

**FAIRLINGTON GREEN CONDOMINIUM COUNCIL OF CO-OWNERS**  
**POLICY RESOLUTION NO. 94-01**  
**INSURANCE DEDUCTIBLE RESPONSIBILITY**

WHEREAS, Article XXI of the Master Deed of the Fairlington Green Condominium Council of Co-Owners requires that the Council of Co-Owners obtain and maintain at all times, for the benefit of each family unit and each Co-Owner, insurance against loss by fire or casualty; and

WHEREAS, Article VI, Section 2(a) of the By-Laws imposes liability on every Co-Owner for damages and liabilities resulting from his or her failure to maintain or repair his or her unit; and

WHEREAS, Article VI, Section 2(c) of the By-Laws requires a Co-Owner to reimburse the Council of Co-Owners for any expenditures incurred in repairing or replacing any common element damaged through his or her fault; and

WHEREAS, the Master Insurance Policy of the Council of Co-Owners 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; and

WHEREAS, Article XXI(d) of the Master Deed imposes liability on every Co-Owner for the cost of repairs to his or her unit where the cost to repair exceeds the amount received under the Council's Master Insurance Policy; and

WHEREAS, the Board previously adopted Policy Resolution No. 2 to deal with the issue of responsibility for the insurance deductible on July 5, 1990, but has determined that Policy Resolution No. 2 needs amplification and clarification; and

WHEREAS, the Board deems it to be in the best interest of the Council of Co-Owners to establish this Policy Resolution to rescind Policy Resolution No. 2 and to clarify and amplify the means for determining and allocating in each instance of damage the insurance responsibility of the Council of Co-Owners and the Co-Owners and their respective responsibility for any deductible amount.

NOW, THEREFORE, BE IT RESOLVED that Policy Resolution No. 2 is hereby rescinded and the following procedures shall be adopted and substituted in place:

1. The Co-Owner(s) of the unit(s) from which a loss or damage to the common elements or to any individual unit(s) originates shall be responsible for any amount deducted by the insurance carrier from the payment made under the Master Insurance Policy including insured losses that occur as a result of negligence or misconduct of a Co-Owner, his or her agents,

employees, invitees, tenants or licensees or as a result of his or her failure to undertake any of the maintenance or repairs required by statute, the Master Deed or the By-Laws.

2. In the event that a Co-Owner reports to the Council of Co-Owners damage to a unit or the common elements, or a casualty loss, or damage or loss is discovered by the Property Manager, the Property Manager (subject to review by the Board) shall make a determination as to (a) whether the damage or loss was caused by the negligence or misconduct of a particular Co-Owner, his agents, employees, invitees, tenants or licensees, or as a result of a failure to undertake the maintenance or repairs required by the By-Laws, and (b) whether the damage to the unit(s) or common elements is an insured loss under the Council of Co-Owners' Master Insurance Policy.

3. In the event the Property Manager determines that the loss or damage to the common elements or unit(s) was caused by the negligence or misconduct of a particular Co-Owner, or his or her agent, employee, invitee, tenant or licensee, or as a result of his or her failure to undertake maintenance or repair required by the By-Laws, the Property Manager shall notify the responsible Co-Owner in writing of the total amount of the damage caused or loss sustained, the date such damage or loss was incurred and/or the deductible amount established under the Condominium's Master Insurance Policy, if applicable. Such notice shall advise the responsible Co-Owner that he or she will be required to pay the Council of Co-Owners the applicable deductible or damages. If the damage is estimated to be below the deductible amount, the Property Manager may require that the Co-Owner arrange for the repairs.


4. In the event that the damage was the result of the negligence of the Council or its employees and agents or was the result of a defect in the common elements, the deductible portion shall be treated as a common expense.

5. In the event that the Property Manager is unable to ascertain, to his or her satisfaction, the cause or origin of the loss, the responsibility for the excess damages and deductible amount will be equitably apportioned between the benefitted Co-Owners and, in the case of the common elements, the Council. Such amounts shall become a part of the assessments due and owing from the Co-Owner.

6. Co-Owners and renters are strongly urged and advised to obtain an individual policy of insurance which will cover personal property (e.g., rugs, stereos, furniture, jewelry, etc.). Certain policies may also cover portions of deductible.

ADOPTED by the Board of Directors this 27<sup>th</sup> day  
of April, 1994.

FAIRLINGTON GREEN CONDOMINIUM  
COUNCIL OF CO-OWNERS

By:   
Sarah Trott, President