

ENCORE OF MCLEAN, A CONDOMINIUM
UNIT OWNERS ASSOCIATION

POLICY RESOLUTION NO. 95-1

INSURANCE DEDUCTIBLE

WHEREAS, Section 3.1 of the Bylaws states that "The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owners Association;"

WHEREAS, Section 5.5 of the Bylaws defines the maintenance and repair responsibility of the Association in subsection (a) and the maintenance and repair responsibility of the Unit Owner in subsection (b);

WHEREAS, Section 6.1 of the Bylaws requires the Board of Directors to purchase "insurance policies relating to the Property;"

WHEREAS, Section 6.2(a) of the Bylaws requires the Board of Directors to obtain and maintain a blanket, all-risk form policy of fire insurance which includes, among other things, coverage for water damage resulting from plumbing and appliance leaks;

WHEREAS, the master insurance policy of the Association contains a deductible provision under the terms of which the amount of each insured loss paid by the insurance carrier, whether in consequence of loss to the common elements, or to any unit, is reduced by a deductible amount;

WHEREAS, Section 6.1(e) of the Bylaws provides that the deductible on any insurance policy purchased by the Board of Directors shall be a common expense, provided, however, that the Association may assess any deductible amount necessitated by the negligence, misuse or neglect of a unit owner against such unit owner; and,

WHEREAS, the Board of Directors deems it to be in the best interest of the Association to establish by policy resolution a means for determining in each instance whether such deductible amount will be borne by the Association or specially assessed to a unit or units.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors hereby adopts the following policy with respect to responsibility for payment of the deductible portion of any claims presented under the Association's master insurance policy:

1. Damages caused by circumstances originating from property which the Association maintains and repairs pursuant to the provisions of Section 5.5(a) of the Bylaws will be paid from Association funds.

2. Damages caused by circumstances originating from property which an individual unit owner maintains and repairs pursuant to Section 5.5(b) of the Bylaws will be paid by that unit owner.

3. Damages to other units, Common Elements or Limited Common Elements caused by the negligence, misuse or neglect of his or her friends, family, tenants, or other invitees, shall be paid by the Unit Owner.

4. If a Unit Owner is responsible for payment of all or a portion of the deductible in accordance with the terms of this Resolution, that Unit shall be specially assessed for any deductible amount deducted by the insurance carrier from the payment made under the master insurance policy of the Condominium for an insured loss.

The provisions of the Bylaws and Resolutions of the Board of Directors with respect to the payment of all assessments and special assessments, including the provision for the recovery of costs, interest, and attorneys' fees, shall be fully applicable to any special assessment made pursuant to the provisions of this policy resolution.

RESOLUTIONS ACTION RECORDED

Resolution Type: Policy No. 95-1

Pertaining to: Insurance Deductible

Duly adopted at a meeting of the Board of Directors held on October 30, 1995.

Motion by: _____ Seconded by: _____

	VOTE:			
	YES	NO	ABSTAIN	ABSENT
<u>Helen B. Anderson</u> President	✓	_____	_____	_____
_____ Vice President	_____	_____	_____	_____
<u>Howard S. Wallach</u> Treasurer	✓	_____	_____	_____
<u>Dean R. Coker</u> Secretary	✓	_____	_____	_____
<u>Charles R. Bura</u> Director	_____	X	_____	_____
<u>Thomas A. Gravelles</u> Director	✓	_____	_____	_____
<u>John J. [Signature]</u> Director	✓	_____	_____	_____

ATTEST:
Dean R. Coker Secretary
10/30/95 Date

FILE:
Book of Minutes - 19____
Book of Resolutions: _____

	Book No.	Page No.
Policy	_____	_____
Administrative	_____	_____
Special	_____	_____
General	_____	_____

Resolution effective: January 1, _____, 1996.