

**COUNCIL OF CO-OWNERS OF FAIRLINGTON MEADOWS
POLICY RESOLUTION NO. 11-10-15**

Payment of Master Insurance Policy Deductible

WHEREAS, Article IV Section 2 of the By-Laws of the Council of Co-Owners of Fairlington Meadows ("the Association") states, "The Board of Directors ("the Board") shall have the power and duties necessary for the administration of the affairs of the Council and may do all such acts and things as are not by law or by these By-Laws directed to be exercised or done by the co-owners"; and

WHEREAS, the twenty-first paragraph of the Association's Master Deed requires the Association to obtain and maintain a master insurance policy against perils for the full insurable value of the family units and the general common elements; and

WHEREAS, the master insurance policy of the Association 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, the Board, having considered all relevant factors, and based upon its business judgment, has agreed to a master insurance policy for the Association with a specified insurance deductible; and

WHEREAS, Section D of the twenty-first paragraph of the Master Deed states, "If the cost of such reconstruction or repair shall exceed the amount paid by the Insurance Trustee (the Board) under the policy or policies as aforesaid, such excess shall be paid by the co-owner; and

WHEREAS, Article VI Section 2(a) of the By-Laws states, "Every co-owner must perform promptly all maintenance and repair work within his own Family Unit which, if omitted, would affect the project in its entirety or a part belonging to other co-owners, and is expressly responsible for the damages and liabilities which may result from his failure to do so"; and Article VI Section 2(b) states, "All repairs of internal installations of the Family Unit, such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, lamps, and other accessories belonging to the Family Unit area, shall be at the co-owner's expense"; and

WHEREAS, the fourteenth paragraph of the Master Deed states, "That each co-owner shall comply with the provisions of this Deed, the By-Laws, decisions and resolutions of the Council of Co-Owners or its representative, and the Property Maintenance Agreement, as lawfully amended from time to time and failure to comply

with such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due for damages, and/or for injunction relief; and

WHEREAS, Section 55-79.83B of the Virginia Condominium Act states, "to the extent that the condominium instruments expressly provide, any common expenses benefiting less than all of the condominium units, or caused by the conduct of less than all of those entitled to occupy the same or by their licensees or invitees, shall be specifically assessed against the condominium units for which the cause of a loss originates."; and

WHEREAS, the Board deems it to be in the best interest of the Association to review the Association's policy with respect to the assessment of uninsured losses, to include the master insurance policy deductible, so that the rules establish a clear means for determining, in each instance of casualty damage, the responsibility for uninsured losses and whether any deductible amount shall be borne by the Association or specially assessed to the unit or units from which the cause of loss originates;

NOW, THEREFORE, the Board adopts the following provisions for the Association, which shall be binding upon all co-owners and their family members, tenants, occupants, successors and guests, and which shall supersede any current restrictions of record or previously-adopted rules on the same subject matter.

1. The cost for any deductible under the Association's insurance policy shall be paid by the unit co-owner when a unit component for which the co-owner is responsible to maintain is the source of the damage claimed under the insurance policy. The deductible cost shall be charged to the unit as an assessment. The assessment will be issued within seven (7) days of the managing agent's receipt of the final insurance claim summary and, unless an appeal is made in accordance with the provisions of Paragraph 6 below, shall be paid in full, by check payable to "Fairlington Meadows," by the co-owner within thirty (30) after issuance of the assessment. The co-owner may request a different payment schedule which must then be agreed upon by the Board.

2. The cost for any deductible under the Association's insurance policy shall be paid by the Association when the source of the damage arises from a common element or limited common element under the care, custody and control of the Association. The enclosed patio of a unit is a limited common element and, excluding the patio fence, is under the care, custody and control of the unit owner.

3. Nothing herein shall require the Association to pay any deductible payable under a unit co-owner's individual insurance policy.

4. As used in the document, the masculine shall be deemed to include the feminine, and the singular to include the plural.

