

**RESOLUTION OF
PARK EAST SQUARE HOMEOWNERS ASSOCIATION, INC.
REGARDING PROPERTY AND GENERAL LIABILITY INSURANCE**

SUBJECT: Adoption of a resolution for Park East Square Homeowners Association, Inc. (“Association”) regarding property and general liability insurance coverage and insurance deductible requirements currently contained in the Declaration.

PURPOSE: To clarify the scope of the Association’s property insurance (also known as casualty or hazard insurance) and general liability insurance coverage and responsibility for deductible pursuant to the Declaration and Colorado law.

AUTHORITY: Park East Square Declaration of Covenants, Conditions, Restrictions and Easements, recorded December 31, 1974 (“Declaration”, specifically Sections 1, 2, 3, and 5), Articles of Incorporation, Bylaws, and Colorado law.

EFFECTIVE DATE: August 15, 2022

RESOLUTION: The Association hereby adopts the following Resolution clarifying insurance coverage and deductible requirements in the Declaration:

I. PROPERTY INSURANCE CARRIED BY ASSOCIATION

- A. The Association carries property insurance over the following areas in the Community:
1. All buildings and improvements on the Common Area; and,
 2. All improvements on Owners’ Lots which the Association is required, or has assumed a responsibility, to repair and restore.

Owner and Association responsibilities for insuring specific areas and improvements covered by the Association’s property insurance are reflected in the Association’s **Maintenance and Insurance Chart**, which is attached as **Exhibit A** to this Resolution.

- B. The Association’s property insurance policy includes coverage for:
1. Loss or damage by fire and such other hazards as covered under standard extended coverage policies, including vandalism, malicious mischief, debris removal, windstorm and water damage from common pipes and irrigation system, excluding ground water;
 2. Full insurable replacement costs, except land, foundation, excavation and other items normally excluded from coverage;
 3. Endorsements for agreed amount and demolition if such endorsements are reasonably available for the Association to purchase.

II. GENERAL LIABILITY INSURANCE CARRIED BY ASSOCIATION

- A. The Association carries general liability, which includes public liability and property damage liability insurance, covering:
 - 1. Liability of the Association, its officers, directors, employees and agents, related to the ownership, operation, maintenance, occupancy or use of the Common Area; and, pursuant to Art XII, Section 3, water drainage coverage is not available and therefore is not covered;
 - 2. All areas the Association is required to restore, repair, or maintain pursuant to Article VII, Sections 1 and 2 of the Declaration, which are reflected on **Exhibit A**;
 - 3. All areas the Association has assumed maintenance responsibility for or otherwise deems to be in the best interest of the Association to insure, as reflected on **Exhibit A**.

- B. All such policies include at least \$1,000,000 per person limit.

III. INSURANCE CARRIED BY OWNERS

- A. Owners are responsible for obtaining any property hazard, and liability insurance for the Owner's Lot and all the improvements on the Lot, except for those items covered under the Association's property insurance as reflected in **Exhibit A**.

- B. Owners may carry such other insurance as they deem necessary or advisable.

IV. GENERAL POLICY REQUIREMENTS FOR INSURANCE CARRIED BY ASSOCIATION

- A. The Association's property and general liability insurance policies shall meet the following minimum requirements:
 - 1. Provide for a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees, and agents;
 - 2. That the insurance cannot be cancelled, invalidated, or suspended on account of the conduct of the Association, its officers, directors, employees, and agents or the members of the Association;
 - 3. That the policy of insurance shall not be terminated, cancelled, or substantially modified without at least 30 days' prior written notice to the Association.

V. RESPONSIBILITY FOR PAYMENT OF DEDUCTIBLE AMOUNT

Pursuant to Article XII, Section 1 of the Declaration, the Board may establish the deductible amounts for any insurance policy carried by the Association. Whether the Board of Directors in its discretion, chooses to submit a claim under the Association's insurance policy or not, payment of the deductible amount for claims that the Association is responsible for insuring, shall be as follows.

- A. Damage to Common Areas: The Association shall pay or absorb the deductible for any work, repairs or reconstruction for damage to any portion of the Common Areas, for which the Association is responsible for maintaining and repairing pursuant to the Association's Declaration. However, if such damage is caused by the negligent or willful act or omission of an Owner, an Owner's family, guests, agents, tenants, or invitees, then the Association shall seek reimbursement of the deductible amount from such Owner pursuant to Section C below.
- B. Damage to Units/Lots: The Owner of the Lot shall pay or absorb the deductible for any work, repairs, reconstruction or replacement for damage to any portion of the Lot for which the Owner is responsible for maintaining and repairing or which is caused by the negligent or willful act or omission of an Owner, an Owner's family, guests, agents, tenants, or invitees.

