

November 13, 2015

TO: Reston Place Homeowners Association Members

FROM: Reston Place Board of Directors

As many of you are aware, the Association is in the middle of resolving a large insurance claim involving hail damage to roofing within Reston Place. The claim and the Association's insurance renewal have overlapped resulting in other insurance companies not being interested in writing the insurance on Reston Place Homeowners Association until the claim is resolved. The Association's current insurance carrier, Philadelphia Insurance Company, has renewed the policy but they have made changes to the deductible structure. The Association's current deductible is \$5,000 per occurrence, which means for the Association's current claim, which will be in the range of \$600,000 to \$700,000, there is only one \$5,000 deductible involved. The renewal term of the policy states that the deductible is \$5,000 per home for wind and hail. So, if we were trying to resolve the claim under the new deductible structure, each homeowner would be responsible for the first \$5,000 of roofing for their home. Enclosed along with this memo is a memo from the Association's Insurance Agent, David Fitts, explaining how you can protect yourself against this \$5,000 per home deductible with loss assessment coverage added to your personal HO6 policy. Please, it is imperative that you review this memo with your personal insurance agent and make sure you have this coverage in place.

The Board has instructed Mr. Fitts to continue to work on quotes from other companies and if we are able to secure a new policy with a better deductible structure at a reasonable price, we will cancel the current policy and make those changes. Unfortunately, until the claim is resolved and everyone knows the exact amount of the claim, it will be difficult. Other companies are hesitant to write the insurance on Reston Place until this matter is resolved. Please know that the Board of Directors is doing everything along with the Association's insurance agent to procure the best possible insurance coverage on your home. If you have any questions, you can call Warner Johnson at Duckworth-Morris or David Fitts at the Fitts Agency. We understand that this is confusing, so please if you have any questions, do not hesitate to call.

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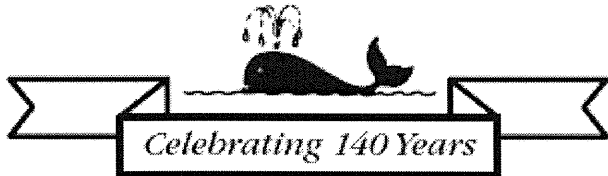
Enclosure

David Fitts

To: Reston Place Homeowners Association Members
Subject: Personal Insurance Coverage needed in order to prevent any significant gaps or cost in the Event of a Covered Claim where there is an Loss Assessment made by the Association to its Members

Dear Members , I wanted to make sure that everyone was aware of the additional endorsement that you need to have added to your Personal H0-6 Condominium Policy or your Personal H0-3 Homeowners Policy . The endorsement is recognized as Loss Assessment Coverage . Most Insurance Companies offer this coverage for around \$ 20 in premium for a \$ 5,000 Limit. Two of our Companies, Safeco and Travelers , have what I would recognize to be the broadest coverage forms on this coverage . Specifically , Some Insurance companies may recognize a Limit on the amount of coverage that is afforded if the Association makes an assessment to its members due to a Deductible situation on a covered insurance claim . This limitation in most cases is \$ 1,000 .The Safeco and Travelers Form does not recognize this limitation . Please be sure to check with your Agent so that they may explain the Loss Assessment Coverage to you in detail with the Company they have you insured with on your policy . Thanks ! David

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