COBLE FARM HOMEOWNERS ASSOCIATION

Townhome Owner Insurance Memorandum

To: All Coble Farm Townhome Owners

From: Coble Farm Homeowners Association Board of Directors, c/o Superior Insurance Partners, LLC d/b/a Community Management Insurance Group

Date: October 6, 2026

Re: Your Insurance Responsibilities as a Townhome Owner — 2026–2027 Master Insurance Program

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Please read this first — this is not insurance advice.

The Board is not telling you how to insure your home. This memo does two things: (1) it explains, in general terms, how the Association's master insurance policy works and where its protection stops, and (2) it shares professional observations from the Association's insurance agent to help guide your own decisions. Every owner's situation is different. Please speak with your own independent, licensed insurance agent to confirm you have proper coverage for your specific circumstances.

Under Coble Farm's Declaration, the Association insures the townhome buildings and the common areas, and each owner is responsible for insuring their own personal property, personal liability, and living expenses. The master policy is broad, but it does not cover everything, and it carries deductibles that can reach your pocket. This memo explains what the master policy does and does not cover, how its deductibles work, and what you should consider carrying individually.

1. What the Association's Master Policy Covers — and When

For the September 30, 2026 – September 30, 2027 policy year, the Association maintains a master property and liability policy insuring the 41 townhome buildings, the pool cabana, and the entrance monument on a replacement-cost basis. It is important to understand when that policy responds:

- No-fault events (for example, a fire, windstorm, hail, or other covered cause of loss): the master policy pays to repair or replace the building, after the deductible (see Section 2).
- Losses attributable to the Association: where the Association (or someone acting for it) is responsible, the master policy responds for the building and for the Association's liability.
- Losses an owner causes: HOA insurance does not **"save" an owner who is at fault. When an owner is liable for a loss, that owner — not the Association or the other owners — is the responsible party.** For a covered peril, the Association will process the claim through the master policy, but that does not shift the cost away from the at-fault owner. Under the Declaration, repair costs caused by the willful or negligent act of an owner, their family, guests, or invitees may be added to that owner's assessment. The owner may also be responsible for the deductible, for damage the master policy does not cover or that exceeds its limits, for damage to neighboring townhomes, and for the owner's own belongings and living expenses. This is why carrying adequate individual and personal liability coverage is essential.

What "the building" includes. As currently written, the master policy's building coverage extends beyond the structure to fixtures, improvements, and alterations that are part of the building, built-in appliances, and interior partition walls inside each home, and the policy states that it is intended to be primary to, and not share losses with, an owner's own policy covering the same property. The policy form was designed for condominium associations, however, and how some of its terms apply to Coble Farm's townhome lots will depend on the policy language and the facts of a particular claim. For that reason, we recommend that

owners not rely solely on the master policy for interior finishes and upgrades, and that they carry dwelling ("Coverage A") coverage on their own policy, as described in Section 4. Because the building limits are set by the Association, owners planning a major renovation should also let the Board and management know so values can be reviewed.

The master policy does NOT make you whole. It does not cover your personal belongings, your additional living expenses if your home becomes uninhabitable, your personal liability for incidents in or arising from your own home, or the portion of any loss that falls within a deductible and is passed on to owners. Owners are insured under the Association's liability coverage only for liability arising from the common areas or their membership in the Association — not for what happens inside their own townhome. Those exposures are yours to insure.

2. Master Policy Deductibles — Why They Matter to You

Every master-policy claim is subject to a deductible:

- **All other perils:** $10,000 per occurrence.
- **Wind or hail:** 1% of the insured value of **each** damaged building, per occurrence. At Coble Farm, that is roughly $10,300 to $18,700 per building, depending on the building.

A single storm that damages every building would leave roughly $558,000 in wind/hail deductibles — about $2,570 per townhome if shared equally across all 217 homes, and up to about $3,450 per townhome if allocated building by building.

Who pays the deductible. The Declaration does not say who bears the master-policy deductible, and the Board has not yet adopted a deductible policy. The Board is currently evaluating one and will notify owners if a policy is adopted. Until then, depending on the circumstances, a deductible may be charged to an owner who caused the loss, or funded by the Association and recovered from all owners through a special assessment, which the Declaration permits for insurance costs. Either way, you should expect that some or all of a deductible could reach you, and plan your own coverage accordingly (see loss assessment coverage in Section 4).

