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THE SOUTH 67 CONDOMINIUM OWNERS' ASSOCIATION
A UTAH NON-PROFIT CORPORATION

Resolution of the Board of Trustees
Insurance Coverage, Deductible, and Claims Procedures

WHEREAS, The South 67 Condominium Owners' Association ("Association"), and the members thereof, are required to comply with the requirements set forth in the Amended and Restated Declaration of Covenants, Conditions and Restrictions of South 67 Condominiums ("Declaration");

WHEREAS, pursuant to Article VII, Section 7.4 of the Declaration and Article III, Section 1 of the Bylaws of Association ("Bylaws"), the Association through its Board of Trustees is vested with the authority to promulgate and adopt rules and regulations as the Board deems necessary for the enjoyment of the Condominium;

WHEREAS, the nature and extent of Association's insurance policies are primarily governed by Section X of the Declaration and that within the limits of the current insurance market, the Board will continue to maintain coverage which is equal to or in excess of the requirements outlined in the Declaration;

WHEREAS, Association coverage required under the Declaration includes, but is not limited to: (1) a master or blanket policy of property insurance; (2) a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities;

WHEREAS, under the Declaration, Unit Owners are required to carry and maintain adequate property and liability insurance on their respective Units, covering personal property of the Owner, building losses for which the Owner is responsible, as well as liability protection;

WHEREAS, the Association property and liability insurance policies are subject to a deductible per occurrence;

WHEREAS, the Board of Trustees deems it necessary and in the best interest of the Association to adopt policies and procedures whereby the Association may control the submissions of claim to the Association's insurance carriers in order to protect or preserve money received and entrusted to the Association in the form of Assessments and to clarify responsibilities for the payments of deductibles.

NOW, THEREFORE, IT IS RESOLVED that the following policies and procedures for the submission of claims to the Association's insurance carrier(s) be and is adopted by the Board of Trustees. All of the terms and representations in the above Recitals are made a part of this Resolution and are incorporated herein by reference.

1. **Claims on Behalf of Owners.** If an occurrence is made known to an Owner that results in damages or injury to an Owner or an Owner's Unit which may come within the Association's coverage as required in the Declaration or under the laws of the State of Utah, the following procedures should be followed by the Owner:

a. The Owner(s) shall first promptly notify his/her personal insurance carrier of the damage.

b. In the event the Owner determines it is in the Owner's best interests to submit a claim under the Owner's insurance policies, the Owner shall follow the procedures set out in his or her insurance policies describing the insured's duties in the event of an occurrence, claim, or suit.

c. The Association may require the Owner to provide copies of the claim the Owner may make to his/her own carrier, as well as copies of the adjustment or determination of that carrier as a condition before the Owner makes any claim on any of the Association's policies.

d. In the event the subject matter of the claim may fall within the Association's insurance responsibilities under the Declaration or applicable Utah law, the Owner shall promptly notify the Association of the damage by providing written notice to the Board of Trustees setting forth the following information:

- i. Owner's home address, phone number and Unit address, if different from home address;
- ii. The time, place and circumstances of the event;
- iii. Identification of damaged property;
- iv. The names and addresses of the injured and witnesses, if applicable; and,
- v. Photographs or other relevant documents, if applicable.

e. The Board shall then make a determination as to whether the occurrence or claim consists of damages for which the Owner or the Association is responsible for insuring under the Declaration. The Association shall provide written notice to the Owner of its determination within fifteen (15) business days after written notification of the damage is provided to the Association.

f. If the Board determines, in its sole discretion, that the subject matter of the claim is within the Association's insurance obligations, the Board shall submit a claim to the Association's applicable insurance carrier on behalf of the Owner in accordance with the requirements of the insurance policy. In that event, an Owner may not submit a claim to the Association's insurance carrier.

g. The above notwithstanding, under any circumstances where an Owner fails to follow the policies and procedures prescribed by this Resolution, no insurance claims are to be submitted to any of the Association's insurance carriers except by the Board of Trustees exclusively and such Owners are not to make claims directly to the Association's insurance carrier(s) or take any steps to put the Association's insurance carrier or agent on notice of any such claim. The Association reserves the right to contact the insurance carrier or agent to request that the claim not be accepted or adjusted if the Owner fails to comply with the procedures outlined in this Resolution.

a. The Owner(s) shall first promptly notify his/her personal insurance carrier of the damage.

b. In the event the Owner determines it is in the Owner's best interests to submit a claim under the Owner's insurance policies, the Owner shall follow the procedures set out in his or her insurance policies describing the insured's duties in the event of an occurrence, claim, or suit.

c. The Association may require the Owner to provide copies of the claim the Owner may make to his/her own carrier, as well as copies of the adjustment or determination of that carrier as a condition before the Owner makes any claim on any of the Association's policies.

d. In the event the subject matter of the claim may fall within the Association's insurance responsibilities under the Declaration or applicable Utah law, the Owner shall promptly notify the Association of the damage by providing written notice to the Board of Trustees setting forth the following information:

i. Owner's home address, phone number and Unit address, if different from home address;

~~ii. The time, place and circumstances of the event;~~

iii. Identification of damaged property;

iv. The names and addresses of the injured and witnesses, if applicable; and,

v. Photographs or other relevant documents, if applicable.

