

**INSURANCE GUIDELINES
FOR LOT OWNERS
SECOND JEFFERSON GREEN HOMEOWNERS ASSOCIATION**

A. ASSOCIATION'S AUTHORITY TO INSURE

The Board has the authority to obtain and maintain insurance policies it has deemed necessary to fulfill its obligations under the Declaration of Covenants, Conditions and Restrictions of Jefferson Green - Filing No. 2 ("Declaration").

The Board has obtained insurance policies which provide the following coverage:

1. Property coverage for replacement of the structures and exteriors of the structures on Lots and the Common Areas, **but specifically excluding interior floor coverings, window coverings, wall coverings (including paint) without regard to the person or entity that installed or paid for these kinds of items. Additionally, all fixtures, improvements, appliances, modifications made or installed by Owners, and any and all furniture, furnishings, and personal property of Owners is excluded from coverage.**
2. General public liability and property damage insurance against claims for bodily injury or death or property damage **occurring upon or in the Common Areas.**

This liability coverage **does not extend to claims within the boundaries of Lots.**

Owners are encouraged to obtain sufficient liability insurance coverage for occurrences within their Lots.

PLEASE NOTE: IN THE ABSENCE OF NEGLIGENCE ON THE PART OF THE ASSOCIATION, THERE IS NEVER COVERAGE UNDER THE ASSOCIATION'S POLICIES FOR THE INTERIOR OF OWNERS' HOMES.

B. OWNER'S RESPONSIBILITY TO INSURE

Each Owner is encouraged to maintain, at all times, insurance coverage for their Lots. Such insurance should provide complete comprehensive contents coverage, including furniture, fixtures, furnishings, appliances, equipment, floor, wall and window coverings, including carpet, wallpaper, draperies, and all improvements or betterments installed by Owners, and liability coverage within the Lot. Additionally, the Owner's coverage should provide for payment of the Owner's responsibility to pay any or all of the deductible amount under the Association's insurance policy and these Guidelines. Each Owner is encouraged to name the Association as an additional insured in his policy and provide the Association with a 30-day Notice of Cancellation.

Any insurance policy an Owner obtains must:

1. Contain waivers of subrogation against the Association and the other Owners; and
2. Provisions such that the liability of the carriers issuing insurance obtained by the Association cannot be affected or diminished by the individual's insurance.

C. CLAIMS ON BEHALF OF OWNERS

In the event an occurrence is made known to an Owner which results in damages or injury to an Owner which may come within the Association's coverage as described above, 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. 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, or a description of the property damage.
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 as described above. 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 Association has obtained insurance, the Board 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.
5. 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 Areas 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 Lots involved in the same proportion as each Owner's claim bears to the total amount of insurance proceeds paid for the occurrence.
3. An Owner shall pay or absorb the deductible portion of the Association's policies for any work, repairs, reconstruction incurred to the Common Areas or to any area the Association maintains, as the Association shall, after notice and hearing, determine to be the responsibility of the Owner.

SECRETARY'S CERTIFICATION

The undersigned being the secretary Second Jefferson Green Homeowners Association, certifies that the foregoing 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 January 9, 2006, and in witness thereof, the undersigned has subscribed his/her name.

SECOND JEFFERSON GREEN
HOMEOWNERS ASSOCIATION

By Deane Silula
, Secretary