The Association shall pay or absorb the deductible for any work, repairs, reconstruction or replacement for damage to any portion of the Lot for which the Association is responsible for repairing or replacing except the Association may charge back such deductible amounts against any negligent Owner or other party.

- C. Negligence: Whether a party is negligent or otherwise responsible for damages, for the purposes of this Resolution, shall be determined by the Board of Directors in its sole discretion. Prior to making any determination as to negligence or responsibility for damages or deductibles, the Board of Directors shall provide the affected Owners with notice of the pending determination and opportunity for a hearing before the Board of Directors to allow the affected Owners an opportunity to speak on the matter.

VI. DEFINITIONS. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

VII. SUPPLEMENT TO LAW. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

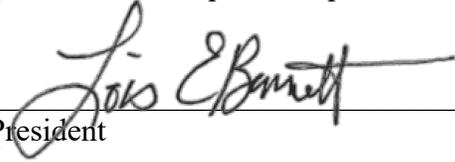
VIII. DEVIATIONS. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

IX. AMENDMENT. This Resolution may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Association, certifies the foregoing Resolution was adopted by the Board of Directors of the Association to reflect revisions to Exhibit A at a duly called and held meeting of the Board of Directors on July 12, 2022, and is effective August 15, 2022.

**PARK EAST SQUARE HOMEOWNERS ASSOCIATION,
INC., a Colorado nonprofit corporation**

By: 
President

Park East Square Homeowners Association
Maintenance and Insurance Chart
(Exhibit A to Resolution revised July 12, 2022 and effective August 15, 2022)

PRELIMINARY NOTES

1. The below chart is intended as a guide to clarify who (“Owner” or “Association”) is responsible for maintaining and insuring various components of Park East Square, including those required by the Association’s *Declaration of Covenants, Restrictions, and Easements* (“Declaration”). The Declaration requires Common Area and Common Building coverage.
2. “Unit” as used in this chart is a townhome (also called a “Lot” in the Declaration). Refer to the *Exterior Modification and Architectural Control Guidelines Policy* for standards (ACGs) and application procedures for any change to the building exterior, as well as the *Rules and Regulations* (Rules). All of these documents are available on the PESHA [website](#).
3. The purpose of this document is to help Owners to understand their individual maintenance, repair and replacement responsibilities and to understand when and where each Owner is required to provide their own insurance coverage.
4. It is important to understand that the Association provides the insurance coverage required in Article VII, Sections 1 and 2 of the Declaration. The Association will only be responsible for securing casualty and liability insurance pursuant to what is commonly referred to a “studs out” policy that covers only the building structure in a weather-tight shell as originally constructed. Owners are obligated to insure the interior finishes of the Unit, including, but not limited to, items such as flooring, cabinetry, appliances, light fixtures and non-load bearing walls. Insurance coverage applies when a catastrophic or casualty occurrence such as a fire or a storm causes damage (an insurable event). When because of such an insurable event, proceeds are available to rebuild or repair damages, Units will be repaired or reconstructed with materials similar to those used in the original construction of the Unit.
5. The insurance provided by the Association will not cover damage to property resulting from lack of maintenance, neglect, or common wear and tear. Nor will the insurance provided cover any items of personal property, furniture, or other Unit contents.
6. Owners should be aware that a failure to fulfill their maintenance or repair duties could result in the Association performing such maintenance or repair and charging the costs of same to the Owner pursuant to Article VII, Section 2 and Article VIII, subparagraph (p).

A = Park East Square Homeowners Association

O = Owner (includes successors)

COMPONENTS OF PARK EAST SQUARE	MAINTAIN	INSURE	Notes
COMMON AREA/GROUNDS			
Private drives, parking lots, including asphalt and striping, and sidewalks leading to buildings	A	A	
Pool area and buildings covered in their entirety, including fencing, pool deck, plumbing and restroom fixtures, mechanical systems, lighting, signage, furniture	A	A	
Grounds landscaping, including grass, shrubs, flowers, rock, trees, original garden areas	A	A	
Grounds maintenance, including grading, irrigation system	A	A	
Landscaping/plantings, weed control, leaf pickup in modified gardens installed by Owner	O	N/A	See Rules
Weed control and leaf pickup on Common Area	A	N/A	
Weed control and leaf pickup on patio areas	O	N/A	
Signage	A	A	
Mailboxes	A	A	
BUILDING EXTERIOR			
Building structure, including framing, foundations, trusses, columns, girders, beams, supports due to an HOA insurable event	N/A	A	

