

1/5/2026

Dear Cambridge Court Homeowners,

As part of USI's commitment to Cambridge Court, they conduct an annual comprehensive review of the Association's insurance policies before renewal. These reviews are essential to help protect your investment, especially as inflation, rising construction costs, and evolving underwriting standards impact premiums across the industry. Adjusting building values to reflect current replacement costs helps ensure our property is appropriately covered, which is vital for peace of mind.

This year, a routine property inspection identified several corrections to the recorded square footage of your livable spaces. As a result, building values increased by approximately 34%, ensuring coverage accurately reflects actual rebuild costs. While necessary for proper protection, this adjustment will also significantly increase the insurance budget for 2026 and beyond.

The Board has been working diligently with USI Insurance Services to evaluate all available options, explore cost-saving strategies, and ensure the Association continues to receive comprehensive coverage at the most competitive rates available in the current market.

Risk-Reduction Efforts for Cambridge Court Townhome Owners

As part of the recent insurance evaluation, the carrier emphasized two key loss-prevention measures that are especially important for Cambridge Court townhome owners. These aren't just routine maintenance tasks—they are practical ways you can directly reduce fire risk, avoid costly claims, and contribute to the community's stability and safety.

- **Annual Chimney Inspections & Cleanings**

A properly maintained chimney significantly reduces the risk of a chimney or structure fire. Scheduling an annual inspection is one of the simplest steps homeowners can take to protect their property and prevent losses that affect the entire association's insurance profile. The association is responsible for the exterior upkeep of the chimney and the chimney cap; **homeowners are responsible for annual cleaning.**

- **Dryer Vent Cleaning** Dryer lint is highly combustible, and buildup is one of the leading causes of residential fires. A quick cleaning every other year dramatically reduces this risk. It is an

inexpensive, high-impact action that benefits both safety and the community's long-term insurance costs. **Homeowners are responsible for dryer vent cleaning**

These recommendations are not only in the best interest of each homeowner's personal safety and property—they also play a significant role in preventing avoidable claims, which helps the Association maintain a stronger insurance position and mitigates future premium increases. By taking these simple preventive steps, homeowners help protect both their homes and Cambridge Court's financial health.

Individual Homeowners Insurance Coverage

Many residents have been reviewing their individual homeowner's insurance policy coverages, and a few have asked for some clarity with respect to what is covered by the Association's umbrella policy and what must be covered by the individual homeowner insurance policies.

Each homeowner should have a printed copy of what has often been referred to as the Prospectus. This document came with each Cambridge Court unit at the time of the original sale and should have been passed on to successive owners at the closing of each sale. If you do not have your copy, the main relevant parts may be found on the Crofton Perdue website under Cambridge Court, Declaration & Bylaws (Article XIII - Insurance and Reconstruction on page 36 of the PDF).

Included in this document are the Offering Plan and Exhibits A through L covering various items and certifications, many of which were required during the development of our community. With respect to insurance coverages, we direct you to Exhibit A, Declaration of Covenants, Conditions, and Restrictions, and more specifically to Article XIII, Insurance and Reconstruction, on pages D-36 through D-40. Section 2 on pages D-36 and D-37 provide details of the Association's insurance policy coverage. Homeowners should review this material before assessing their needs when seeking homeowners' insurance coverage from their insurers.