

FAIRLINGTON GREEN COUNCIL OF CO-OWNERS

POLICY RESOLUTION NO. 2

WHEREAS, pursuant to Article IV, Section 1 of the By-Laws, the Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Council; and

WHEREAS, pursuant to Article VI, Section 2 of the By-Laws, each co-owner shall be liable for the damages and liability resulting from the co-owners failure to maintain his Family Unit and for any common element damaged through his fault; and

WHEREAS, pursuant to Article Twenty-First of the Master Deed, the Council of Co-Owners is required to obtain and maintain insurance for the condominium project; 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 Family Unit, is reduced by a deductible amount; and

WHEREAS, the Board of Directors, having considered all relevant factors, and based on its business judgment, has agreed to a master policy of insurance for the condominium, which establishes the deductible amount at \$1,000.00; and

WHEREAS, the Board of Directors, deems it to be in the best interests of the Council of Co-Owners to establish, by policy resolution, a means for determining in each instance whether such deductible amount will be borne by the Council of Co-Owners or specially assessed against the responsible Family Unit or Family Units;

NOW, THEREFORE, BE IT RESOLVED THAT: the following procedures shall apply with respect to a determination as to whether the deductible amount of each insured loss to the common elements or a Family Unit(s) shall be specially assessed against the co-owner of the Family Unit or Family Units which caused an insured loss to the common elements or to another Family Unit or Family Units. The following procedures will also apply in the event the losses are below the cost of the deductible amount.

1. The co-owner(s) of the Family Unit(s) which caused a loss or damage to the common elements or to another Family Unit

Rescinded

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 if the loss occurred as a result of the negligence, misconduct or failure of the co-owner, his tenants, guests, licensees or invitees to perform any of the co-owners obligations under the Virginia Condominium Act (§55-79.41 et. seq.), Master Deed By-Laws, or Rules and Regulations of the Council of Co-Owners.

2. The managing agent shall make a determination whether damage to the common elements or any Family Unit(s) within the condominium was caused by the negligence or misconduct of a particular co-owner(s), his tenants, guests, licensees or invitees, or as a result of his or her failure to perform his or her obligations under the Virginia Condominium Act (§55-79.41 et. seq.), Master Deed By-Laws, or Rules and Regulations. Such co-owner(s) shall hereinafter be referred to as the "responsible co-owner." Upon such determination, the managing agent shall notify the responsible co-owner in writing of the total amount of the damage caused, the date such damage was incurred and the deductible amount applicable under the master insurance policy. 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 and any other charge not covered by the proceeds of insurance and of his/her right of appeal.

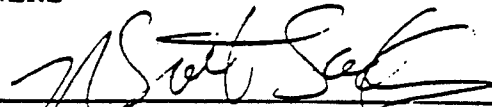
3. In the event the responsible co-owner disagrees with the determination made by the managing agent, the responsible co-owner will have a period of fifteen days from the date of the notice, to file a written appeal with the Board of Directors, and, if desired, to request a hearing before the Board of Directors. The Board of Directors shall promptly schedule and conduct a hearing if requested and shall furnish the responsible co-owner with its decision within thirty-five (35) days after receiving the appeal from the managing agent's decision if no hearing is requested or from the time of hearing, if a hearing is requested. This notice may be combined with the notice provided in paragraph (4) below.

4. In the event no appeal is taken within fifteen (15) days of the determination of the managing agent, or the decision of the managing agent is affirmed on appeal by the Board of Directors, the Board of Directors shall specially assess the responsible co-owner for the deductible amount or any charge which is not covered by the proceeds of insurance and send notice thereafter to the responsible co-owner. The special assessment shall be due thirty (30) days after the date of the notice.

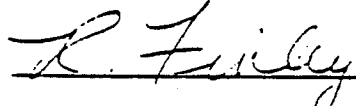
The provisions of the Master Deed, By-Laws and Resolutions of the Board of Directors with respect to the payment of all assessments and special assessments, including the provision for the recovery of costs, interest, and attorneys' fees, shall be fully applicable to any special assessment made pursuant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

FAIRLINGTON GREEN COUNCIL OF
CO-OWNERS

By: _____


N. Scott Sacks, President

I hereby certify that the foregoing resolution was duly adopted at a regular meeting of the Board of Directors of the Fairlington Green Council of Co-Owners Condominium Unit Owners Association on this 5th day of July, 1990. I further attest that the foregoing resolution was mailed or hand-delivered to the co-owners on the 5th day of July, 1990.



Secretary

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