

**IGNACIO CREEK HOMEOWNERS ASSOCIATION  
POLICY REGARDING INSURED SMALL LOSSES  
Adopted – August 28, 2003**

**Preamble:**

The Declaration of Covenants, Conditions and Restrictions for Ignacio Creek ("CC&Rs"), as amended (*see* Article IX, Sections 1 and 2), includes provisions relating to the repair of damage to residences in Ignacio Creek which:

- (i) can be accomplished for \$10,000 or less;
- (ii) which are covered by insurance maintained by the Ignacio Creek Homeowners' Association ("the Association") *and*
- (iii) where the insurance carrier has acknowledged such coverage.

In the event of such losses, the Association is obligated to effect the repair at Association expense or to reimburse the homeowner, except for any applicable insurance deductible, which is to be borne by the homeowner. As used in this document, losses for which repairs meet all of these criteria are referred to as "insured small losses."

It is in the interest of the Association to establish policies regarding the reporting of such losses by homeowners so that the Association can comply with reporting requirements under its insurance policies, gather necessary supporting documentation, and budget necessary expenses.

**Policies:**

Therefore, the Association hereby adopts the following policy and procedures to effect the provisions of applicable portions of Article IX of the CC&Rs:

1. In general, *reimbursement* shall not be made to any owner claiming an insured small loss unless either (i) the Association was advised of the insured small loss prior to the owner's having the work performed, and the Association authorized the owner to proceed or (ii) the damage for which the repair is claimed was demonstrably of such nature and extent that repairs had to be effected on an emergency basis before the Association could act.

2. Any claim by an owner demanding repairs or reimbursement by the Association regarding an insured small loss shall be made in **writing** delivered to the Association not later than **45 days** following the date of the loss. That writing shall:

- (a) Clearly state the date of the loss, as accurately as possible;
- (b) Clearly state the date of discovery of the loss, and explain any circumstances delaying discovery until after the date of the loss;

(c) Describe in detail the nature of the loss and, where possible, be accompanied by photographs and diagrams so that the nature of the loss is unambiguously documented.

(d) Identify, by name, address, and telephone number, each person witnessing the loss or the circumstances surrounding it, or familiar with any aspect of its repair.

(e) If reimbursement is being claimed,

(i) Describe either (A) the Authorization by the Association for the homeowner to proceed with repairs or (B) in detail, the circumstances upon which the homeowner claims that the damage for which the repair is claimed was demonstrably of such nature and extent that repairs had to be effected on an emergency basis before the Association could act.

(ii) Include copies of all invoices, bills and statements detailing the amount and nature of the expenses incurred in the repair, and cancelled checks or other evidence of payment of each such expense.

3. The homeowner will in all respects cooperate with the Association in obtaining payment or reimbursement from the Association's insurance carriers for an insured small loss, including, but not necessarily limited to:

(a) Providing further information and documentation;

(b) Executing affidavits or declarations concerning the loss;

(c) Making the residence (including interior areas) available for inspection by the Association and its insurance carrier and their representatives.

4. With regard to repairs to be made by the Association, the Association may require the homeowner to pay to the Association the amount of the applicable deductible prior to effecting any repairs of an insured small loss.

5. The Association's officers may from time to time adopt forms to be utilized by homeowners in reporting insured small losses and homeowners shall utilize any such forms made available to them.