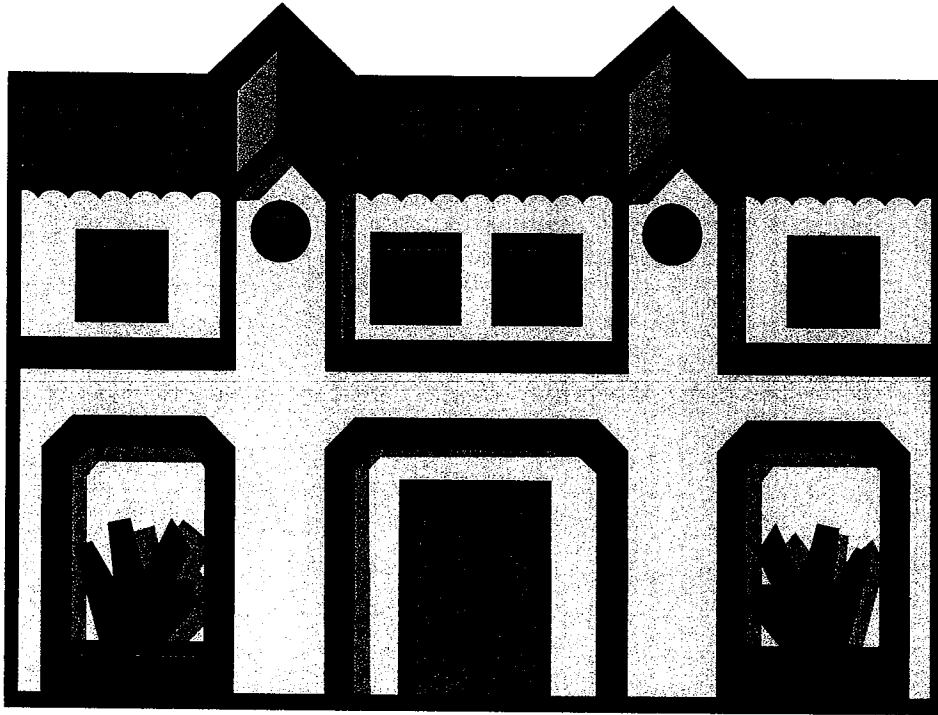


COLONIAL VILLAGE I A CONDOMINIUM



**Presented by Peggy Barr
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IMPORTANT INSURANCE INFORMATION

Dear Unit Owner and Renters:

The insurance coverage for the Association is being provided by Greater New York Insurance Company. The insurance is handled by the Alliance Insurance Agency in Annandale, Virginia.

The Master policy provides coverage of \$23,813,394 on the buildings. Losses are subject to a \$5,000 deductible per occurrence. The coverage is written on a very broad form however there are some exclusions such as wear and tear, deterioration, rust and corrosion. The policy provides coverage for the boiler and machinery up to the full limit of the building, which includes the heating/air conditioning equipment.

The policy includes Comprehensive General Liability (third-party) coverage up to \$1,000,000 per occurrence for the common areas. This affords coverage for the Association for sums which they become legally liable to pay as a result of bodily injury or property damage claims, with an additional \$3,000,000 protection provided by the Umbrella Liability Policy.

Separate policies are provided for the Fidelity Bond in the amount of \$500,000. A Director's and Officer's Liability policy is provided in the limit of \$1,000,000. Original copies of these policies are kept in the management office.

Building coverage under the Master Policy is limited to the original condominium plans and specifications. If the original fixtures (cabinets, floor coverings, appliances) are replaced with like kind and quality they would also be covered by the Master policy. Upgrades in carpeting, other floor coverings, wall coverings such as wallpaper and paneling, upgrades in lighting fixtures, appliances etc., are not covered under the Master policy. These improvements are your responsibility. In addition, the Master Policy does not provide coverage for losses to your personal property or household goods, personal liability or additional living expense.

Unit-Owners and renters may be responsible for the \$5,000 deductible of the Master Policy (depending upon the origin of the loss). To provide for insurance to cover reimbursement of this deductible, unit-owners should purchase a Condominium Unit-Owners policy (HO-6) and Renters should purchase a Tenant policy (HO-4) These policies would provide protection against damage to your own personal property such as furniture, clothing, jewelry etc. and also includes personal liability coverage which provides protection for injuries to a third party in and around your unit caused by your own negligence. We urge you to consider the purchase of the HO-6 policy or the HO-4 policy.

All losses should be first reported to your management office. Should you or your mortgage holder require a copy of the certificate of insurance it can be ordered by contacting the e-mail address: condocerts@allianceinsuranceva.com or by fax # (703) 642-5970 or calling (703) 914-4177.

Property Coverage

Name of Company Greater New York Insurance Company(A + rating)

Limit of Coverage

Buildings

\$23,813,394.

