



July, 5, 2011

To: All Harbour Towne Owners

Subject: New Rule and Regulation- Liability Insurance Coverage

In order to protect the Association and its owners, the Harbour Towne Executive Board has approved the addition of the below listed new Rule and Regulation, which requires that all unit owners maintain a minimum of \$300,000 in liability insurance on their unit at all times. This coverage must encompass any damage to the Associations' common areas, limited common areas, and/or adjacent units which might be caused by the negligent action(s) of the owner, the owners' family and guests, and if an owner rents his unit, the action(s) of his tenant.

1. All unit owners must carry a **minimum** of \$300,000 liability coverage which will cover any negligent action(s) of themselves, their families, guests, and/or non-paying occupants that complies with Section 7.1.1. of the Association's Bylaws.
2. All unit owners who rent their unit on a routine, sporadic, long term, or short term basis, must carry a **minimum** of \$300,000 liability coverage which will cover any negligent action(s) of their tenant and/or occupant that complies with Section 7.1.1. of the Association's Bylaws
3. All unit owners must provide proof of coverage, including a signed form from the agent/insurer stating the policy complies with Section 7.1.1., to the Association annually no later than January 15th or within 30 days of any modifications to the policy.
4. Unit owners who fail to submit the requested documents within the stipulated time period will receive a warning letter. Failure to provide the requested documents within 30 days of the date of the warning letter will result in the issuance of a \$100 fine with another letter requesting the documents. The fine amount would keep increasing until the requested confirmation is received.

For those owners who have submitted the previously requested 2011 proof of insurance and who carry \$300,000 or more in liability insurance and do not rent their unit, no further action in 2011 would be required.

For those owners who have submitted the previously requested 2011 proof of insurance and who carry \$300,000 or more in liability insurance and rent their unit, but currently do not have rental coverage it will



be necessary for you to modify your coverage to include the negligent action(s) of your tenant and provide the Association Manager with confirmation of this increase within 30 days of the date of this letter.

For those owners who have submitted the previously requested 2011 proof of insurance and who carry less than the required \$300,000 in liability insurance and do not rent their unit, it will be necessary for these owners to increase their liability coverage to a minimum of \$300,000 and provide the Association Manager with confirmation of this increase within 30 days of the date of this letter.

For those owners who have submitted the previously requested 2011 proof of insurance and who carry less than the required \$300,000 in liability insurance and rent their unit, it will be necessary for these owners to increase their liability coverage to a minimum of \$300,000 and to modify your coverage to include the negligent action(s) of your tenant and provide the Association Manager with confirmation of this increase within 30 days of the dater of this letter.

For those owners who have not submitted the previously requested 2011 proof of insurance' it will be necessary for these owners to ensure that they have the required coverage in place and provide the Association Manager with confirmation of this increase within 30 days of the dater of this letter.

Failure to carry the required coverage or provide proof of such coverage within the initial 30 days from the date of this letter will result in the issuance of a warning letter. Subsequent 30 days delays in carrying the required coverage or providing the proof of such coverage, will result in fines commencing at \$100.00 and increasing incrementally as per the Fine Schedule detailed in the Rules and Regulations.

If you have any questions, please do not hesitate to contact me.

Thank you in advance for your cooperation in complying with this new Rule and Regulation

Regards,

Ron Pressley
Association Manager