

Updated Unit Property Damage and Loss Policy

Recitals

Adopted November 15, 2023

- a. 22 Station Owners Association, Inc. ("HOA") is responsible for the Common Area, including maintenance and repair.
- b. HOA is not responsible when Homeowner Unit property damage and loss occurs even if the cause stems from the Common Area for which HOA is responsible when HOA is not negligent.
- c. HOA is required to have property and casualty ("P&C") insurance for the entire property and currently has a P&C policy with QBE Insurance with \$82 million of coverage and a \$50,000 deductible (\$100,000 deductible for water damage).
- d. HOA is a conduit and administrator for funds from the P&C insurance company to vendors who provide remediation and repair services for the benefit of HOA, Homeowners, Commercial Owners, and Commercial Property Lessees. HOA is not responsible for the negligence of service providers. Service providers are required to have insurance.
- e. Homeowners, to manage risk prudently, should, and are expected to, have HO-6 insurance. Homeowners and Commercial Owners who rent/lease their Units may also need landlord insurance. Commercial Property Lessees should also have insurance.

NOW, THEREFORE, HOA hereby adopts the following 22 Station Property Damage and Loss Policy.

(a) Owner Responsible for Loss. Except with respect to insurance for earthquake damage, an Owner responsible for causing an insurable loss (by either the Owner's acts and/or the acts of Owner's family members, contract purchasers, tenants, guests, or invitees or as a result of a defective condition within the Owner's Unit), shall be obligated to contribute the Owner's proportional share of the insurance deductible, if any, corresponding to the insurance covering the loss. The proportional share of each Owner responsible for causing the insurable loss under this policy shall be based upon the ratio that the responsibility of each Owner responsible for causing the insurable loss bears to the total responsibility of all Owners responsible for causing the insurable loss.

(b) No Owner Responsible for Loss. If the insurable loss is not caused by the act or omission of any Owner (or the acts or omissions of the Owner's family members,

contract purchasers, tenants, guests, or invitees), the deductible shall be paid by each Owner in proportion to the amount the insurable loss suffered by his or her Unit bears to the total insurable loss of all Owners resulting from the same event.

(c) Earthquake Damage. With respect to a loss covered by earthquake insurance, if any, all Owners shall be obligated to contribute his or her proportionate share of the insurance deductible whether or not that Owner's Unit and/or Building suffered damage.

(d) Failure to Pay Deductible. If, within thirty (30) days of notice by the Association to an Owner regarding that Owner's proportionate share under Subsection (a), (b) or (c) of this policy, any Owner fails or refuses to pay his or her proportionate share, the Board may levy a Default Assessment against the Unit of such Owner, which may be enforced under the lien provisions contained in the CC&Rs.

(e) Objection to Payment of Deductible. Within fifteen (15) days of the date that the notice to the Owner of his or her share of the liability is mailed, any Owner may contest the amount of his or her proportionate liability under Subsections (a), (b) or (c) of this policy by submitting to the Board written objections supported by cost estimates or other information that the Owner deems to be material. Upon receipt of said written objections, the Board shall set a hearing date on the matter. Following such hearing, the Board shall give written notice of its decision to all affected Owners, including any recommendation that adjustments be made with respect to the liability of any Owner(s). The Board's decision shall be final and binding.