



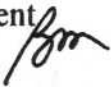
## CAPITOL PARK IV CONDOMINIUM

741 Delaware Avenue, S.W.  
Washington D.C. 20024

Telephone: 202-484-5235

May 20, 1997

TO: Capitol Park IV Condominium Owners

FROM: Brian P. Moore, President  
Board of Directors 

RE: Amendment to Condominium Policies

The Capitol Park IV Board of Directors was recently informed by the Association's legal counsel, that the current "Policy on Damage to the Physical Structure Due to Water Leakage" found on page F-2 in the Capitol Park IV Co-Owner Information Book, contains provisions that conflict with the Association's Bylaws. In the event of a discrepancy between the Bylaws and the Condominium Policies, the Bylaws rule.

Accordingly, this letter shall serve as notice to all owners of record that this policy, which sets forth the manner in which repairs will be made to the interior of units, is no longer applicable. Until the Condominium Policies can be revised to comply with the Bylaws, all insurance claims will be evaluated on a case by case basis and, in accordance with the circumstances surrounding the claim and applicable law. In the absence of coverage by the Master Insurance policy (ie: damage below the deductible and losses not covered) each owner is responsible for repairs to the interior of their unit, no matter what the source or cause of the damage.

So, how does an owner protect themselves against such losses? As always, the Board strongly recommends that each owner maintain an individual insurance policy on their unit, commonly called an HO-6 policy, that normally carries a deductible of \$100-\$200. In the event of a loss, this is the policy to which a homeowner should submit their claim. The maximum exposure to each owner then becomes the amount of the deductible on their individual policy. There will always be exceptions to this general rule that involve losses that are not covered by insurance such as damage caused by water seeping into homes through basement walls. In order to have a complete understanding of this complex subject, each owner should consult with their individual insurance agent and provide the agent with a copy of the Condominium Bylaws so the agent can insure that the owner's individual coverage will pick up where the condominium's obligation ends.

We appreciate your understanding in this matter as the Board continues to protect the overall financial health of the Condominium as well that of the individual unit owners. Thank you.