

Woodlands of Knoxville – Horizontal Property Regime: New Proposed Rule and Regulation regarding Reporting Claims to Insurance Carrier

Authority for New Proposed Rule and Regulation: The Master Deed of Woodlands of Knoxville Horizontal Property Regime of record at Instrument Number 200607140003926 in the Knox County Register of Deeds provides in “Section 2.6. Rules and Regulations.” The Board of Directors shall be entitled to promulgate reasonable Rules and Regulations from time to time, which shall be binding upon the Association and all Owners and lessees of Owners, their families, invitees and guests, regarding the use and enjoyment of Units, the Limited Common Area and Common Area.

Proposed Rule and Regulation regarding damage to Units, the Limited Common Area and the Common Area:

- The Woodlands of Knoxville Townhouse Corporation (the “Association”) and several owners have dealt with several issues regarding property damage to Units, the Limited Common Area and the Common Area. Most of the damage and issues have resulted from water damage within unit(s) at the Woodlands.
- As you know, the Master Deed was amended on October 1, 2016 with the Third Amendment to Master Deed of Woodlands of Knoxville Horizontal Property Regime. The Third Amendment is of record at Instrument No. 201610030021739 in the Knox County Register of Deeds Office. Pursuant to the Third Amendment, Section 5.1(f) of the Master Deed provides that “[e]ach Owner shall obtain, maintain and pay the premiums for comprehensive general liability insurance covering the Owner’s Unit for . . . (ii) property insurance covering the replacement costs of all improvements and betterments located within the Owner’s Unit. Such policies shall name the Association as an additional insured and may not be cancelable or substantially modified without at least ten (10) days prior written notice to the Association.”
- Therefore, the Board of the Association proposes the following three (3) new Rules and Regulations to handle the multiple issues that have resulted from property damage and Owners not maintaining the proper coverage as required the Master Deed:
 1. Each Owner who has not complied with Section 5.1(f) of the Master Deed shall provide the Association, by and through its property manager, a copy of the insurance policy showing that the Owner is in compliance with the Master Deed.
 2. Each Owner that has damage to their Unit or the Limited Common Area inside their unit shall immediately report the damage to the Association, by and through its property manager, so that it can assess the damage to the Limited Common Area and the potential cause of the damage. After reviewing the damage to the Limited Common Area inside an Owner’s unit, the Association will provide the owner with the Association’s position as to what caused the damage and what resulted in the damage. Furthermore, each Owner shall put their respective insurance carrier on notice of the property damage within their Unit, so that the

repairs to the Unit or the Limited Common Areas within the Unit can be made in a timely manner.

3. Section 8.3 of the Master Deed discusses the Responsibility of an Owner for maintenance and repairs by the Association to the Limited Common Areas and the Common Areas. Should your Unit be damaged by another Owner or the lessee of an Owner, their families, invitees or guests you shall report that damage to that Owner so that both parties can assess the damage and issues and/or properly report to their respective insurance carrier the damage and potential claim for the loss. Section 8.3 of the Master Deed governs the responsibility of an owner to the Association and does not govern owner to owner disputes. Owners shall rely upon this Rule and Regulation in owner to owner damage disputes. The Association also requires that each Owner report the damage to the Association, by and through its property manager, so that the Association can access whether any damage resulted to the Limited Common Area and Common Area.