e. The Board shall then make a determination as to whether the occurrence or claim consists of damages for which the Owner or the Association is responsible for insuring under the Declaration. The Association shall provide written notice to the Owner of its determination within fifteen (15) business days after written notification of the damage is provided to the Association.

f. If the Board determines, in its sole discretion, that the subject matter of the claim is within the Association's insurance obligations, the Board shall submit a claim to the Association's applicable insurance carrier on behalf of the Owner in accordance with the requirements of the insurance policy. In that event, an Owner may not submit a claim to the Association's insurance carrier.

g. The above notwithstanding, under any circumstances where an Owner fails to follow the policies and procedures prescribed by this Resolution, no insurance claims are to be submitted to any of the Association's insurance carriers except by the Board of Trustees exclusively and such Owners are not to make claims directly to the Association's insurance carrier(s) or take any steps to put the Association's insurance carrier or agent on notice of any such claim. The Association reserves the right to contact the insurance carrier or agent to request that the claim not be accepted or adjusted if the Owner fails to comply with the procedures outlined in this Resolution.

2. **Property and General Liability Claims of the Association.** The following procedures shall be followed by the Board for property and general liability claim of the Association:

a. The Board shall consult with its insurance agent to determine (1) whether there is coverage for the claim; and (2) if coverage exists, whether to submit a claim under its policies.

b. In the event the Board determines it is not in the best interests of the Association to submit a claim under its policies notwithstanding the determination that such damage is within the obligations of the Association, the Association shall still be obligated to complete repair of the damages to property, as if a claim had been made.

3. **Responsibility for Payment of Deductible Amount.** Whether the Board, in its discretion, chooses to submit a claim under the Association's insurance policy or not, payment of the deductible amount for claims the Association is responsible for insuring, shall be as follows:

a. **Common Areas and Facilities.** The Association shall pay or absorb the deductible for any work, repairs, or reconstruction for damage to Common Area and Facilities or for damages to Units that would be the maintenance responsibility of the Association in the absence of insurance, unless said damage is caused by the negligent or willful act or omission of an Owner, his family, guests, or invitees, in which case the Association may seek reimbursement of the deductible amount from such Owner as an assessment under the Declaration, after providing such Owner notice and an opportunity for hearing.

b. **Units.** The Owner shall pay or absorb the deductible under their own property or liability insurance policies, as required by the Declaration, for any work, repairs, reconstruction or replacement for damage to a Unit that would be the Owner's maintenance responsibility in the absence of insurance, unless the loss is caused by the negligent or willful act or omission of the Association or another Owner, in which case, the negligent party shall be responsible for any applicable deductibles. The Association shall provide the Owner notice and an opportunity for a hearing prior to allocating any deductible to that Owner as a result of that Owner's negligence.

c. **Multiple Units or Unit and Common Areas and Facilities.** If a claim covers damage to more than one Unit or to portions of a Unit and Common Areas and Facilities that are the maintenance responsibility of both the Owner and the Association, the deductible shall be paid or absorbed independently by the Owners or the Association and the Owner(s) under their respective insurance policies, unless the loss is caused by the negligent or willful act or omission of the Association or another Owner, in which case, the negligent party shall be responsible for the payment of any applicable deductibles.

4. **Responsibility for Owner's Actions.** In all cases where damage is caused to the Common Areas and Facilities by the negligent or willful act or omission of an Owner, his/her family, guests, or invitees, as determined by the Board of Trustees in its sole discretion, the Association may seek reimbursement of any such damages which are not recovered from insurance proceeds, including not only the deductible amounts under the Association's insurance policies, but any amount of such damages not otherwise recovered and for which the Association may be held responsible under its governing documents. Such amounts shall be collected in the same manner as assessments.

5. **Definitions.** Unless otherwise defined in this Resolution, initially capitalized terms defined in the Declaration shall have the same meaning herein.

6. **Supplement to the Governing Documents.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Association's governing documents, including, but not limited to, the Declaration.

7. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is reasonable and in the best interests of the Association under the circumstances.

8. **Amendment.** The policies and procedures set forth in this Resolution may be amended from time to time by the Board of Trustees.

Certification: The undersigned, being the President and Secretary of The South 67 Condominium Owners' Association, hereby certify that the foregoing Resolution was adopted by the Board of Trustees at a duly called and held meeting of the Board and in witness thereof, have subscribed their names.

THE SOUTH 67 CONDOMINIUM OWNERS' ASSOCIATION:

X *Donna M. Odell* X 1/1/2011
President Date

X *Lisa M. Reynolds* X 1/1/2011
Secretary Date

STATE OF UTAH)
) ss
County of Salt Lake)

Donna M. Odell and Lisa M. Reynolds personally appeared and acknowledged that they have approved the Resolution and voluntarily have executed the same.

Subscribed and sworn to before me on 1/1, 2011.

Notary Public for Utah: *[Signature]*

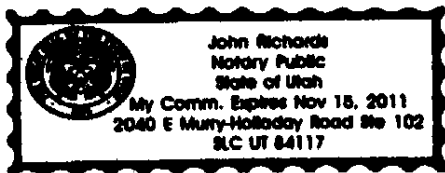


EXHIBIT A – LEGAL DESCRIPTION

All Units in the South 67 Condominiums, which contains 176 Units, and in which Parcel # 21244310820000 is included.