

**SAND CREEK VILLAS COMMUNITY ASSOCIATION, INC.  
INSURANCE CLAIMS AND DEDUCTIBLES RESOLUTION**

The Board of Directors wishes to establish in writing the policy the Association follows for submitting claims to the Association's insurance carriers and allocating deductibles.

1. The Association has the authority, but not the obligation, to maintain insurance on dwelling units and structures constructed on Lots pursuant to Article VI, Section 1 of the Declaration of Covenants, Conditions and Restrictions of Sand Creek Villas Community Association. As of the date of this resolution, the Association maintains "bare walls" property insurance covering the structures on the Lots.

The Owner of the Lot is responsible for obtaining property insurance that covers the drywall and everything located within the structure, including, but not limited to, all fixtures, improvements, appliances, finishing materials, and personal property. Each Owner is also responsible for obtaining insurance coverage for liability arising within the Lot. The Association has no liability for the failure of any Owner to maintain insurance.

Each Owner is advised to discuss the possibility of loss assessment coverage and dwelling coverage with their insurance representative. Loss assessment coverage may pay for any special assessments levied by the Association to pay for an insurance shortfall. The Board of Directors has been advised that dwelling coverage may cover property losses below the Association's deductible that may be above the Owner's personal deductible.

The Board of Directors recommends that each Owner consult with their insurance representative to ensure that the Owner has adequate insurance coverage to address his/her needs and ensure that gaps between the Association's and the Owner's policies are minimized.

2. If an Owner has a claim that the Owner believes is covered by the Association's insurance policy, the Owner must promptly give the Association written notice 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.

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 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, the Association shall still be obligated to repair the damages as if a claim had been made, if the loss would be 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. Pursuant to Article VI, Section 4 of the Declaration, the Association shall adjust or negotiate any losses with the insurance company. Insurance proceeds shall be paid to the Association.

7. Pursuant to Article VI, Section 3 of the Declaration, whether a claim is submitted or not, in the event the Association or an Owner suffers an insurable loss, or any insurance deductible is assessed to the Association, the deductible portion will be the primary responsibility of and will be borne by:

A. The Association, if the Association would normally be responsible for the maintenance and repair of the damaged property; or

B. The Owner, if the Owner would normally be responsible for the maintenance and repair of the damaged property; or

C. Those parties who have a joint or shared duty for the maintenance and repair of the damaged property, in which case the deductible will be split on a pro-rata basis according to the relative cost to repair the damaged property (i.e., two or more Owners or the Association and one or more Owners).

Notwithstanding anything to the contrary, if, after notice and an opportunity for a hearing, the Association determines that the damage results from a party's act or negligence, the deductible will be allocated to that party. If the party is an Owner, or the family member, tenant, invitee or guest of an Owner, the deductible shall become an assessment and lien against the Owner's Lot.

If an Owner has the primary responsibility for the deductible, the deductible will become an assessment and lien against the Lot.

IN WITNESS WHEREOF, the undersigned certify that this written resolution was adopted by the Board of Directors of the Association on this 31 day of Mar, 2023.

SAND CREEK VILLAS COMMUNITY ASSOCIATION, INC., a Colorado nonprofit corporation,

By: Dawn M. Heits  
Its: President

ATTEST:

By: Cheryl L. Galaszewski