

WOODLAKE ASSOCIATION
INSURANCE DEDUCTIBLE POLICY
(Adopted April 20, 2022)

This Insurance Deductible Policy (this “Policy”) is intended to assist you, as Owners, in understanding Owner and Association responsibilities with respect to insurance deductibles for damage in each of your Units.

Pursuant to Section 8.01 of the Association’s CC&Rs, the Association is required to insure the standard finishes and fixtures in each of the Units that the developer of the Association’s buildings originally installed, and any equivalent replacements of such finishes and fixtures, including but not limited to: interior walls and doors; ceiling, floor and wall surface materials (e.g., paint, wallpaper, mirrors, carpets and hardwood floors); utility fixtures (e.g., gas, electrical, and plumbing fixtures); cabinets; built-in appliances; and heating and air-conditioning systems. The Association may, but is not required to, also insure Owner-installed upgrades to such finishes and fixtures.

The Association does not, and is not required to, insure Owners’ personal property. Pursuant to Section 8.03 of the Association’s CC&Rs, it is each Owner’s responsibility to obtain insurance coverage for any personal property.

If components of an Owner’s Unit, or components of an Owner’s Restricted Common Area that the Owner is required to repair and replace, are damaged, and the Association’s insurance policy covers such damage, the Association will, upon written request by the Owner, submit a claim for such damage to the Association’s insurance carrier, in accordance with Section 8.01 of the CC&Rs. The responsibility for payment of any deductible applicable to such claim shall be as follows:

- (a) An Owner shall be responsible for the amount of any deductible if the damage or loss covered under the claim relates solely to items owned by the Owner, or for which the Owner is responsible, including but not limited to items within the Owner’s Unit. If the claim involves damage or loss to multiple Units, each of the affected Owners shall be responsible for a proportionate share of the cost of the deductible equal to the proportionate share that the value of the items owned by the Owner, or for which the Owner is responsible, included in the claim bears to the total claim amount.
- (b) The Association shall be responsible for the amount of any deductible if the damage or loss covered under the claim relates solely to items owned or controlled by the Association, or for which the Association is responsible, including but not limited to Improvements in the Common Area.
- (c) If the claim involves damage or loss to one (1) or more Units and the Common Area, then the following shall occur: each of the affected Owners shall be responsible for a proportionate share of the amount of the deductible equal to the proportionate share that the value of the items owned by the Owner, or for which the Owner is responsible, included in the claim bears to the total claim amount; and the Association shall be responsible for a proportionate share

of the amount of the deductible equal to the proportionate share that the value of the items owned or controlled by the Association, or for which the Association is responsible, included in the claim bears to the total claim amount.

(d) Notwithstanding the foregoing, if any Common Area damage or loss (including, but not limited to, any damage or loss to any Restricted Common Area) is caused by the negligence, willful acts, or omissions of an Owner, a Resident of the Owner's Unit, or an Invitee of either, such Owner shall be liable for the amount of the deductible. In such case, the cost of the deductible shall be levied against the Owner as a Reimbursement Assessment, after notice and a hearing before the Board.

(e) The Board may deviate from these procedures if, in the Board's sole discretion, such deviation is reasonable under the circumstances and compliant with the law.

Notwithstanding the foregoing, the Association shall not be required to submit a claim to its insurance carrier if: (i) the damage claimed by an Owner does not exceed the deductible under the Association's insurance policy; or (ii) the Owner does not request in writing that the Association submit a claim for such damage to the Association's insurance carrier. Prior to receiving any proceeds under the Association's insurance policy, as may be applicable, an Owner must provide the Association with evidence satisfactory to the Association that such insurance proceeds are or will be used for repair of the alleged damage. Owners should not automatically expect that the Association's insurance policy will cover damage to their Units, whether from a Common Area source or another Unit.

[End of policy]