Other limits to know. Sewer or drain backup and sump overflow coverage is limited to $25,000 per building. The master policy does **not** cover flood, surface water, earthquake, or damage from wear and tear, deterioration, or repeated leaks or seepage over time.

3. Your Townhome Shares Common Walls With Your Neighbors

Because the townhomes are attached and share party walls, a loss that starts in one home — a fire, or water from a burst pipe or overflow — can spread to and damage adjoining homes. A problem that begins in your home can quickly become several owners' problem, and an owner who is at fault for such a loss can face liability for the damage to their neighbors' homes. The Declaration also makes owners who share a party wall responsible for its repair costs, and an owner whose negligence damages a party wall can be required to bear more, or all, of the cost. Please insure with this shared-wall exposure in mind.

4. Coverage You Should Consider Carrying — Individual Owner Policy

The Association recommends that every owner maintain an individual owner policy designed for homes where the association insures the building — typically an HO-6 (unit owner) policy or an equivalent form. Your agent can confirm the right form for a Coble Farm townhome. The figures below are current recommended minimums. Insurance needs and building costs change over time, so please treat them as minimums that may be higher in the years ahead.

- Personal liability of at least $300,000 per occurrence today ($500,000 preferred for attached homes) — a recommended minimum that may be adjusted upward over time;
- Loss assessment coverage of $25,000–$50,000 (a recommended range that may rise over time), which helps pay special assessments the Association may levy after a master-policy deductible or

shortfall. Ask your agent whether your policy's loss assessment coverage applies to assessments for the master-policy deductible, and whether a lower sublimit applies to them;

- Dwelling ("Coverage A") coverage, coordinated with the master policy, to respond to damage that falls within the master-policy deductible and to property the master policy may not cover, including interior finishes and upgrades;
- Personal property (contents) coverage sufficient to replace your belongings;
- Loss of use / additional living expenses of at least 12 months;
- Water backup coverage on your own policy; and
- Flood insurance (and earthquake coverage, if desired), which the master policy does not provide.

A note on umbrella policies: a personal umbrella provides excess liability above your individual policy and auto limits. It does not replace property coverage, and the Association's master and umbrella policies do not cover your personal liability for damage originating inside your home. If a loss starting in your home damages a neighbor's home and you are found negligent, that exposure falls to your own policy and umbrella coverage.

5. Maintenance Responsibilities and Insurance Are Different Things

Insurance responds to sudden, accidental damage — not to routine maintenance or wear and tear. Under the Declaration and the Association's Maintenance Responsibility List, the Association maintains exterior items such as roofs, siding, gutters, and common areas, while owners are responsible for many other items, including heating and air conditioning equipment, water lines from the point of entry into the townhome, windows and glass, doors and garage doors, and interior repairs resulting from a roof leak or water penetration. Please keep your home's systems in good repair, report leaks promptly, and review the Maintenance Responsibility List with your agent so your own policy fits the items you are responsible for.

6. If You Rent Your Townhome

Owners who lease their townhomes should speak with their agent about a landlord (DP-3 or equivalent) policy with liability coverage rather than a standard owner-occupied policy, and should require their tenants to carry renters insurance. The Association's governing documents apply to tenants as well.

7. Certificates of Insurance

Please forward all requests for Certificates of Insurance or Evidence of Insurance on the master policy (for example, from your mortgage lender) to **coi@cmigllc.com**, and they will be turned around promptly.

Please talk to your own insurance agent.

The recommendations above are general observations, not advice tailored to you. The right coverage and limits depend on your specific situation. Please take this memo to your own independent, licensed insurance agent and confirm you are properly covered. If it would help, ask your agent to contact Community Management Insurance Group: service@cmigllc.com.

This memo is provided for informational purposes only, is a summary that does not amend or replace the Association's governing documents or any insurance policy, and does not constitute legal or insurance advice. Coverage is subject to all terms, conditions, limits, and exclusions of the actual policies. In the event of any conflict, the governing documents and the actual policy terms control.