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Date: December 27, 2011
To: Hilltop Farms Condominium Unit Owners
Subject: Master Policy Insurance Changes

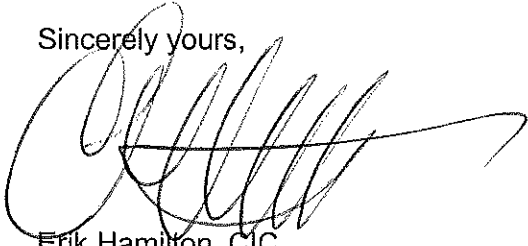
Please be advised that HUB International New England is the Insurance Broker with respect to the Master Insurance Policy for the Hilltop Farms Condominium Trust. Effective December 29, 2011, the Master Policy will be placed with Philadelphia Insurance Company. **For all property which the Master policy is required to insure under Section 5.6 of the association by-laws (attached), the deductible will change from \$2,500 to \$10,000. For claims arising from ice dam damage, a separate \$10,000 deductible will apply per affected unit.** Therefore changes will need to be made to your Unit Owner's insurance policy. Every Unit Owner should be aware of the following aspects of the insurance program when considering their own individual insurance needs.

- 1. Dwelling Coverage "A" under the Unit Owner's Policy needs to be a minimum of \$10,000 to ensure enough coverage is in place in the event a claim occurs and it is contained to your unit** (the Philadelphia policy deductibles are \$10,000 per loss and \$10,000 per loss per unit for the peril of ice dam damage for property stipulated under Section 5.6 of the association by-laws as the insurance responsibility of the association). **You must also check with your own insurance agent to confirm that your Coverage "A" limit applies to losses falling below the Philadelphia Master Policy deductibles.**
- 2. It is also important to remember that Unit Owner's Personal Property is not covered under the Hilltop Farms Condominium Trust Master Policy.** You should conduct a thorough inventory of your personal property and consult with your insurance agent to determine the appropriate coverage limit to carry under Coverage "C" (personal property). Also, Units Owners should have Loss of Use Coverage "D" which is in the event that due to a loss and the "residences premises" is identified as "not fit to live in" there can be coverage for household expenses to maintain a normal standard of living. (Loss of Use Coverage "D" is typically calculated as 50% of the Personal Property Coverage (for example, if you have \$50,000 of Personal Property Coverage "C" it would result in \$25,000 Loss of Use Coverage).
- 3. It is recommended that your Loss Assessment Coverage should be increased to \$50,000.** Loss Assessment is defined as "a unit owner's share of a loss to property owned in common by all members of a property association". Most Unit Owner's Policies provide a small (\$1000) amount of Loss Assessment coverage, with additional amounts available by endorsement for an additional premium. There is also Loss Assessment Coverage for liability charged against the unit owner by the association as the result of an injury that has taken place on the common property. **You should check that you have both Property and Liability Loss Assessment Coverage.**

These changes to your policy are relatively inexpensive but will provide the necessary coverage in the event a claim occurs within your unit or if a Loss Assessment is declared. In this memo we have included a copy of the Insurance Section of the Hilltop Farms Condominium Trust (By-laws). Please provide a copy of this information to your personal insurance agent so that your agent will be able to determine the best protection and insurance for you.

Many mortgage companies require proof of the Master Policy. HUB International is prepared to provide the necessary documentation. Federal privacy laws require that we receive all requests in writing – this can be done by fax, mail or electronically by email. The email address is nee.certificates@hubintrnational.com The fax number is 978-988-1082. The mailing address is Hub International, 299 Ballardvale Street, Wilmington, MA 01887. If you or your personal insurance agent has any questions, please don't hesitate to contact HUB International. **Please remember your insurance changes should be completed by December 29, 2011.**

Sincerely yours,



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Enclosure: Hilltop Farms Condominium Trust Insurance Section 5.6. Insurance

5.5.5 The Trustees shall expend common funds only for common expenses and lawful purposes permitted hereby and by the provisions of Chapter 183A.

