

Dear Homeowner,

The Steadman Agency, Inc. is pleased to provide the master insurance coverage for Marrington Villas. The explanation below is intended to serve as a general guide to what is covered by the association vs. what the unit owner is responsible for. Please refer to the Association's Declarations & Bylaws for further details.

1. WHAT IS COVERED?

The master insurance policy covers the entire building from the outside walls-in. This includes, but is not limited to, the roof, walls, windows, doors, flooring, cabinets, HVAC systems and built-in appliances. Please refer to the next section regarding any building improvements or upgrades made by yourself or another owner.

The property deductibles are as follows:

- 1% of the building value for named-windstorms, subject to \$25K min. for all buildings
- \$25,000 per occurrence among all buildings for all other windstorms
- 2% of the building value for earthquake, subject to \$25K min. for all buildings
- \$5,000 per occurrence among all buildings for all other perils (lightning, fire, smoke, etc.)

General liability coverage is provided for common areas such as the clubhouse, parking lots & common amenities.

2. YOUR INSURANCE RESPONSIBILITIES

As a unit-owner, you should obtain an HO-6 policy to provide protection for your personal property, loss of use/rents, loss assessment, and personal liability exposures. Additionally, each HO-6 should include an adequate dwelling limit to insure any building additions or upgrades made at your (or prior owner's) expense. The master policy will rebuild the building to its original builder-grade finish. Please also note that the master policy contains a \$5,000 "all other perils" deductible. This deductible will be charged to the unit-owner for water damage, fire and other non-wind or earthquake losses occurring within the unit. Common examples are ruptured pipes, water heaters, washing machines lines, and ice maker lines. You should increase your dwelling amount (HO-6) accordingly to include the \$5,000 deductible plus any building upgrades, additions, or alterations over and above the original builder-grade finish

As an Owner, you should also increase the loss assessment limit on your HO-6 policy to a sufficient amount to cover a deductible assessment to owners due to an insured catastrophic loss. A major hurricane would likely result in wind damage to the buildings. The wind deductible equates to approximately \$1,933 per unit currently. Please note some HO-6 carriers cap the amount of loss assessment coverage that will apply to a deductible assessment. Your personal agent should be able to assist you with proper coverage.

We are happy to provide you with options that follow the above guidelines.

3. REPORTS OF ACCIDENTS. LOSSES AND CLAIMS

Incidents which might result in a claim against the Association should be reported to Community Management Group, 843-795-8484.

4. CERTIFICATE OF INSURANCE

To obtain a Certificate of Insurance for your mortgage company or yourself, please email your request to customerservice@steadmanagency.com. Please include the wording of the mortgagee clause as required by your mortgage company as well as your name, address and loan number.

If you have any questions regarding the association's master insurance coverage or need help with HO-6 coverage, we're happy to assist. Please contact our office at 843-723-4001.

Best,

Palmer Steadman, CIC