The definition of Building includes all appliances and fixtures as conveyed by the builder and all equipment that is part of the building, partition walls, security systems, improvements and betterments that are part of the structure

Additional Covered Property

Cost of excavations, grading, backfilling or filling, Foundations of buildings. Also underground pipes, flues, or drains, bulkheads, pilings, piers, wharves, or docks. Fences, retaining walls that are not part of the building. Bridges, roadways, walks, patios or other paved surfaces.

Business Personal Property

\$50,000

Replacement cost

Business Personal Property owned by the Association and used on the premises is covered for All Perils. This includes the office furnishings

Extended Replacement Cost Endorsement. This endorsement increases the building limit by an additional 25% in case of a total loss. No depreciation is taken at the time of loss if the building is rebuilt at this location. This form acts as an inflation guard against the rising costs of construction throughout the year.

Agreed Amount Endorsement – eliminates the co-insurance clause. Building policies have a coinsurance clause which requires the insured to carry insurance equal to at least a specified percentage of the actual cash value of the property. If a loss occurs, and it is determined that the amount of insurance carried is less than the amount required, a penalty could be placed on the Association. This endorsement eliminates the possibility of a co-insurance penalty at the time of a loss.

Deductible

\$5,000 per occurrence

**Loss of Income-
Deductible**

\$ Actual Loss Sustained

none

This insuring company will pay the actual loss of Business income and condominium fees that are lost due to an insured occurrence you sustain the period of restoration that occurs within 12 consecutive months after the date of direct physical loss damage or loss. This coverage also includes Extra Expense that would be incurred during the period of restoration.

This coverage has been designed to comply with your by-laws and includes coverage for the following:

- Ordinance or Law- \$250,000
- Loss to Undamaged Portion of Building- \$included in building limit
- Demolition Cost- \$250,000
- Increased Cost of Construction-\$250,000
- Back-up of Sewers and Drains
- Building Collapse
- Transit
- Mechanical Breakdown (Boiler and Machinery)included
- Steam Explosions or ruptures
- Terrorism

Boiler and Machinery Coverage

Limit of Coverage \$23,863,394 coverage for explosion of steam boilers, steam pipes, steam engines or steam turbines, generators, hot water heaters, building machinery and equipment. Equipment breakdown coverage is included.

Deductible

\$5,000 per loss

Commercial General Liability

Name of Company	Greater New York Insurance Company
Limit of Coverage	
Bodily Injury and Property Damage	
Per occurrence	\$1,000,000
Aggregate	\$ 2,000,000
Medical Payments Limits	\$ 5,000
Damage to Premises	
Rented to others	\$100,000
Personal Injury	\$1,000,000 (includes libel, slander, false arrest and invasion of privacy)
Premises Operation	\$1,000,000
Host Liquor Liability	\$1,000,000
Products and Completed Operations	
Per occurrence	\$1,000,000
Per Aggregate	\$2,000,000
Other coverage includes:	
Contractual Liability	
Incidental Medical Malpractice	
Non Owned Watercraft (under 26')	
Employees are additional insured	
Hired and Non-Owned Auto	
Terrorism Coverage is included	

This policy provides coverage for your legal liability, to other than employees, for accidents resulting in bodily injury or property damage

- On or about your premises
- Due to conditions in and around your building
- Due to an act of employees during the conduct of your business

Additional Insured is Legum & Norman

General Liability Coverage Description

The Commercial General Liability Policy provides the insurance protection needed to pay damages for bodily injury or property damages for which the Association is legally Responsible. The policy provides coverage for liability arising from personal injury and advertising injury. Coverage for medical expense is also provided. The policy also covers accidents occurring on the premises or away from the premises.

The Named Insured is the Association, the Unit Owners, and the employees of the Association as well as the General Manager and Legum & Norman. In addition to the limits, the policy provides supplemental payments for attorney fees, court costs and other expenses associated with a claim or the defense of a liability suit.

This policy is written on an "occurrence" form which means that bodily injury or property damage that occur during the policy term regardless of when it is reported will be covered by this policy.

General Aggregate

The General Aggregate Limit is the most money the insurer will pay under a certain coverage for all claims occurring during the policy term.

Each Occurrence

Each occurrence is considered to be an accident, which could include continuous or repeated exposure to the same harmful conditions. An occurrence can also be a sudden event, or a result of a long term series of events.

Personal Injury

Personal injury means injury other than bodily injury. Coverage is provided for injury resulting from offenses such as false arrest, malicious prosecution, detention or imprisonment, the wrongful entry into, wrongful eviction from and other acts of invasion, or rights of private occupancy of a room. Coverage for libel and slander is also provided in the policy.

