

CYPRESS HOME OWNERS ASSOCIATION
INSURANCE COVERAGE DISCLOSURE
DISTRIBUTED 11/26/08

In conformance with the California Civil Code, Section 1365, the following coverage limits apply to Cypress Home Owners Association insurance coverage:

Limits of Insurance

**The following coverage is provided by
Farmers Insurance:**

Property

Buildings / Auxiliary Structures	\$ 40,250,000
Business Personal Property	Excluded
Deductible	5,000
Fidelity Bond	500,000
Deductible	5,000

Liability

General Liability	\$2,000,000
Aggregate	4,000,000
Medical Payments	5,000
Deductible	0
Directors & Officers Liability	1,000,000
Aggregate	4,000,000
Deductible	1,000

**The following coverage is provided by
USI Insurance:**

Flood / Earthquake	\$31,893,495
Deductible	20%

Prendeville Insurance Agency, Farmers Insurance, assisted the Cypress Home Owners Association in the development of the general liability policy limits. The coverages shown above follow the recommendations by Prendeville Insurance for Cypress.

In the event of a covered loss, all insurance deductibles would be paid by the party responsible for the maintenance, repair and replacement of the covered item in accordance with the Cypress's governing documents and Title VI, of the California Civil Code.

The coverages shown above extend to portions of the real property improvements of the common areas.

This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around you dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.