Building structure of an individual unit including framing, foundations, trusses, columns, girders, beams, supports outside of an HOA insurable event	O	O	See Preliminary Notes regarding insurance coverage for casualty or catastrophe only.
Building structure of carports located under D Units, including framing, foundations, trusses, columns, girders, beams, supports	A	A	See Declaration Article VII
Foundation and crawlspace, including insulation, vapor barrier	O	O	
Siding and exterior trim, including caulking and painting, repairing, and replacing	A	A	Damage caused by Owner modification will be repaired by the HOA and paid by Owner
Roof shingles and underlay	A	A	Damage caused by improper/unapproved penetration will be repaired by the HOA and paid by Owner
Gutters and downspout	A	A	
Soffit vents, attic gables, roof vents, and crawl space vents	A	A	
Dryer vents	O	O	Residents should inspect and clean vents to prevent clogging.
Carport, including foundation, slab, entry step, supporting components and wall structures, including ceiling, beams, supporting and entry columns, lighting inside and on outside wall	A	A	Damage to columns due to Owner vehicles or to the D unit's plumbing drywall will be repaired by HOA and paid by Owner.
Carport cleaning (e.g., debris, leaf, and spider web removal)	A	N/A	Residents are encouraged to help keep it clean between HOA cleanings
Storage areas, including foundation, supporting components, slabs, wall structures, ceilings, doors and hardware, and light wiring and fixtures	A	A	
Storage area cleaning and bulb replacement	O	N/A	
Entry hall, including slab, fire-rated door to carport, lighting	A	A	
Trash room, including interior slab, walls, doors, and lighting	A	A	
Trash room cleaning	A	N/A	Residents are encouraged to help keep it clean between HOA cleanings
Exterior front and carport doors of unit, including fire rated carport door, peep holes, doorknobs and locks due to building damage from an HOA insurable event	O	A	
Exterior front and carport doors of unit – cleaning, painting (excluding exterior building painting), repairs/replacement	O	O	Refer to ACGs
Concrete installed by the Association (original design), including front stoops and patio slabs and entry steps	A	A	
Patios and other improvements within the patio easements, e.g., decks and hardscape patios	O	O	Refer to ACGs & Rules
Fence installed by Association (original design)	A	A	
Fence modified by Owner	O	O	Refer to ACGs
Exterior stairwells, including stairs, handrails, landings, glass in stairwell wall, and balcony railings	A	A	
Balconies, including deck flooring	A	A	

Balcony cleaning	O	N/A	
Patio sliding door, including screen door and caulking (per energy efficient guidelines) due to an HOA insurable event	O	A	
Patio sliding door, including screen door and caulking, for a unit not covered by the HOA insurance - ongoing maintenance and repair	O	O	See ACGs
Windows, including frames, glass, screens, and caulking for restoration due to an HOA insurable event	O	A	
Windows, frames, glass, screens, and caulking of one unit not covered by the HOA insurance – ongoing maintenance, repair, and replacement	O	O	See ACGs
Storm/screen doors or other improvements installed by Owners to exterior	O	O	See ACGs
Stovepipes (prohibited as of April 1, 2022)	O	O	See ACGs. Damage to roof caused by Owner will be repaired by HOA and paid by Owner
Solar tubes and skylights, including frames, seals, and glass (prohibited as of April 1, 2022)	O	O	See ACGs. Damage to roof caused by Owner will be repaired by HOA and paid by Owner
Light fixtures outside the unit servicing only that unit, including general cleaning, bulb replacement, repair damage, and replacement	O	O	See ACGs
UTILITIES			
Utilities and lines (per code) servicing multiple units that run outside or through a unit (includes water and building’s hose bib and sewer)	A	A	Damage caused by Owner will be repaired and paid by Owner
Utilities and lines (per code) servicing only that unit (includes water, sewer, gas, phone and data, electricity as well as plumbing stub-ins) – ongoing maintenance, repair and insurance	O	O	
Flooding within one or more units caused by drainage due to the ground water table	O	O	
Exterior gas meters	O	O	
Water pipes, ducts, and electrical wiring (per code) within a unit that services only that unit (includes circuit box, rough-in wiring for coded-required outlets, ceiling lighting, switches, appliances, and unit’s hose bib)	O	O	
UNIT INTERIOR			
Maintenance and repair due to mold remediation and asbestos abatement within the unit	O	O	
Insulation in attic, perimeter walls	O	O	
Subflooring restoration due to building damage from an HOA insurable event	N/A	A	(See Preliminary Notes regarding insurance coverage for casualty or catastrophe only)
Subflooring – ongoing maintenance/repair	O	O	
Interior stairs and handrails and interior non-load bearing or non-structural wall framing, maintenance, repair, restoration	O	O	(See Preliminary Notes regarding insurance coverage for casualty or catastrophe only)
Interior load-bearing or structural wall framing and load-bearing support beams or columns, maintenance, repair, restoration	O	A	
Party walls – ongoing maintenance, repair, and restoration	O	O	
Interior dry wall, ceilings, and floor finishing	O	O	
Ductwork and venting for HVAC, water heater, dryer, radon, sump pump, wood/gas stove	O	O	See ACGs

