

JUNE 2022 INSURANCE PROVISIONS - AMENDED & RESTATED CONDO DECLARATIONS
DILLON VALLEY EAST CONDO ASSOC

ARTICLE X.
INSURANCE

Section 10.1 General Insurance Provisions. The Association shall acquire and pay for, out of the assessments levied under Article 11 below, the following insurance policies carried with reputable insurance companies authorized to do business in Colorado:

10.1.1 Property Insurance Coverage. Insurance for fire, with extended coverage, vandalism, malicious mischief, all-risk, replacement cost, agreed amount (if the policy includes co-insurance), special condominium, building ordinance and inflation guard endorsements attached, in amounts determined by the Board to represent not less than the full then current insurable replacement cost of the structures located on the Property including all of the Buildings, Units, and Common Elements. The required insurance shall provide coverage on a replacement cost basis (as such term is generally used in standard property policies or the equivalent) to allow for rebuilding the building structures; the exterior components of the Units; partition and party walls and interior partition walls, and components located in walls (including framing, plumbing, electrical, and mechanical components); and all portions of the Common Elements. The Association is not required to obtain property insurance for finishes to surfaces of walls, floors, or ceilings within the Unit (including, but not limited to texture, paint, wallpaper, paneling, other wall coverings and window coverings, tile, carpet or floor coverings). Further, the Association is not required to obtain property insurance for cabinetry, fixtures, appliances, equipment within or serving exclusively the Unit (for example, air conditioners) unless required by an Agency, nor any betterments, improvements, or additions to Units made by Owners or their predecessors. The required insurance shall exclude building excavations and foundations. Maximum deductible amounts for such policy shall be determined by the Board, provided, however, that if an Agency requires specific deductibles, the Board shall follow such Agency's requirements where economically reasonable. In the event the Project has central heating or cooling or contains a steam boiler, coverage for loss or damage resulting from steam boiler and machinery equipment accidents in an amount equal to the lower of one million dollars (\$1,000,000) or the insurable value of the buildings housing the boiler or machinery shall also be obtained. Each Owner shall be responsible for obtaining additional or supplemental insurance covering any additions, alterations, or improvements to his Unit which increase the replacement value of his Unit. In the event that a satisfactory arrangement is not made for additional insurance by the Owner, the Owner shall be responsible for any deficiency in any resulting insurance loss recovery and the Association shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations, or improvements. Any additional premiums attributable to the original specifications of a Unit for which the insurance is increased as herein provided may be the subject of a lien for nonpayment as an Assessment in the event the Association pays such premium for an Owner.

ABSOLUTE
BARE WALLS
COVERAGE

10.1.2 Commercial General Liability. Commercial general liability insurance for the Project in such amounts as the Board deems desirable, provided that such coverage shall

be for at least one million dollars (\$1,000,000) for bodily injury, including death and property damage arising out of a single occurrence insuring the Association, the Board, the Manager, if any, and their respective agents and employees, and the Owners from liability in connection with the operation, maintenance, and use of Common Elements and must include a “severability of interest” clause or specific endorsement. Such coverage shall also include legal liability arising out of contracts of the Association and such other risks as are customarily covered with respect to condominiums similar to the Project in the Summit County, Colorado area including automobile liability insurance if appropriate. The Board shall not enter into employment contracts or independent contractor contracts of any kind unless the contracting party provides evidence (such as a Certificate of Insurance) to the Board that such party has current and satisfactory insurance, including workers compensation insurance, commercial general liability, and automobile insurance on all of which the Association is named as an additional insured.

10.1.3 Requirements of Hazard Insurance and Comprehensive Liability Insurance. The insurance policies required by Sections 10.1.1 and 10.1.2 above may be carried in blanket policy form naming the Association as the insured, for the use and benefit of and as attorney-in-fact for the Owners. Each Owner shall be an insured person under the policy with respect to liability arising out of such Owner’s interest in the Common Elements or membership in the Association. Each Mortgagee and its successors or assigns shall be a beneficiary of the policy in the percentages of Common Expenses for the Unit which the Mortgagee encumbers. The insurance company shall waive its rights of subrogation under the insurance policy against any Owner or member of the Owner’s household. No act or omission by any Owner, unless acting within the scope of such Owner’s authority on behalf of the Association, shall void the insurance policy or be a condition to recovery under the insurance policy. If, at the time of a loss under an insurance policy described above there is other insurance in the name of the Owner covering the same risk covered by the policy, the Association’s policy shall provide primary insurance.

10.1.4 Owner’s Insurance. The Association’s insurance will not cover all losses an Owner may suffer in a casualty. Each Owner shall obtain and maintain in full force and effect a homeowners policy (Colorado “HO-6” policy or equivalent) covering the Condominium Unit to the extent not covered by the Association’s insurance, including without limitation its fixtures, cabinetry, equipment, finishes to surfaces of walls, floors, and ceilings, floor and wall coverings, betterments, improvements and additions (whether made by the Owner or a predecessor), the Owner’s personal property, and providing liability coverage for bodily injury, property damage and loss assessments by the Association. The Association shall have no liability for the failure of any Owner to obtain or maintain the insurance provided for herein.

Section 10.2 Certificates of Insurance; Cancellation. Certificates of insurance shall be issued to each Owner and Mortgagee upon request. All policies required to be carried under this Article 10 shall provide a standard non-contributory mortgagee clause in favor of each First Mortgagee of a Unit and shall provide that such policy cannot be canceled by the insurance company without at least thirty (30) days prior written notice to each Owner and each First Mortgagee whose address is shown in the records maintained pursuant to the Association

OWNERS SHALL
MAINTAIN AN
HO6 POLICY
COVERAGE A - BIDS
COVERAGE FOR ALL
PROPERTY IN UNITS