

*THE UNIT OWNERS ASSOCIATION OF
COLONIAL VILLAGE I, A CONDOMINIUM*
Regulatory Resolution No. 2009-5

Liability for Deductible on Damage Insurance Claims

WHEREAS, Article III, Section 2(f) (*Board of Directors - Powers and Duties*) of the Bylaws grants the Board of Directors the power to make and amend rules and regulations governing the Condominium;

WHEREAS, Article III, Section 2 of the By-laws further provides that the Board of Directors shall have all the powers and duties necessary for administration of the affairs of the Association and may do all such acts and things as are by the *Virginia Condominium Act*, the Declaration or by the By-laws required to be exercised by the Association, including adoption of rules and regulations deemed necessary for the benefit of the Condominium;

WHEREAS, Article VII, Section 2, subsection (a) of the By-laws states, among other things, “The Board of Directors shall obtain and maintain a “master” or “blanket” “All Risk” policy of property insurance equal to full replacement value (i.e., 100% of current “replacement cost,” with a reasonable deductible [sic] amount, exclusive of land, foundation, excavation and other items normally excluded from coverage) with an Agreed Amount endorsement to the Condominium project, including all building service equipment, air conditioning equipment and the like and any fixtures or equipment within the Condominium Unit including all of the kitchen and bathroom fixtures *initially installed therein by the Declarant and the replacements thereto installed by the Declarant*, but not including furniture, wall coverings, furnishings or other personal property supplied or installed by Unit Owners [emphasis supplied].”

WHEREAS, pursuant to the aforesaid paragraph, the Board of Directors has obtained a master insurance policy with a deductible currently set at \$5,000 (subject to change without notice at the direction of the Board of Directors in the future, as prudence suggests);

WHEREAS, no provision of the CVI governing documents expressly provides for who is responsible for the paying the deductible amount on any claim, although Article VI, Section 8, subsection (c) states in part, “The Board of Directors may charge each Unit Owner for the expense of all maintenance, repair or replacement to the Common Elements, or to those parts of Units as to which the Unit Owners Association has the responsibility to maintain and repairs rendered necessary by his act, neglect or carelessness, or the act, neglect or carelessness of any member of his family or employees, agents, licensees or guests of lessees.”

WHEREAS, Article VI, Section 5, subsection (b), paragraph (1) of the Bylaws states, among other things: “Each Unit Owner shall keep his Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his

Unit. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from his failure to make any of the repairs required by this Section. “

WHEREAS, the Board of Directors desires to adopt a policy that is consistent with these provisions that specifies who will be charged with the deductible amount on any claim:

IT IS HEREBY RESOLVED THAT:

1. Except as provided in Paragraph 4 below, when a casualty loss that results in a claim under the master insurance policy originates in the common elements of the condominium, the Association will pay the deductible.
2. When a casualty loss that results in a claim under the master policy originates in a unit, the Association will not pay the deductible.
3. Except as provided in paragraph 4 below, when a casualty loss originates in a unit and several units are damaged, the loss deductible shall be divided among the damaged units in proportion to the amount of the approved loss each have suffered when compared to the total approved loss for the claim.
4. Notwithstanding paragraphs 1 and 3 above, if the Board of Directors determines that a casualty loss was caused by act, neglect or carelessness of a unit owner, or the act, neglect or carelessness of any member of his family or his employees, tenants, agents or licensees, the owner of that unit whose act, neglect or carelessness caused the loss (or whose family member, employee, tenant, agent or licensee caused the loss) will be required to pay the entire deductible amount. Failure of owners to comply with Article VI, Section 5, subsection (b), paragraph (1) of the Bylaws, which specifies, among other things, that “Each Unit Owner shall keep his Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition...” shall be deemed neglect or carelessness, and such determination shall be made by the Association.
5. Because the master insurance policy offers only incomplete coverage to unit owners and none to renters, unit owners and other residents are strongly encouraged to procure their own insurance to cover these losses and other losses that may be attendant upon owning and/or occupying a condominium unit. These policies are typically referred to as an “HO-6” policy for unit owners and an “HO-4” policy for renters.
6. The provisions of this resolution shall apply to physical damage to the units and common elements only, and do not apply to personal property of the unit owners or other parties, improvements to the unit, personal liability or additional living expense. (See also, “Policy Resolution No. 2005-1, Responsibility For Temporary Accommodations.”)
7. The Board of Directors may change the amount of the deductible or the terms of the master policy at any time and without notice to Unit Owners or residents, and this regulation shall continue to apply in all respects.

Enacted at a meeting of the Board of Directors of the Unit Owners Association of Colonial Village (Village I), A Condominium, held on Dec. 2, 2009.