Resolution Regarding Allocation of Insurance Deductibles

Drake Landing Condominium Homeowners Association

975 N. 10 Mile Drive

Frisco, CO 80443

RECITALS

WHEREAS, the Association is a common interest community organized pursuant to the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 et seq. ("CCIOA"), and governed by its Declaration, Articles of Incorporation, Bylaws, and rules and regulations (collectively, the "Governing Documents");

WHEREAS, the Association maintains insurance as required by the Governing Documents and C.R.S. §38-33.3-313;

WHEREAS, such insurance policies contain deductibles that must be paid before coverage applies;

WHEREAS, C.R.S. §38-33.3-313(6) permits an association to allocate and assess insurance deductibles to unit owners in accordance with the declaration or by policy adopted by the board of directors;

WHEREAS, pursuant to C.R.S. §38-33.3-302, the Board of Directors has the authority to adopt policies concerning the administration and operation of the Association;

NOW, THEREFORE, the Board of Directors adopts the following policy for the allocation of insurance deductibles.

1. Purpose

This Resolution establishes a policy for allocating the deductible associated with claims made under the Association's insurance policies in a fair and equitable manner consistent with the Governing Documents and Colorado law.

2. Deductible Allocation to Owners Based on Origin of Loss

To the extent permitted by the Governing Documents and Colorado law, the Board may allocate all or a portion of the insurance deductible to an Owner as an individual assessment when the damage or loss:

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• Originates from the Owner's Unit or Lot;
• Originates from a component for which the Owner is responsible to maintain, repair, or replace under the Governing Documents; or
• Results from the act or omission of the Owner or the Owner's occupants, tenants, guests, invitees, or contractors.

The Board may allocate the deductible to an Owner even if negligence cannot be established, provided the origin of the loss is reasonably determined to be within the Owner's Unit, Lot, or Owner-maintained component.

3. Deductible Allocation to Units Benefiting from Repairs

In addition to the authority described above, and to the extent permitted by the Governing Documents and Colorado law, the Board may allocate all or a portion of the insurance deductible as an individual assessment to one or more Units or Lots that directly benefit from repairs, reconstruction, or restoration funded by the Association's insurance proceeds.

Such allocation may occur regardless of where the loss or damage originated, including when the loss originates from Common Elements or another Unit, if the insurance proceeds are used to repair or restore improvements located within or serving specific Units.

When allocating deductibles under this provision, the Board may determine the allocation based on:

• The Units that receive repair or restoration work;
• The proportionate cost of repairs benefiting particular Units;
• The number of Units benefiting from the claim; or
• Any other reasonable method the Board determines to be equitable.

The Board's determination shall be made in good faith and based on reasonably available information.

4. Deductible Amount

An Owner may be assessed up to the amount of the Association's applicable insurance deductible for any single claim, to the extent the deductible is allocated pursuant to this policy and permitted by the Governing Documents and Colorado law.

Any portion of the deductible not allocated to a specific Owner or benefiting Unit shall be treated as a common expense of the Association unless otherwise permitted by the Governing Documents.

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5. Loss Originating from Common Elements

If a loss originates from Common Elements or Association-maintained components, and the Board elects not to allocate the deductible to benefiting Units pursuant to Section 3, the deductible shall be treated as a common expense of the Association.

6. Board Determination

The Board shall determine the origin of the loss and the allocation of the deductible based on reasonably available information, including but not limited to:

- Insurance adjuster reports
- Contractor or maintenance reports
- Inspection records
- Incident reports
- Other relevant documentation

The Board's determination shall be made in good faith and in accordance with the Governing Documents and Colorado law.

7. Assessment and Collection

Any deductible allocated to an Owner pursuant to this policy shall constitute an individual assessment against the Owner's Unit or Lot, collectible in the same manner as any other assessment under the Governing Documents and applicable law.

8. Owner Insurance

Owners are strongly encouraged to maintain a homeowners insurance policy (HO-6 or equivalent) that includes coverage for:

- Improvements and betterments
- Personal property
- Personal liability
- Loss assessment coverage, including coverage for Association insurance deductibles where available.

9. Governing Law

This Resolution is intended to comply with the Colorado Common Interest Ownership Act, including but not limited to C.R.S. §38-33.3-302 and §38-33.3-313(6).

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In the event of a conflict between this Resolution and the Governing Documents or applicable Colorado law, the Governing Documents and Colorado law shall control.

10. Effective Date

Adopted this 8th day of September, 2026.

Association: **Drake Landing Condominium Homeowners Association**

President: **Signature:** Tim Colton

Email: tim@coltoncustom.com

Name: Tim Colton, HOA President

Secretary: **Signature:** Brooks Rarden, HOA Secretary (Sep 8, 2026 15:53:29 PDT)

Email: brooks.rarden@gmail.com

Name: Brooks Rarden, HOA Secretary

HOA_Insurance_Deductible_Assignment_Policy -Drake Landing

Final Audit Report 2026-09-08

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