

**INSURANCE GUIDELINES
FOR OWNERS OF
QUAILRIDGE TOWNHOMES CONDOMINIUM ASSOCIATION, INC.**

A. ASSOCIATION'S DUTY TO INSURE

The Board has the duty to maintain, at all times, insurance policies which satisfy the requirements set forth in Article 23 of the Declaration of Covenants, Conditions and Restrictions of The Quailridge Townhomes Condominiums ("Declaration").

In performance of its duty, the Board has obtained insurance policies which provide the following coverage:

1. Full replacement value of the entire Condominium Project including Units, and bathroom and kitchen fixtures in Units initially installed by the Declarant, **but excluding improvements, fixtures, decorating, furniture, furnishings, appliances or other personal property supplied by or installed by Owners.**
2. General public liability and property damage insurance against claims for bodily injury or death or property damage **occurring upon Common Elements**, and for liability arising from operation of automobiles on behalf of the Association.

This liability coverage **does not extend to claims within the boundaries of Units.** Owners are encouraged to obtain sufficient liability insurance coverage for occurrences within their Units.

PLEASE NOTE: IN THE ABSENCE OF NEGLIGENCE ON THE PART OF THE ASSOCIATION, THERE IS NEVER COVERAGE UNDER THE ASSOCIATION'S POLICIES FOR OWNERS' PERSONAL PROPERTY, FURNISHINGS, UPGRADED OR ADDITIONAL FIXTURES OR FOR LODGING WHILE THE PREMISES ARE BEING REPAIRED OR RESTORED.

B. OWNER'S RESPONSIBILITY TO INSURE

1. Insurance coverage on improvements and fixtures installed by an Owner and furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal, and other items of personal property, together with public liability insurance coverage within each Unit is the sole responsibility of the Owner.
2. Any insurance policy for property coverage an Owner obtains must provide that the Association's insurance policy shall be primary insurance not contributing with any other insurance.

C. CLAIMS

In the event an occurrence is made known to an Owner which results in damages or injury to an Owner or others within the Association, the following procedures should be followed by the Owner:

1. The Owner(s) shall promptly notify his/her/their carrier(s) of the damage and follow the procedures set out in the Owner's policy describing the insured's duties in the event of an occurrence, claim, or suit.
2. In the event that the damage the Owner has sustained may come within the coverage required of the Association under Article 23 of the Declaration, the Owner shall promptly notify the Association of the damage by providing written notice to the managing agent setting forth the following:
 - a) Owner's home address and phone number; and
 - b) The time, place and circumstances of the event; and
 - c) The names and addresses of the injured and of available witnesses.
3. The Board shall then make a determination as to whether the occurrence or claim consists of damages for which the Owner is responsible for insuring under Article 23 of the Declaration. In such event, the Association shall so notify the Owner.
4. In the event that the Board determines that the occurrence or claim consists of damages for which the Owner is not responsible for insuring, the Board shall determine whether the occurrence or claim consists of damages for which the Association is responsible for insuring under Article 23 of the Declaration.
5. If so, the Board, as the insured, shall determine whether the Board should act to submit a claim under its policies by balancing the benefits conferred to the Association under the policy with the costs associated with the claim to the Association. The Board may choose to restore the damage as a Common Expense without submitting a claim to its insurance carrier.
6. In the event that the Board determines that it is in the best interests of the Association to submit a claim under its insurance policy, the Board shall follow the procedures set out in the policy describing the insured's duties in the event of an occurrence, claim, or suit.

D. RESPONSIBILITY FOR PAYMENT OF DEDUCTIBLE AMOUNT

Whether the Board, in its discretion, chooses to submit a claim under the Association insurance policies or not, the payment of the deductible amount for claims which the Association is responsible for insuring shall be as follows:

1. The Association shall pay or absorb the deductible amount for any work, repairs or reconstruction for damage to Common Elements unless the damage is caused by the negligent or willful act or omission of an Owner, his family, guests, or invitees, in which case the Association shall seek reimbursement of the deductible amount in compliance with and under the terms of the Declaration.
2. Any loss falling within the deductible portion of the Association policies to property for which Owners have repair and maintenance responsibility shall be paid or absorbed by the Owners of the Units involved in the same proportion as each Owner's claim bears to the total amount of insurance proceeds paid for the occurrence. Owners are encouraged to explore coverage for payment of their portion of the Association's deductible amount with their individual insurance carrier. Such coverage is available at a very reasonable cost and/or may be included in their individual policies.

DISCLAIMER

The summary contained herein of the Association's insurance policy is only a brief summary of limited provisions of the policy. The policy itself is controlling. Owners may obtain a copy of the policy upon request. In addition, the recommendations contained herein for insurance coverages for Owners to consider are advisory only. Owners are not entitled to rely upon such recommendations, and the Association shall not be liable in any way on account of such recommendations. Owners should consult their own insurance advisor as to any insurance they may need.

Capitalized terms not defined in these Guidelines shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions of The Quailridge Townhome Condominiums, dated as of November 5, 1984.

SECRETARY'S CERTIFICATION

The undersigned being the secretary of the Quailridge Townhomes Condominium Association, Inc., certifies that the foregoing Insurance Guidelines were approved and adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors of the Association on 2 - 10, 2015, and in witness thereof, the undersigned has subscribed his/her name.

**QUAILRIDGE TOWNHOMES
CONDOMINIUM ASSOCIATION, INC.**


By Andrea Pellicori
Secretary