

**SILVERPLUME CONDOMINIUM ASSOCIATION
RULE REGARDING PAYMENT OF ASSOCIATION INSURANCE DEDUCTIBLES**

1. **Introduction.** The Board of Directors (“Board”) of Silverplume Condominium Association, a Colorado nonprofit corporation (“Association”), acting pursuant to the powers set forth in the Association’s Bylaws, Articles of Incorporation, the Condominium Declaration for Silverplume Condominiums (as amended) (“Declaration”) (such documents being collectively referred to as the “Association Documents”), and the Colorado Common Interest Ownership Act, as amended (“CCIOA”), has enacted the following rule (“Rule”) effective as of the date set forth below.

2. **Policy Purpose.** The Silverplume Condominium community is subject to and governed by the Declaration. Under Article 15.1 of the Declaration, the Association is responsible for maintenance and operation of the general common elements. In addition, under Article 15.1 of the Declaration, the Association is responsible for obtaining adequate fire insurance with extended coverage and standard all risk endorsement, which endorsements shall include endorsements for vandalism and malicious mischief. Article 15.1 goes on to require that said casualty insurance shall insure the entire condominium project and any property, the nature of which is a general common element.

Article 14 of the Declaration requires that the Owner of a Unit keep in good repair the interior of his or her unit (Article 14.1) and all fixtures and equipment installed within the Unit commencing at the point where the utilities enter the unit (Article 14.2).

Article 13 of the Declaration provides the Association with the irrevocable right to enter any Unit from time to time during reasonable hours for the maintenance, repair or replacement of any of the general common elements therein, or for making emergency repairs therein necessary to prevent damage to the general or limited common elements or to another Unit. Article 13 goes on to provide that any such damage caused by the carelessness or negligence of any Owner, then such Owner shall be solely responsible for the “cost and expense” of repairing such damage.

This Rule is intended to provide interpretive guidance by clarifying that the term “cost and expense” in Article 13 of the Declaration includes, without limitation, any insurance deductible required to be paid under the Association’s insurance policy for any insurance claim made with regard to the maintenance, repair or replacement of general common elements or limited common elements caused by the carelessness or negligence of an Owner. By providing clarification of the Declaration language, this Rule is not intended to be inconsistent with the Declaration.

3. **Insurance Deductibles.** In those situations where the cost of maintenance, repair or replacement of the general common elements or limited common elements is paid for or otherwise covered by the Association’s insurance maintained under Article 19 of the Declaration, and the need for such maintenance, repair or replacement is caused by an Owner’s carelessness or negligence, then the Association’s insurance deductible shall be the personal obligation of such Owner. If the amount of the insurance deductible is not paid to the Association within seven (7) days after the Association gives notice to the Owner of such

amount, then the amount shall be added to and become part of the assessment for that Owner's Unit.

In those situations where the cost of maintenance, repair or replacement of the general common elements or the limited common elements is paid and otherwise covered by the Association's insurance maintained under Article 19 of the Declaration, and the need for such maintenance, repair or replacement is not caused by an Owner's carelessness or negligence, then the Association's deductible shall be an expense of the Association assessed against all Owners' Units in accordance with Article 18 of the Declaration.

For purposes of this Rule, "carelessness" and "negligence" are defined as the omission to do something which a reasonable person, guided by those ordinary considerations which ordinarily regulated human affairs, would do, or the doing of something which a reasonable and prudent person would not do.

Though not required by the Declaration, the Association encourages all Unit Owners to obtain their own standard risk insurance coverage to address maintenance, repair or replacement for those items that are the responsibility of each Owner pursuant to Article 14 of the Declaration.

4. **Superceding Effect.** This Rule supersedes any previously adopted Rule or policy on the same subject matter.

5. **Defined Terms.** Unless the context requires otherwise, capitalized words and terms shall have the meanings set forth in the Declaration.

6. **Amendment.** This Policy may be amended from time to time by the Board.

7. **Effective Date.** This Rule is effective as of 08/01, 2015.

CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Silverplume Condominium Association, a Colorado nonprofit corporation certifies that the foregoing Rule Regarding Payment of Association Insurance Deductibles was approved by the vote of a majority of the Association's Directors at a meeting of the Association's Board of Directors held on June 17th, 2015.

Silverplume Condominium Association, a Colorado
nonprofit corporation

By: _____

