

IMPORTANT NOTICE TO UNITOWNERS!

November 15, 2007

Dear Unitowner:

We are proud to continue to serve as the insurance agent for **Bellamy River Condominium Association** and it continues to be our goal to provide your Association with the best insurance program available to condominiums.

Middlesex Mutual Assurance Company continues to underwrite the Bellamy River master insurance policy and I would like to take this opportunity to discuss certain aspects of how the insurance works and how it affects you as unitowners, and alert you to a new change in the master policy deductible that took effect on January 1, 2006.

The Middlesex Mutual policy offers coverages that comply with the condominium documents. The insurance requirements are explained further in the Condominium Bylaws Section VI, INSURANCE on page 20. The following is a review of what is typically covered by the condominium policy.

ITEMS INSURED: The policy insures all the buildings and common elements of the association, which includes the building exterior and basically everything in the unit as it was sold to you. For example, the interior walls, carpets, appliances and fixtures that came with the unit would be covered by this policy in the event of a loss covered by insurance.

ITEMS NOT INSURED: Any improvements you make to your unit values at \$1,000 or more and not reported to the Board, and your own furnishings and personal property.

EVENTS INSURED: "Special Form", including fire, lightning, windstorm, hail, explosion, riot, aircraft and vehicle damage, smoke, vandalism, falling objects, weight of ice, snow or sleet, collapse, sudden rapid water escape or overflow from plumbing or appliances, frozen pipes, convector units, etc.

EVENTS NOT INSURED: Wear and tear, deterioration, mechanical breakdown, mold, damage by insects or animals, settling, or cracking, etc., of foundations, walls, basements, roofs etc. There is no coverage for damage caused by repeated leaking or seeping from appliances or plumbing including from around shower, bathtub, toilet and sink. These events are properly classified as maintenance items. Full details on coverages, limitations and exclusions are available from the agent.

DEDUCTIBLES: There is one deductible that applies to this policy. As of January 1, 2006:

The basic deductible is now \$2,500 per occurrence for all insured risks

HOMEOWNERS INSURANCE: It is strongly advised that you, the unit owner, carry insurance on the unit that meshes with the association's policy and the \$2,500 deductible. A homeowner's policy is called an HO-6 and is designed for condominium ownership. It provides you with the building, personal property and liability coverage you need as a resident owner. Most importantly the HO-6 policy would provide coverage for the \$2,500 in damage to your unit caused by water i.e. hot water heaters that let go, washing machine hoses that fail, ice makers that rupture, water that enters the unit through a faulty roof, etc.

In addition, it also provides you with coverage for the value of your personal property, i.e., clothing, furniture, equipment etc., that is in the unit and not covered by the master policy as well as any improvements made to the unit and not reported to the Board of Directors. The policy should be endorsed with a HO-32, or its equivalent, which provides broader water damage protection for your unit than the master policy.

Please contact your Agent and have them endorse your HO-6 policy for Coverage A to at least \$2,500., however, we recommend that you increase this limit to \$5,000.00.

Please note that if you fail to increase your HO-6 policy and a Water Damage loss occurs in your unit, you would be uninsured or under insured and you will be responsible for the first \$2,500 in damages. You can see why this is very important!

If you don't currently have Homeowners Insurance, now would be a good time to consider purchasing a policy. We at HUB International would be happy to provide you with a quote and assist you with determining your insurance needs.

If you are a non-resident owner you should look carefully at your insurance needs in order to obtain the insurance you need to avoid gaps in coverage with the master policy.

HUB International New England, LLC is an independent full service insurance agency that insures over two hundred condominium associations and thousands of unit owners throughout New England. By tailoring your policy to the master policy, **we can help you buy only the coverage you need to protect yourself in the event of a loss.**