

NORTHGATE GARDENS CONDOMINIUM TRUST

6-D Jacqueline Road Waltham, MA 02452

Telephone (781) 894-8322

Dear Owners,

Going forward, Northgate Gardens will be adhering to the insurance standard throughout the industry, as it relates to damage to units from common area elements. Currently, the Association carries a master insurance policy as required in the master deed. This insurance policy currently has a deductible of \$10,000.00. This means that the Association does not contact the master policy insurance agent until the damage to structural elements of an insured event exceeds, or is expected to exceed, the \$10,000.00 deductible.

As of January 1, 2010, when the cause of the damage is from a common area element the Association will not cover the related damage as an out of pocket expense. Therefore, owners are advised to contact their local insurance agent and inquire about an "HO-6" policy for their unit and the contents within. To help you through this, we have enclosed a quick information sheet about different coverage's that are available to unit owners. Your own insurance agent may also advise you of additional coverage that is not listed, depending on the insurance carrier. We advise all unit owners, including investor owners, to seriously consider insurance to cover the master policy deductible.

The reason for the change in practice is because the Association was spending thousands of dollars covering damage that should have been covered by individual's home owners insurance. The current practice of paying for damage as a result of an unexpected and spontaneous failure of a common area element negatively impacts the annual budget and is out of step with current condominium policies throughout the industry. The "HO-6" coverage is specifically designed to cover the master policy deductible in event of a loss, regardless of fault.

At this time we want to further clarify another insurance issue regarding owners causing damage to another unit. The following information is ONLY a clarification and is not a change in any Northgate policy. Understand that the condominium documents clearly define what the unit boundary is, and in the process, defines what the owners are responsible for repairing. Owners that cause damage to another unit are responsible for only repairing the element that caused the damage. If owners want to dispute damage with the neighbor that caused the damage, then they may through any means they feel are appropriate. The Association will not referee claims between owners or determine who is at fault or why.

We understand that insurance is not a subject that comes easily to everyone, which is why we have enclosed the quick tips sheet for your review. While we try to offer basic information, any specific questions that you have would be best directed to an insurance agent who may have particular insurance packages that will adequately cover owners. If you have any general questions or concerns, you can contact the site office at (781) 894-8322 or at northategardens@crowninshield.com.

Sincerely,

Board of Trustees
Northgate Gardens Condominium