HVAC equipment (includes furnace, air conditioner, mini-split system, evaporative cooler, attic fan)	O	O	No window units allowed. See ACGs
Permanent fixtures including but not limited to bath fans, cabinets, countertops, sinks, toilets, tub, showers, and light fixtures	O	O	
Appliances, including oven, range, hood, refrigerator, disposal, laundry, water heater, smoke and carbon monoxide detectors, sump pump, wood/gas stove	O	O	
Furnishings and personal property	O	O	
Window coverings	O	O	
Wall paint or wallpaper	O	O	
Floor coverings, including carpet, tile, vinyl, and hardwood	O	O	
SERVICES			
Garbage collection	A	N/A	
Snow removal	A	N/A	
Sewer	A	N/A	
Water	A	N/A	
Gas, electricity, phone, data and TV services (including satellite dishes)	O	N/A	Refer to ACGs on satellites
OTHER			
Pet cleanup	O	N/A	Refer to Rules
Pests	O	N/A	If Owner can show an opening on the exterior is where pests are entering, HOA will seal it. HOA will also assist with wasps, hornets, etc., on exterior of building. See Rules for behavior that attracts animals.
Keys and locks to a mailbox and unit doors	O	N/A	
Pool keys	O	N/A	See Rules on pool keys
Any improvement or installation installed by the Owner (including satellite dishes, solar energy devices, and individual electric vehicle charging stations) and not listed elsewhere	O	O	See ACGs
Common elements depicted on the Map or described in the Declaration and not listed elsewhere	A	A	

NOTES

1. OWNERS ARE RESPONSIBLE FOR ENSURING THAT RENTERS COMPLY WITH MAINTENANCE RESPONSIBILITIES IN THIS CHART.
2. IF MAINTENANCE OR REPAIR IS REQUIRED TO ANY ASSOCIATION-MAINTAINED COMPONENT AND SUCH DAMAGE IS CAUSED BY THE WILLFUL OR NEGLIGENT ACT OR OMISSION OF AN OWNER, OR OWNER'S GUEST, CONTRACTOR, OR RENTER, SUCH OWNER WILL BE RESPONSIBLE FOR THE COST OF THE NECESSARY WORK.
3. IF MAINTENANCE OR REPAIR (INCLUDING MOLD REMEDIATION) IS REQUIRED FOR ANY OWNER-MAINTAINED COMPONENT (SUCH AS THE RESIDENCE DRYWALL OR CARPETING), AND SUCH WORK IS CAUSED BY A NEGLIGENT OR WILLFUL ACT OF THE ASSOCIATION (SUCH AS A

FAILURE TO PROPERLY MAINTAIN), THE ASSOCIATION SHALL BE RESPONSIBLE FOR THE COST OF THE NECESSARY REPAIRS.

4. BECAUSE "NEGLIGENCE" IS A SUBJECTIVE STANDARD FOR THE MOST PART, THE BOARD HAS DISCRETION TO DETERMINE WHETHER NEGLIGENCE EXISTS IN A PARTICULAR SITUATION.
5. IF INTERIOR RESIDENCE DAMAGE ORIGINATES FROM AN ASSOCIATION-MAINTAINED COMPONENT (SUCH AS THE ROOF), BUT THE ASSOCIATION HAS NOT ACTED NEGLIGENTLY OR WILLFULLY, THE OWNER WILL BE RESPONSIBLE FOR THE COST OF REPAIRS TO THE RESIDENCE INTERIOR.
6. PLEASE NOTE THAT CERTAIN COMPONENTS IN THE COMMUNITY ARE TO BE MAINTAINED BY OWNERS, BUT INSURED BY THE ASSOCIATION. THIS MEANS ANY DAMAGE THAT IS NOT COVERED BY THE ASSOCIATION'S INSURANCE POLICY, MUST BE REPAIRED BY THE OWNERS OF THE DAMAGED RESIDENCES.