

(SAMPLE, BUT EACH COMMUNITY IS DIFFERENT AND YOU WANT TO TALK TO YOUR BROKER)

SPECIAL VALLEY RANCH COMMUNITY ASSOCIATION

<p style="text-align: center;">BOARD OF DIRECTORS OF RESOLUTION REGARDING INSURANCE DEDUCTIBLES</p>
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WHEREAS, Bylaw Article 8, Section 8.2 authorizes the Board to adopt rules, regulations and guidelines and Nevada Revised Statutes Chapter 116 Section 116.31065, defined how those rules are to be adopted and distributed, and

WHEREAS, the Board feels it is in the best interest of all members of the Association for the Board to clarify Article 15, Insurance, and;

Current CC&R Requirements:

CC&R Article 15, Section 15.9, “Waiver of Claim”. As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors, and Declarant to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of such persons.”

CC&R Article 15, Section 15.10, “Obligation of Owners to Insure. If any loss intended to be covered by insurance carried by the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association, to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.”

CC&R Article 15, Section 15.11, “Subassociation Insurance Coverage. Each Subassociation shall procure and maintain public liability and property damage insurance with respect to its management, operations and activities including Subassociation Common Areas of not less than \$2 million combined-limit coverage. The Board of the Association reserves the right to require reasonable increases in such minimum amount in consideration of periodic increases in the consumer price index and changes in general economic conditions. The Association shall be named as an additional insured on each such policy so procured and maintained by a Subassociation and a certificate duly endorsing the Association thereon shall be timely delivered to the Association. Each Sub association shall also procure and maintain such other insurance coverages and in amounts as required by the Subassociation Declaration, Nevada law, governmental agencies having jurisdiction thereof and prudent standards of association management and operation.”

CC&R Article 15, Section 15.11.1 All premium costs for the insurance carried by a Subassociation shall be a charge against the members thereof and the Association shall have no liability or obligation with respect thereto or therefor.

WHEREAS the Board wishes to ensure that each individual involved in any insurance claims involving directly or indirectly the Special Valley Ranch Community Association understand the deductible policy; and

WHEREAS, it is a majority decision of the Board to approve this resolution,

NOW THEREFORE, BE IT RESOLVED, the Board adopts the following resolution, which becomes effective 30 days after notice has been mailed via U.S. Postal Service to all owners of record:

Any affected individual owners shall be responsible for all policy deductibles except in those cases where the Association has responsibility as stated in the Declaration.

When a loss occurs which is caused by a proven "Irresponsible Act", the person who caused the "Irresponsible Act" shall be responsible for all resulting deductibles incurred.

This resolution is made a part of the minutes of the January 18, 2007, Board of Directors meeting and becomes a part of the official Rules and Regulations of the Special Valley Ranch Community Association.

Date: _____

President

Secretary

Note 1: *Some HOA's are increasing their property insurance deductibles. It is some Association's policy to have the unit owner pay the deductible if it is something that affects only that owner and is the owner's responsibility. IF this applies to your association then most property claims under the deductible will not be paid by the association policy. This deductible can be picked up through your personal insurance policy in a couple of different ways. Some companies have a specific endorsement that you can add to your policy to cover that deductible, other companies add the amount of the deductible to your Building Coverage (sometimes called Dwelling Coverage). Contact the agent who insures your personal condo or home to discuss how best to cover this possible*

Note 2: *Coverage should also be considered for Loss Assessments. This coverage is not offered on all personal condo or owner policies. Loss Assessments coverage could cover an HOA assessment to collect money to pay for a loss not adequately covered by your HOA's policy. In other word, if your HOA has a claim and the master policy does not hve adequate insurance, your association may need to assess individual membe4rs to cover the remaining uninsured portion of any claim. Loss Assessments Coverage may pay that assessed amount. You can typically purchase a maximum of \$50,000 of Loss Assessments Coverage for a small amount of premium.*