

## THE VILLAGE AT MARSHALL RIDGE REGULATIONS

### E. UNIT OWNER INSURANCE

All insurance carried by Unit Owners shall comply with the provisions of this regulation promulgated pursuant to section 2.6.2 of the Declarations and shall be carried with insurance companies satisfying the requirements of this regulation.

EACH UNIT OWNER SHOULD CONSULT WITH A KNOWLEDGEABLE INSURANCE AGENT AND PURCHASE AN APPROPRIATE HOMEOWNERS POLICY TO PROTECT THE UNIT AND ITS CONTENTS.

AS THE UNITS AND THEIR CONTENTS ARE NOT COVERED BY THE ASSOCIATION'S INSURANCE POLICIES IT IS REQUIRED THAT UNIT OWNERS OBTAIN AND MAINTAIN THE FOLLOWING MINIMUM COVERAGE:

1. Hazard insurance with an endorsement for extended coverage or such other fire and casualty insurance which provides equal or greater protection for the Unit Owners and the holders of eligible mortgages, if any, in each case complying with the applicable requirements of this regulation. Such hazard insurance shall, if and to the extent reasonably available, provide coverage of all portions of the units and including the betterments and improvements to a Unit such hazard insurance shall insure against all risks of direct physical loss commonly insured against "in special form", including, without limitation, fire, vandalism, malicious mischief, wind, storm and water damage, and debris removal. The amount of any such hazard insurance obtained pursuant to this regulation shall be not less than 100% of the full insurance replacement value of the unit, including the betterments and improvements to a unit in special form( i.e., one hundred percent (100%) of current replacement cost") with "any replacement building cost" and "inflation guard" endorsements, if available. The policy must list the Association as an additional insured.
2. Appropriate insurance on all personal property contained in the Unit.
3. Appropriate comprehensive general liability insurance covering all occurrences commonly insured against for death bodily injury, and property damage, arising out of or in connection with the use,

ownership or maintenance of the Unit in the minimum amount of one million dollars (\$1,000,000).

All insurance obtained by any unit owner shall be at his own expense; provided, however, that: (1) such policies shall not be invalidated by the waivers of subrogation contained in the declarations; and (2) no Unit Owner shall be entitled to exercise the right to maintain insurance coverage in such a way as to decrease the amounts which the association may realize under any insurance policy which the association may have in force on the condominium property at any particular time.

Proof of such insurance must be provided to the association upon purchase of a Unit by the Unit Owner, and shall be provided to the association annually on or before January 31st thereafter.

If proof of insurance is not provided to the association by January 31 of each year, notice by certified mail return receipt requested and US mail regular delivery will be sent to the Unit Owner stating that if proof is not received prior to the 15th day of February a fine will be imposed as follows: ( i ) A late fee of \$100 for the first month; ( ii ) For each month thereafter a late fee of \$100 per month shall accrue.

If proof of insurance is not provided after three months and late fees are unpaid, the association shall send Unit Owner notice by Certified Mail Return Receipt Requested and US Mail Regular Delivery stating that if proof is not received and fines are not paid within 20 days after notice was mailed, a lien shall be placed upon the Unit.