

**WOODLANDS SOUTH  
CONDOMINIUM ASSOCIATION  
NORTHVILLE, MICHIGAN**

August 8, 2005

To: Co-owner

Re: Insurance coverage

The purpose of this letter is to reiterate what was stated in the June Newsletter pertaining to insurance coverage.

Our Master Deed and Bylaws require individual co-owners to be responsible for the cost of insurance, maintenance, repair and replacement of a Unit and any and all improvements located within or upon a Unit and its Limited Common Elements. Our Association insurance policy covers the General Common Elements, including the exterior structure. **THE ASSOCIATION INSURANCE IS NOT INSURING THE INTERIOR OF CO-OWNERS' UNITS.**

You are obligated to insure the interior of your units, from the drywall in. The condominium insurance policy ("HO-6") usually refers to the interior building coverage as "**dwelling**", "**building**" or "**real property**" coverage. This coverage should include:

- Interior walls including drywall, finished floors and subfloors (but not the floor joists), all cabinets, fixtures, built-in appliances, interior lighting, etc. This also includes the garage.

In addition, the Limited Common Elements that you are responsible to insure and maintain are:

- Patios, Porches and Decks;
- Garage Doors and Openers;
- Air Conditioner Compressor/Condenser
- Doors and Windows

In setting an amount, we have to leave it up to each individual to assess their cost of replacement of the interior because the units will be different and to avoid estimating an amount too high or not sufficient should a loss occur.

In addition to your "dwelling", "building" or "real property" coverage, your insurance policy would normally also provide "**personal property**" or "content" coverage for your furniture and other personal possessions. It is recommended that you have "replacement value" coverage for these items.

Thirdly, your insurance would normally provide “**liability**” coverage to protect you from, among other things, lawsuits for injuries on your property. Under this “liability” coverage is included a “loss assessment coverage” for a set amount, which you should review for adequate coverage. This gives you financial protection for your share of any loss assessed or charged against you as a co-owner by the Association. Our Bylaws allows the Association to seek contribution from an individual co-owner for damage to the common elements attributed to that co-owner or to seek contribution from all co-owners in the event of a claim against the Association.

From the Board of Directors,

David Pitcock

David Guyot

Cresence Schwartz