

**ROSSLYN HEIGHTS EAST, A CONDOMINIUM
UNIT OWNERS ASSOCIATION**

POLICY RESOLUTION NO. 20-01

DAMAGE REPAIR AND INSURANCE DEDUCTIBLE RESPONSIBILITY

WHEREAS, Article III, Section 2 of the Bylaws grants the authority to the Board of Directors to make and amend the Rules and Regulations; and

WHEREAS, Article VI, Section 1(e) and Article X, Section 1(b) of the Bylaws provide that every owner is expressly responsible for all damage to other units and the common elements caused by that owner's failure to perform maintenance and repair work within their unit as required by the Bylaws; and

WHEREAS, Article VI, Section 7 of the Bylaws provides that every unit owner shall have the duty to maintain their unit, including any and all equipment, appliances, fixtures, glass portion of windows, or doors located within the unit and any limited common element mailbox and storage locker, appurtenant to that unit; and

WHEREAS, Article X, Section 1(b) of the Bylaws provides that each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by their act, neglect or carelessness or the act, neglect or carelessness of any member of their household or their guests, invitees, tenants, agents, or contractors; and

WHEREAS, Article VII of the Association's Bylaws obligates the Board of Directors to obtain and continuously maintain physical damage insurance against casualty losses and liability coverage with said coverages having deductibles; and

WHEREAS, in accordance with the Unit Owners' obligations under Article VI, Section 7 of the Bylaws, and their rights under Article VII, Section 3 of the Bylaws, each Unit Owner or tenant should, at their own expense, obtain additional insurance for their own Unit and for any "betterments or improvements" made to the Unit; and

WHEREAS, Article VIII, Section 1 provides that in the event of a casualty loss "the Board of Directors shall arrange for and supervise the prompt repair and restoration of the building or buildings including any damaged unit...but not including any other furniture, furnishings, fixtures or equipment installed by the Unit Owners, in the Units;" and

WHEREAS, it is the intent of the Board of Directors to clarify and implement the policy to be followed for the handling of casualty losses, payment of insurance deductibles, and assessment of owners for costs of repair when they are responsible for said damage; and

WHEREAS, in order to avoid time-consuming and expensive disputes over responsibility for repair and for payment of the costs of repairs to common elements or units or for payment of the insurance deductible amount in cases of casualty loss or damage (or for the costs of repairing the common elements or other units in cases where loss or damage originated in a unit but is not covered by insurance or is less than the amount of the insurance deductible), the Board of Directors of the Association deems it necessary to establish a policy for assessment of the cost of the aforementioned repair or deductible expenses against any unit owner whose act, neglect or carelessness caused said loss or damage.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board by the Condominium Act, the Bylaws and this Resolution duly adopts the following policies and regulations:

1. General Responsibility for Repairs and Restoration. In the event of a casualty loss, including, but not limited to, losses caused by fire, leaking pipes, water overflow, drain malfunction, or by roof, building foundation, or exterior building wall defects, the **Association** shall be responsible for the prompt repair and/or restoration of the common elements, or affected unit(s).

- a. Upon discovery of the casualty, affected unit owners must **immediately** notify the Association of the loss and need for repair.
- b. The Association shall arrange for the prompt repairs and/or any remediation necessitated by the casualty. Unit owners may make recommendations to the Association but are not authorized to engage contractors and/or incur financial obligations on behalf of the Association.
- c. In the event the Association is notified of a casualty after the unit has been repaired or restored, and the Association was not given the opportunity to inspect the damages and/or determine the scope of work, the Association may not be responsible for the reimbursement of costs and/or the quality or workmanship of the completed work. The Association's Board of Directors shall have thirty (30) days to review the invoices and request for reimbursement to determine, in its sole discretion, how much, if any, the Association is responsible to reimburse the requesting unit owner.

2. Responsibility for Costs Determined by Board. If loss or damage to a unit(s) or the common elements results from a condition originating in a Unit, the Board, by a majority vote, will determine whether the loss or damage occurred due to the act, neglect or carelessness for which such Unit's owner is responsible (including the act, neglect or

carelessness of the Unit Owner or any member of such Unit Owner's household or such Unit Owner's guests, invitees, tenants, agents, or contractors).

