

FAIRLINGTON MEADOWS COUNCIL OF CO-OWNERS

POLICY RESOLUTION

“Management of Insurance Claims, Apportionment of Responsibility for Uninsured Losses and Payment of the Insurance Deductible”

WHEREAS, Subsection (A) of the Paragraph Twenty-First of the Corrected Master Deed for Fairlington Meadows Condominium and its Council of Co-Owners (“Council”) requires the Council to obtain and carry physical damage insurance to protect the Condominium against casualty losses (“master insurance”); and

WHEREAS, Subsection (D) of Paragraph Twenty-First provides that the Council, as insurance trustee, shall apply, make available, and pay the amount received by it under such policy or policies for such reconstruction and repair, payment thereof, to be made as the work progresses at such times, and upon compliance by such co-owner with such conditions as the Council shall impose in order to assure full restoration or repair of the damaged portions of such Family Unit and/or common elements in a workmanlike manner, free and clear of any mechanics’ liens and any encumbrances, liens, claims or charges; and

WHEREAS, Subsection (D) of Paragraph Twenty-First further states that if the cost of such reconstruction or repair shall exceed the amount paid to the Council under the policy or policies as aforesaid, such excess shall be paid by the co-owner; and

WHEREAS, Article Sixth of the Corrected Master Deed designates the outer/exterior surface of the vertical walls of the Project to be part of the Family Units; and expressly notes that the exterior finish of the roofs of the Project, including roof singles, are NOT considered part of the Family Units and are therefore Common Elements; and

WHEREAS, Article VI, Section 2 of the Council By-Laws require that co-owners perform all maintenance and repair work within their Family Unit, which, if omitted, would effect the Project in its entirety or in a part belonging to other co-owners; and

WHEREAS, Article VI, Section 2 of the Council’s By-Laws provides that a co-owner shall reimburse the Council for any expenditures incurred in repairing or replacing any common element damaged through his fault; and

WHEREAS, the Board of Directors has decided that it is in the best interest of the Council to adopt a policy clarifying procedures regarding: 1) management of casualty losses and insurance claims, particularly concerning those originating in the exterior walls or roofs of the buildings, and 2) the Council’s procedure for apportioning financial responsibility for the payment of excess or uninsured losses associated with an casualty

insured by the Council including but not limited to the allocation of any deductible under the Council's insurance policies ("master deductible").

NOW THEREFORE, be it resolved that the Board of Directors adopts the following policies and procedures.

1. Upon being alerted to a casualty loss involving the Council's master insurance coverage, the Council's management representative ("Management Agent") shall be authorized to perform, or cause to be performed, a preliminary investigation of the loss in order to try and determine the cause of the loss, the impact on other Family Units and/or the Common Elements and a general understanding of expected repair costs. The Management Agent shall endeavor to make a determination as to whether the loss is appropriate for submission as a claim under the master insurance policy and if so who shall be responsible for payment of any master insurance deductible. In the event a co-owner sustains a casualty loss to his or her Family Unit that may be covered under the master policy or she must immediately, and in no event later than five (5) days after the loss, report the loss to the Management Agent if he or she wishes to receive consideration for submission of a claim to the Council's master insurance policy. After consideration of circumstances and/or consultation with the Council Board and/or insurance agent, or if coverage under the master policy is obvious (e.g., fire loss), the Management Agent shall submit the claim to the master insurance policy or, after consultation with the Board of Directors, and in either event, notify the co-owner in writing, as to whether it shall submit the claim and if a claim is submitted, whether he or she may be liable for the insurance deductible if the carrier approves coverage.

2. The co-owner shall bear responsibility for payment of the insurance deductible, as an uncovered loss, if the Council determines that the cause of the damage is due to the fault of the co-owner (such as a failure to comply with maintenance and repair obligations under the Condominium Instruments), or the damage is solely related to his or her Family Unit (such as water intrusion from exterior walls which is part of the Family Unit). In cases where the Council's negligence or failure to satisfy its maintenance and repair duties solely caused the casualty loss to a Family Unit or the loss is isolated to damages to the Common Elements, the Council shall bear responsibility for payment of the insurance deductible. All other circumstances not specifically addressed by these allocations on the insurance deductible, shall be controlled by the Condominium Instruments and applicable law, at the direction of the Board.

3. If the Managing Agent determines that the co-owner is responsible for the amount of the insurance deductible, the Council shall provide the co-owner with thirty (30) days from the date of written notice to pay the Insurance Deductible.

4. The Council shall provide co-owner with written communication regarding any progress, determinations (by the Council or the insurance carrier), obligations and/or deadlines, regarding any casualty losses reported to the Management Agent in accordance with paragraph 1 herein.

5. In the case of insured losses to a Family Unit, the Council shall coordinate the repair and replacement of the damaged items, with the cooperation of the co-owner and provided that reasonable advance notice related to entry to a Family Unit is provided to the co-owner. in accordance with the terms of the Corrected Master Deed, By-Laws, and Property Maintenance Agreement.

6. In the case of uninsured losses to a Family Unit, unless the Corrected Master Deed expressly requires otherwise, and/or the Board of Directors determines otherwise, the co-owner shall bear responsibility for: a) making arrangements for the repair or replacement of the damaged items, and, if appropriate, b) seeking reimbursement from the responsible party.

7. Co-owners are strongly encouraged to ensure that they maintain individual insurance (commonly known as an "HO-6" policy) and that the "building dwelling coverage" is updated to match the amount of the master insurance property deductible.

8. Co-owners are strongly encouraged to obtain policies of insurance protecting the co-owner's personal property within the units and for any responsibility for uncovered costs (e.g., deductibles, displacement costs, etc.) under the master insurance policies.

The effective date of this Resolution shall be May 16, 2018.


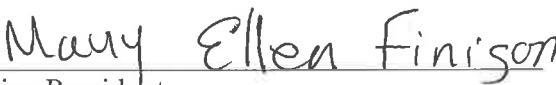
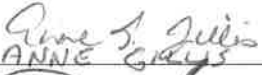
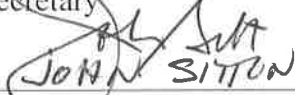

FAIRLINGTON MEADOWS COUNCIL OF
CO-OWNERS



President

RESOLUTION ACTION RECORD

Duly adopted at a meeting of the Board of Directors of the Council held
May 16, 2018.

	VOTE:			
	YES	NO	ABSTAIN	ABSENT
 LISA FARBSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President				
 Mary Ellen Finison	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice President				
 ANNE S. GIVENS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Secretary				
 JOHN SITTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Treasurer				
 Melvin D. Meluski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assistant Treasurer				

Resolution effective: May 16, 2018.