

INSURANCE GUIDELINES
FOR OWNERS
THE NEWPORT PLACE CONDOMINIUMS ASSOCIATION, INC.

A. ASSOCIATION'S DUTY TO INSURE

The Association's Board of Directors has the duty to maintain, at all times, insurance policies which satisfy the requirements set forth in Paragraph 23 of the Declaration of Covenants, Conditions and Restrictions of The Newport Place Condominiums ("Declaration").

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

1. Replacement value of the Units, including fixtures as initially installed, but **not including, furniture, furnishings or other personal property supplied or installed by Owners.**

Therefore, **upgrades and additions are not covered** under the Association's insurance policies. As used in these Guidelines, initially installed fixtures and original construction mean as offered by the Declarant, not necessarily as actually originally constructed.

2. General public liability and property damage insurance against claims for bodily injury or death or property damage **occurring upon or in the general common elements.**

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, INCLUDING DRAPERIES, UNATTACHED CARPETING AND FREE-STANDING APPLIANCES, AND UPGRADED OR ADDITIONAL FIXTURES, OR FOR LODGING WHILE THE PREMISES IS BEING REPAIRED OR RESTORED.

B. OWNER'S RESPONSIBILITY TO INSURE

Insurance coverage on furnishings and other items of personal property, together with casualty and public liability insurance coverage within each Unit is the sole responsibility of the Owner. Such insurance should provide complete comprehensive contents coverage, including unattached carpeting, draperies, range, refrigerator, and disposal, as well as upgrades or additions to fixtures or original construction, and liability coverage for the Owner. 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 contain 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 required in Paragraph 23 of the Declaration, 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 Paragraph 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 Paragraph 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 Paragraph 23 of the Declaration.
5. If so, the Board shall determine whether to submit a claim under the Association's policies by balancing the benefits conferred to the Association under the policy with the costs associated with the claim to the Association.