Blanket Fidelity Coverage

Company: Travelers Insurance company

Effective Date: September 16, 2009

Limit: \$500,000

Deductible \$ 2,500

This bond covers all employees of the Association, including officers, for loss of money or other property through any fraudulent or dishonest act or acts committed by any of the employees, acting alone or in collusion with others.

Additional insured are the General Property Manger- Property Manager – and Non-compensated Officers and Directors and Members of the Board and Volunteer Workers

Crime Coverage Description

Employee Dishonesty

Employee Dishonesty is considered to be a criminal act committed by an employee acting alone or in collusion with others. There must be intent by the employee to cause the employer a loss and to obtain a financial benefit for the employee or someone else.

Coverage is provided for dishonest acts of employee of the named insured only. Coverage insures against loss of money, securities, and property other than money and securities. The blanket form provides coverage for dishonest acts of all employees. The limit for blanket coverage applies per loss, regardless of how many employees are involved. The scheduled form provides coverage only for the dishonest acts of employees specifically listed in the policy. On the scheduled form, a separate limit applies to each employee listed on the schedule.

Forgery or Alteration

Forgery is generating a document or signature that is not genuine.

Alteration is changing a document in a manner that is neither authorized nor intended.

This form insures against loss caused by the forgery or alteration of a covered item drawn against the insured's accounts. A covered item might be a check, draft, promissory note, bill of exchange or similar instrument.

Theft, Disappearance and Destruction

Theft means any act of stealing.

Disappearance is unknown causes of loss. Disappearance lacks the elements of knowing if the crime was a theft, burglary or robbery.

Destruction is the loss of certain property, it is usually the result of another cause of loss.

Section (1) of the form covers money and securities against loss by theft, disappearance, or destruction inside the premises. Section (2) covers money and securities outside the premises in the care and custody of a messenger.

Robbery and Safe Burglary

Robbery is the taking of property from a person by the threat of personal injury to that person.

Safe Burglary is a specific kind of burglary that means the taking of property from a safe or vault which shows visible signs of forcible entry.

This form covers property other than money and securities inside and outside the premises. Property other than money and securities is covered while outside the premises and only in the care and custody of a messenger. Coverage inside the premises is for loss or damage resulting from robbery of a custodian or from safe burglary. A custodian is the named insured or a partner or employee of the insured.

Premises Burglary

Covers property other than money and securities inside the premises. It also covers damage to the insured's premises resulting from a covered cause of loss.

Computer Fraud

Computer fraud is a specialized kind of theft where a computer is used to steal property from its rightful owner.

This form covers money and securities and property other than money and securities

Extortion

Extortion is the surrender of property away from the premises as a result of a threat of bodily harm to someone who is, or allegedly is, being held captive.

This form covers money and securities and property other than money and securities

Premises Theft & Robbery Outside

Section (1) covers property other than money and securities inside the premises for loss caused by actual or attempted theft. Section (2) Robbery Outside the premises covers property other than money and securities while it is in the care and custody of a messenger.

Directors and Officers Liability Insurance Coverage

Name of Company	Travelers Insurance Company
Limit of Coverage	\$1,000,000
Deductible	\$1,000

Policy Features:

Duty to Defend- providing first dollar defense
Defense Costs outside the policy limit
Claims Made- reported as soon as practicable
Broad Definition of Claim including non-monetary claims
Full Prior Acts Coverage
Entity Coverage (The organization and its non-profit subsidiaries are insured)
Coverage for Directors, Officers, Trustees, Employees, Volunteers and
Committee Members
Spousal Extension
Employment Practices Liability provides coverage for **discrimination,
Sexual Harassment and Wrongful Termination, mental anguish
And emotional distress**
No libel, slander, defamation exclusion
No publishers' Liability exclusion
No copyright Infringement Exclusion
Defense coverage for contractual claims
Punitive Damages are covered if insurable under state law
Coverage for independent Management Company and property manager

Umbrella Liability Coverage

Name of Insurance Company	Greater New York Insurance Company
Aggregate Limits of Liability	\$3,000,000 General aggregate other Than Products and Completed Operations
	\$3,000,000 Products/ Completed Operations Aggregate
	\$3,000,000 Bodily Injury and Property Damage Liability
	\$3,000,000 Personal and Advertising Injury Liability
Retained Limit	\$10,000

CLAIM REPORTING FORM

Date of Incident time of incident location/address building # unit #

Individual Involved

Name _____ owner, tenant, guest? _____

Gender: M F telephone number _____

Address of individual _____

Incident Information

Type of incident :

Person reporting incident:

Details of Incident

Be specific! Give complete details: exactly how loss or injury occurred. Give names of witnesses if necessary.

(use extra page to explain if needed)

If bodily injury resulted, describe injury.

Was medical treatment sought? Where?

If property damage resulted , describe :

Additional comments:

name of person completing this report

date