

INSURANCE

SUBJECT: Adoption of a policy regarding insurance.

PURPOSE: To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

EFFECTIVE

DATE: 1/25/2018

1. **REQUIRED POLICIES.** The Board shall maintain all policies required by Section 24 of the Condominium Declaration, including but not limited to liability and directors and officers insurance coverage to protect the Satellite and indemnify and hold harmless its officers, directors, and any persons acting therefore (other than independent contractors) while serving the Satellite in those capacities, unless such acts are done in bad faith and with malice.

2. **CLAIMS BY OWNER.** If an occurrence is made known to an owner that results in damages or injury to an owner or an owner's property which may come within the Satellite's coverage as required in the Declaration or under Colorado law, the following procedures should be followed by the owner:
 - a) In the event the owner determines it is in the owner's best interests to submit a claim under the owner's insurance policies, the owner shall follow the procedures set out in those insurance policies describing the insured's duties in the event of an occurrence, claim, or suit.

 - b) In the event the subject matter of the claim may fall within the Satellite's insurance responsibilities under the Declaration or Colorado law, the owner shall first notify the Satellite of the damage by providing written notice to the Board or managing agent setting forth the following:
 - 1) Owner's phone number, mailing address, and Unit address, if different;
 - 2) The time, place, and circumstances of the event; ○
 - 3) Identification of damaged property; and ○
 - 4) The names and addresses of the injured and witnesses, if applicable.

- c) The Board shall then make a determination as to whether the occurrence or claim consists of damages for which the owner or the Satellite is responsible for insuring under the Declaration.

The Satellite shall notify the owner in writing of its determination with fifteen days of written notification of the damage.

- d) If the Board determines, in its sole discretion, that the subject matter of the claim is within the Satellite's insurance obligations, the Board shall submit a claim to the Satellite's insurance carrier or carriers on behalf of the owner in accordance with the requirements of the Satellite's insurance policies. In that event, an owner should not submit a claim to the Satellite's insurance carriers.

3. DEDUCTIBLE POLICY.

- 1) **Interior Loss or Damage.** Since maintenance and repair of the interior of a Unit should ordinarily be the responsibility of the Owner, pursuant to Section 19 of the Declaration, to the extent any loss is covered by the Association's insurance and a claim is made against the Association's insurance in connection with such loss, the Owner shall be responsible for paying the deductible or any portion of the loss or expense which is not covered by the Association's insurance. Individual owners will be responsible to pay the Association's insurance deductible if damage to their apartment or any other apartments can be determined to have been caused by their negligence. The Association recommends that all Owners obtain HO-6 coverage for their respective Units with at least \$10,000.00 for "Coverage A-Dwelling" and at least \$50,000.00 for "Loss Assessment", as required or recommended by Section 24(f) of the Declaration.
- 2) **Exterior Loss of Damage.** If any loss or damage to the exterior of any Unit is not fully covered or paid by the Association's insurance, the amount of that uncovered or unpaid portion shall be paid equally by all of the Owners, except that when and to the extent such loss or damage is caused by an "Owner-Responsible Event" as defined below, the Board in its sole discretion may determine that the Owner and his/her Unit shall be solely responsible for any portion of the loss or expense that is not covered by the Association's insurance. An "OwnerResponsible Event" means:
- a) a negligent act or omission of an Owner;
 - b) a negligent act or omission of that Owner's family, agent, contractor, guest, invitee or tenant;
 - c) a negligent act or omission of another individual, provided that such individual was on the premises with the consent of the Owner or with the consent of a person enumerated in "b" above; or
 - d) a pet or other animal brought on the premises by the Owner or by one of the other persons enumerated in "b" or "c" above.

(3) **Assessment and Collection.** Any Owner's failure to pay his/her share of any loss allocated to him/her under any of the preceding sections of this policy shall result in the assessment of a fine equal to the amount unpaid, plus costs of collection. The Association may exercise all applicable rights and remedies to collect fines, including the right to add such fine to the assessment to which the Unit of such Owner is subject, and such fine and assessment shall become a lien against such Owner's Unit as provided in Article 26 of the Declaration.

(4) **Owners' Coverage.** Owners are responsible for reviewing the Association's insurance coverages and obtaining such insurance as the Owners are required or may desire to have for their own protection. Nothing in this policy shall impose any liability upon the Association.

(5) **Commercial Tenants.** Owners of commercial condominium units shall provide the Association with certificates of insurance from the respective tenants of said commercial units evidencing general liability limits of at least \$1,000,000 per occurrence, \$2,000,000 aggregate and naming the Association of Owners, Satellite Apartment Building, Inc. as an additional insured.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Association of Owners, Satellite Apartment Building, Inc. certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on 1/25/2018 and in witness thereof, the undersigned has subscribed his/her name.

**Association of Owners, Satellite
Apartment Building, Inc., a
Colorado nonprofit corporation By:**

A handwritten signature in blue ink, appearing to read "M. J. [unclear]", is written over a solid black horizontal line.

Its: President