5. The intent and operation of this policy resolution is exemplified, but is in no way limited, by the following examples, which are hereby incorporated into this Policy Resolution.

a) In cases where a unit or part of a unit covered by the Association's master insurance policy is damaged through the act, carelessness or negligence of a unit co-owner and the Association's insurance extends coverage, that unit co-owner shall pay the insurance deductible because he retains the maintenance obligation for the unit.

b) If co-owner of "Unit A" allows his bathtub to overflow, the hose on his dishwasher to leak or rupture, or the seal of his toilet to leak and "Units B and C" are damaged by the resultant water leakage, the co-owner of "Unit A" shall pay the deductible in the event the Association's insurance provides coverage for the claims of the co-owners of "Units B and C" because the co-owner of "Unit A" is the person whose act, carelessness or negligence caused the damage or because that unit co-owner is responsible for the maintenance of the item causing the damage.

c) As described in the scenario above, if the co-owner of "Unit A" should be careless or negligent in the maintenance of an item under his control, causing damage to "Unit B," and said damage is not covered by insurance, then the co-owner of "Unit A" is liable and responsible for the cost of all repairs to "Unit B."

6. The due process provisions for this resolution are as follows:

a) In the event the unit co-owner disagrees with the determination of responsibility made by the Association's managing agent, the unit co-owner shall have a period of fifteen (15) days from the date the notice has been verified to have been received to appeal the determination of the managing agent to the Board and, if desired, to request a hearing before the Board. The Board shall promptly schedule and conduct such a hearing, if requested, and shall furnish the responsible unit co-owner with its decision within three (3) days of the hearing.

b) In the event no appeal has been made by the co-owner within fifteen (15) days of the determination of the managing agent, the Board shall then assess the responsible unit co-owner for the amount of any insured loss (in the event that claim is not covered) or for the master insurance policy deductible amount and shall send notice of same to the responsible unit co-owner. The assessment shall be due no later than thirty (30) days after the date of notice, unless the Board specifically sets a different time period of payment of the assessment.

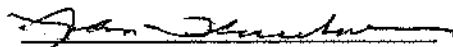
c) The provisions of the Association's By-Laws with respect to the payment of all assessments, including the recovery of costs, interest and attorney's fees, shall be fully applicable to any assessment made pursuant to the provisions of this Policy Resolution.

7. The Policy Resolution shall supersede and replace any and all previous policy resolutions relating to the establishment of responsibility for the insurance deductible.

8. If a court of law rules any provision herein to be invalid, the remaining provisions shall remain in full force and effect.

This Resolution is duly adopted by the Board of Directors this 10th day of November 2015.

FAIRLINGTON MEADOWS
COUNCIL OF CO-OWNERS



By: John Thurber
President, Board of Directors

**COUNCIL OF CO-OWNERS OF FAIRLINGTON MEADOWS
POLICY RESOLUTION NO. 11-10-15**

Payment of Master Insurance Policy Deductible

RESOLUTION ACTION RECORD

Duly adopted by the Board of Directors on November 10, 2015.

Motion by: John Thurber

Seconded by: Mary Ellen Finigan

VOTE:

	YES	NO	ABSTAIN	ABSENT
John Thurber, President	<u>Just</u>	_____	_____	_____
Mary Ellen Finigan, First Vice President	<u>MEF</u>	_____	_____	_____
Lisa Farbstein, Second Vice President	<u>[Signature]</u>	_____	_____	_____
Bill Russell, Treasurer	<u>[Signature]</u>	_____	_____	_____
Jacqueline Maguire, Secretary	<u>[Signature]</u>	_____	_____	_____
Resolution effective: December 4, 2015				

CERTIFICATE OF PUBLICATION

I hereby certify that a copy of this Resolution was mailed or hand-delivered to the Co-Owners of the Fairlington Meadows Council of Co-Owners on or before December 2, 2015.

Community Management Corp.

Managing Agent

[Signature]

Dwayne Frazier
Portfolio Manager