3. Board's Discretion; Standard. The determination as to whether the loss or damage to other unit(s) or the common elements arose as a result of an act, neglect or carelessness will be made by the Board of Directors in its sole discretion. The Board may in its discretion determine, among others, that a failure by the Unit Owner (or the Unit Owner's tenant or household members) to maintain the unit and its related components, equipment, appliances, and appurtenances in good order, condition and repair constitutes an act, neglect or carelessness for which responsibility may be imposed. If the Board finds that said loss or damage resulted from the act, neglect or carelessness for which the Unit Owner is responsible, the Board shall provide a brief explanation as to what action or inaction by the Unit Owner (or others for which the Unit Owner is responsible) was the basis for the Board's finding.

4. Responsibility for Deductible in Insured Losses. If the loss or damage to other unit(s) or common elements is determined by the Board to be the responsibility of the Unit Owner as noted above and is also a casualty loss covered by the proceeds of the Master Policy of insurance, said Unit Owner shall be responsible for payment of the insurance deductible. The deductible cost shall constitute an assessment against the Unit Owner's unit. If the Unit Owner fails to pay the deductible, then the deductible cost shall be charged to the Unit as an assessment for which the Association shall have a lien and shall be otherwise collected as an assessment.

5. Board Discretion to Self-Insure. To reduce the number of claims on the Association's insurance policy, it is within the Board's discretion to self-insure any covered casualty loss in which the estimated cost of repair is close to the cost of the Association's policy deductible. In the event the Board elects to self-insure a covered loss that narrowly exceeds the amount of the Association's deductible and determines that the loss was the result of the act, neglect, or failure to maintain, by the Unit Owner, the Unit Owner may be held responsible for the costs of repair up to the amount of the Association's policy deductible.

6. Insured Losses Caused by Multiple Owners. To the extent that the need for maintenance, repair or replacement under an insured loss arises as a result of the act, neglect or carelessness of several persons or entities, the cost of the deductible may either be charged against one of such persons or entities or equitably apportioned by the Board against all responsible persons or entities. The responsible Unit Owners shall be jointly and severally liable for the insurance deductible, and such expense shall constitute an assessment against their units. If an Owner fails to pay the deductible, then the deductible cost shall be charged

to their Unit as an assessment for which the Association shall have a lien and shall otherwise be collected as an assessment.

7. Losses Which Are Uninsured or Below the Deductible. If the loss or damage to other unit(s) or the common elements is determined by the Board to be the responsibility of the Unit Owner as noted above and is not covered by the proceeds of insurance, or said loss or damage does not exceed the deductible amount under the insurance policy, the Unit Owner shall be responsible for the full payment of all costs of the maintenance, repair or replacement necessitated by the loss or damage. These costs shall constitute an assessment against the Unit Owner's unit. If the Unit Owner fails to pay these costs, then the costs shall be charged to the unit as an assessment for which the Association shall have a lien and shall be collected as an assessment.

8. Unit-to-Unit Losses. The Board of Directors reserves the right not to impose liability or make a determination pursuant to this Resolution in circumstances where an uninsured loss originates in one unit and damages another unit(s) but does not damage the common elements, in which case the matter may be pursued by the unit owners involved without the Association's involvement.

9. No Change to Responsibilities. This Resolution does not change the duties imposed on Unit Owners for maintenance, repair, and replacement under the Declaration and Bylaws.

10. Unit Owner Insurance Encouraged. Unit owners are encouraged to purchase condominium unit owner insurance policies to cover their personal belongings, unit improvements and betterments, personal liability exposures, additional living and/or alternate lodging expenses, and the Association's master property insurance deductible amounts, which **unit owners are responsible for covering** under the condominium instruments and this resolution. In addition, Unit Owners who lease their units are strongly encouraged to require their tenants obtain rental insurance, as a condition of leasing.

11. Effective Date. This Resolution shall be effective upon its adoption. [Adopted on March 3, 2020]