

INSURANCE GUIDELINES

Overview

The SSV governing documents set forth the insurance requirements of the HOA and the Owners. As a result, Owners are responsible for insuring their own units and all appurtenant Limited Common Elements (e.g., porches, decks, patios, driveways, and mailboxes) while the HOA is responsible for insuring the community's Common Elements and Limited Common Elements other than those required to be included in the Owner's policy. Both the HOA and Owners are required to obtain property and casualty insurance, as well as liability insurance.

Given the interconnectivity of townhome owners sharing a building in close proximity to other similar townhomes, it is important that the interests of all stakeholders—the Owners, their roommates and the community as a whole—are protected in the event of an insurable casualty event requiring the repair or replacement of a townhome. Under the SSV Declaration, in the event of damage or destruction of an Owner's townhome, the Owner is responsible for its repair and restoration. To assure they have the financial means to do so, Owners are required to procure, and keep continuously in effect, sufficient homeowners insurance.

Please note, since SSV is legally structured as a Planned Unit Development, the Owners' units are townhomes but NOT condominiums. Therefore, Owners' insurance policies must be HO3 homeowners insurance, which is for townhomes, and not HO6 which is for condominiums.

Owners Insurance Policy Requirements

- Type of Insurance: All Risk Homeowners Insurance on Form HO3 (not Form HO6)
- Additional Insured: Southside Village Association, Inc. (Note: if insurance company does not allow naming HOA an Additional Insured, a designation of Interested Party or Additional Interest is required) –

Address of HOA to be used: Southside Village Homeowners Association
c/o Cedar Management Group
PO Box 26844,
Charlotte, NC 28221

- Coverage Amount: 100% replacement cost of unit
- Additional Policy Requirements: As required by Section 47F-3-113(e) of the NC Planned Community Act, the following provisions must be included in the policy:
 - each Owner is an insured person to extent of Owner's insurable interest;
 - waiver of insurer's right of subrogation against any Owner or member of Owner's household;

- no act or omission by Owner, unless acting within scope of their authority on behalf of the HOA, will preclude recovery; and

- if at time of loss there is other insurance in the name of Owner covering the same risk, the HOA's policy provides primary insurance.

Required Filings of Proof of Insurance

- At Closing of Townhome Purchase: Submit copy of required insurance policy to Management Company
- Annually: Submit proof of required insurance to Management Company by January 31