurance policies which satisfy the requirements set forth in the Condominium Declaration of [redacted]

B. OWNER/TENANT INSURANCE

Owners are **strongly encouraged** to obtain and maintain an HO-6 policy or any other policy as recommended by their insurance agents. Tenants are also **strongly encouraged** to obtain their own insurance as recommended by their insurance agents. Under no circumstances shall the Association be responsible for Owners' or Tenants' contents or for any consequential damages.

C. INSURANCE CLAIMS PROCEDURES

In the event an occurrence is made known to an Owner which results in damages or injury to an Owner or the Association and which may come within the Association's coverage, the following procedures shall be followed:

1. The Owner shall promptly notify the Association of the damage by providing written notice to the managing agent setting forth the Owner's home address and phone number; the time, place and circumstances of the event; the damage or harm believed to be incurred, the Owner's rough estimate of the damage incurred, if possible; and the names and addresses of the injured and of available witnesses.

2. The Board shall then have fifteen (15) days after receipt of the Owner's complete (per paragraph 1 above) written notice of the potential claim within which to evaluate the claim. If the Association does not receive timely written notice of the potential claim, the Owner shall be responsible for all prejudice, increased costs, and consequential damage caused by the Owner's failure to timely submit notice of the potential claim to the Association, including the possibility of denial of coverage. Within this fifteen (15) day time frame, the Board shall make a determination as to whether the occurrence or claim consists of damages for which the Owner is responsible for insuring. If the Board determines that the occurrence or claim consists of damages for which the Owner is not responsible for insuring, the Board shall determine whether the occurrence or claim consists of damages for which the Association is responsible for insuring.

3. If the Board determines the damages are those for which the Association is responsible for insuring, apart from damages due to negligence as discussed herein below, the Board, on behalf of the Association as the insured, shall determine whether the Board should submit a claim under its policy by balancing the benefits conferred to the Association under the policy against the costs to the Association associated with making the claim.

4. In the event that the Board determines that it is in the best interests of the Association to submit a claim, the Board shall do so. If the Board believes that it is not in the Association's best interest to submit the claim, it may decline to submit the claim. In either case, the Board shall provide a written response to the Owner within fifteen (15) days after receipt of the Owner's complete written notice of the Association's position with regard to the claim.

5. At all times, the Owner shall provide the Association and its agents and insurers reasonable access to inspect the subject matter of the potential claim. The fifteen (15) day period for the Association to respond may be extended upon the Owner's failure to provide reasonable and timely access to the subject matter of the potential claim.

6. If the Association declines to submit a claim to its insurance agent, and if the subject matter of the potential claim falls within the Association's insurance responsibilities and is valued in excess of the insurance deductible on the Association's policy, the Owner may then submit a claim to the Association's insurance agent directly provided that the Owner has strictly followed the procedures set forth in this policy.

D. ASSOCIATION'S RIGHT TO ASSESS OWNERS

The Association desires to establish a policy of insurance adjustment regarding insurance losses, uninsured losses, deductibles and increased premiums. For purposes of this policy, the acts or omissions of an Owner's family members, guests, invitees, renters or other occupants ("Related Parties"), shall be considered the acts or omissions of the Owner--i.e. the Owner shall be liable for all actions or failure to act of such Owner's Related Parties.

Accordingly, the Association hereby establishes the following adjustment policies and procedures:

1. In the event: (a) any insured loss is suffered by the Association or any Owner, or (b) any insurance deductible is paid for by the Association, the deductible shall be borne by the person or entity that is responsible for the repair and maintenance of the property which is damaged or destroyed. In the event that there is a joint duty of repair and maintenance of the damaged or destroyed property, then the deductible shall be split on a pro-rata basis according to the relative cost to repair the damaged property.

2. Notwithstanding anything herein to the contrary, in the event: (a) any insured or uninsured loss is suffered by the Association or any Owner, or (b) any insurance deductible is paid for by the Association, which loss is caused by the negligent or willful act or omission of an Owner or an Owner's Related Parties, then the expenses, costs and fees incurred by the Association shall be the personal obligation of such Owner. These amounts shall become a common expense assessment levied against such Owner and his or her unit and shall be collectible as assessments.

3. In the event any insurance premium paid by the Association is increased due to insurance claims made for losses described in the Paragraph D2 above, then such increase in premium may, at the discretion of the Board, be the personal obligation of the Owner and collectible as assessments.

4. In the event of any damage or loss to a Unit or Units or to the Common Elements that is not covered by any policy of insurance maintained by the Association, the owner(s) of the unit where the cause of the loss or damage originated or the owner(s) of the unit responsible to maintain the component causing the damage or loss shall, in the absence of negligence or otherwise, be responsible for the Association's cost to restore all such damage. Multiple owners responsible under this paragraph shall bear the proportionate cost of repair based on the Association's reasonable estimate of their respective responsibilities for the loss or damage.

SECRETARY'S CERTIFICATION

The undersigned, being the secretary of the [redacted] Inc., certified that the foregoing policy 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 2-24 2010, and in witness thereof, the undersigned has subscribed his/her name.

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