5.5.6 Within ten (10) business days after receiving appropriate request from a Unit Owner, a purchaser of a Unit under a written contract of sale therefore, or a Unit Mortgagee, addressed to the Trustees and payment of a reasonable fee, not to exceed One Hundred Dollars (\$100.00), the Trustees shall supply a certificate in recordable form stating the amount of any unpaid assessments (including interest due thereon and costs of collection associated therewith) for common expenses against the Unit. Upon the recording at the Registry of Deeds of such certificate signed either by the Secretary of the Trust or by a majority of the Trustees who then appear to be serving according to the records of said Registry of Deeds, the Unit involved shall be discharged from any lien for unpaid common expenses which do not appear in said certificate.

5.6 Insurance.

5.6.1 Insurance Coverages to be Obtained. The Trustees shall obtain and maintain, to the extent obtainable, the following insurance:

(a) A Master Policy covering all of the common elements (except land, foundation, excavation and other items normally excluded from coverage), including fixtures and building service equipment to the extent that they are part of the common elements of the Condominium, as well as common personal property and supplies, and other common personal property belonging to the Trust;

The Master policy shall afford protection at least against the following:

(1) Loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;

(2) All other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement.

The policy shall be in an amount equal to one hundred percent (100%) of current replacement cost of the Condominium, exclusive of land, foundation, excavation, and other items normally excluded from coverage, and shall include a so-called Replacement Cost Endorsement.

The named insured shall be the Association of Owners "for the use and benefit of the individual owners" or in the name of an authorized representative of the Association "for the use and benefit of individual owners." And each first mortgagee, its successors and assigns shall be named in the standard mortgage clause for each unit on which there is such a mortgage.

The policy shall contain a clause which provides that it may not be cancelled or substantially modified without at least ten (10) days prior written notice to the Trust and to each

holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

In addition to the foregoing, the policy shall provide for the following:

- (1) recognition of any Insurance Trust Agreement (if any there be);
- (2) a waiver of the right of subrogation against any Unit Owner individually;
- (3) the insurance shall not be prejudiced by any act or neglect of individual Unit Owners which is not in the control of such owners collectively;
- (4) the policy is primary in the event the Unit Owner has other insurance covering the same loss. (The foregoing is generally referred to as "Special Condominium Endorsement"); and
- (5) the policy shall provide, in the case of fire and other hazard insurance, that, where the provisions of the policy give the insurance company the option of restoring the damage in lieu of making a cash settlement, said option may not be exercised without the approval of the Trustees and/or the servicer(s) for the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or like entity which may have loans with respect to the Condominium, nor may such option be exercised where it would conflict with any applicable requirement of law.

An Agreed Amount and Inflation Guard Endorsement shall be a part of the policy, if available.

(b) Liability Insurance for comprehensive general liability insurance coverage covering all of the Common Areas owned by the Trust. Such coverage shall be for not less than One Million Dollars (\$1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence, and shall include, without limitation, legal liability of the insureds for property, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas, legal liability arising out of law suits related to employment contracts of the Trust, and shall provide further that such policy or policies may not be cancelled or substantially modified by any party without at least ten (10) days' prior written notice to the Trust and/or to the holders of first mortgages which are listed as scheduled holders of first mortgages in the insurance policy.

(c) Construction Code Endorsement (such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Loans Endorsement, and an Increased Cost of Construction Endorsement) if the Condominium is or becomes subject to a construction code provision which would become operative and require changes to undamaged portions of the building.

(d) Workmen's Compensation Insurance as required by law.

(e) Such other insurance as the Trustees may from time to time determine or as may be required by law or by any mortgagee, its successors and assigns.

(f) A fidelity bond or bonds in blanket form for all officers, directors, trustees and employees of the Trust and all other persons handling or responsible for funds of or administered by the Trust and if the Trust has delegated some or all of the responsibility for the handling of funds to a management agent, then such bonds shall cover the officers, employees and agents handling or responsible for funds of, or administered on behalf of the Trust. The total amount of fidelity bond coverage shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Trust or the management agent, as the case may be, at any given time during the term of such bond, and in any event the aggregate amount shall not be less than a sum equal to three months aggregate assessments on all units plus reserve funds. If, however, any mortgagee requires compliance with Federal Home Loan Mortgage Corporation guidelines, then the aggregate amount shall not be less than a sum equal to one and one-half times the estimated annual operating expenses plus reserve funds, unless the reserve funds are not in the control of the managing agent.

