

Date: January 16, 2003
To: Homeowners
From: Scott Lambeth
Lambeth Management
Re: Quarterpath Trace
Insurance

Enclosed is a copy of Article VII, Exterior Maintenance of the Declaration of Covenant for your review and records. There are two issues which the Board of Directors would like to bring to the attention of all homeowners:

1. **Who pays for damage caused by an insurable claim?** In the second paragraph, the Declaration reads, "In the event the need for maintenance, repair, or replacement is caused ... by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircrafts, vehicles and smoke, as the foregoing are defined and explained in NC Standard Fire & Extended Coverage insurance policies, the cost of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which such lost if subject." This will also cover any damage to a unit as the result of a tree falling from that lot, common area, or adjacent property. During the recent ice storm in January, a tree fell on a townhome. The owner was responsible for the cost to remove the tree from the building and the damage to their unit. During recent strong winds, shingles blew off the back of a townhome. The owner was responsible for the cost to replace the shingles. Both homeowners were billed by the Association for these repairs. **Damage to a townhome as the result of an insurable claim shifts the financial responsibility from the Association to the individual homeowner.** The Association will do the work but the homeowner will be billed for the entire cost as outlined above. The Board wanted to make sure everyone was aware of this section before any damage occurs to your townhome which you may be responsible for. This is a requirement set out by the Declaration and not a rule or policy passed by the Board.

2. **Homeowner is required to carry insurance coverage.** On page 12, in the second paragraph of this article the Declaration states, "The Owner of a Living Unit shall maintain a NC Standard Fire and Extended Coverage insurance policy in an amount sufficient to repair or replace his or her Living Unit in case of damages resulting from any of the above described events and the proceeds of said policy shall be promptly applied to the repair and replacement of any Living Unit that is damaged or destroyed by the occurrence of one of the above described events. Each Owner shall annually submit to the Board of Directors of the Association a statement certifying compliance with this section." **While homeowners are required to carry insurance on their townhome as stated above, the Association will NOT require homeowners to submit the statement certifying coverage at this time. Please make sure you are in compliance with this section of the Declaration. This requirement is for the protection of all homeowners and the Association.**

Please contact our office at 288-4944 if you have any questions. Thank you.