(i) The fidelity bonds shall name the Trust as an obligee;

(ii) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions, and;

(iii) the bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days prior written notice to the Trust and to the holders of first mortgages which are listed as scheduled holders of first mortgages in the insurance policy.

(g) Directors and Officers Insurance. During such time as the Declarant or its agents, employees or assigns continue to act as Trustee, Directors and Officers Insurance shall be maintained. Directors and Officers Insurance may, at the Board's option, be subsequently maintained.

5.6.2 General Insurance Provisions.

(a) The Trustees shall deal with the insurer or insurance agent in connection with the adjusting of all claims covered by insurance policies provided for under Section 5.6.1 above and shall review with the insurer or insurance agent, at least annually, the coverage under said policies, and shall make any necessary changes in the policies provided for under Section 5.6.1 above in order to meet the coverage requirements thereof.

(b) Each Unit Owner may obtain additional insurance for his own benefit and at his own expense. No such policy shall be written so as to decrease the coverage under any of the policies obtained by the Trustees, and each Unit Owner hereby assigns to the Trustees the proceeds of any such policy to the extent that any such policy does in fact result in a decrease in such coverage, said proceeds to be applied pursuant to the terms hereof as if produced by such coverage. Copies of all such policies (except policies covering only personal property owned or supplied by individual Unit Owners) shall be filed with the Trustees.

(c) Each Unit Owner shall obtain insurance in an amount at all times equal to one hundred percent (100%) of replacement cost for his own benefit and at his own expense **insuring all personal property presently or hereafter located in his Unit and/or its appurtenant Limited Common Areas and Facilities and Common Areas and facilities**. Each such policy of insurance obtained by a Unit Owner must contain waivers of subrogation by the insurer as to claims against the Trustees, manager (if any), all Unit Owners, and all other persons entitled to occupy any Unit or other portion of the Condominium and each of their respective agents and employees.

Unit Owners shall provide the Trustees with a certificate evidencing such insurance.

(d) Each Unit Owner, at the time of the commencement of construction of improvements to his Unit shall notify the Trustees of such construction, and, upon receipt of such notice, the Trustees shall notify the insurer under any policy obtained pursuant to Section 5.6.1 hereof of any such improvements, and shall increase the coverage under such policies accordingly. Unless otherwise determined by the Trustees, the cost of such additional coverage on account of a Unit Owner's improvements shall constitute a common expense attributable to the Unit involved and shall be payable to the Trustees on demand at such intervals as the Trustees shall establish, so that they shall have the money available to pay to the insurance company(ies).

5.6.3 The Trustees, as Insurance Trustees, shall collect and receive all casualty loss insurance proceeds and shall hold, use, apply and disburse the same in accordance with applicable provisions of Section 5.7 hereof. With respect to losses covered by such insurance which affect portions or elements of a Unit or of more than one Unit to substantially the same or to different extents, the proceeds relating thereto shall be used, applied and disbursed by the Trustees in a fair and equitable manner.

5.6.4 The cost of all such insurance obtained and maintained by the Trustees pursuant to provisions of this Section 5.6 shall be a common expense.

5.6.5 Certificates of insurance with proper mortgagee endorsements shall be issued to each Unit Owner and his mortgagee(s) when requested

5.6.6 Notwithstanding anything in this Trust and By-Laws to the contrary, if a Unit Owner, by virtue of any activities (s)he conducts in his/her Unit, causes an increase in the premiums for any insurance obtained by the Trustees, she shall pay the amount of all such increases to the Trustees on demand as an additional common expense attributable to her Unit.

5.6.7 Each Unit Owner hereby waives, discharges and releases all claims and rights to recovery against the Trustees, the manager (if any), all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium and each of their respective agents and employees on account of any loss or damage, whether to person or property, insured against under the policies of insurance obtained by each Unit Owner for their own benefit. This waiver shall constitute a waiver of subrogation for purposes of such policies.