

November 15, 2011

Village Grande at English Mill HOA  
c/o Wentworth Group  
1 Village Grande Road  
Egg Harbor, NJ 08234

**RE: Letter of Adequacy**  
**Village Grande at English Mill HOA**  
**397 units and Clubhouse**

# JGS

Insurance

960 Holmdel Road  
Holmdel, NJ 07733  
TEL (732) 834-9800  
FAX (732) 834-0233

Gentlemen:

In accordance with your request, we have reviewed and examined the Insurance Requirement for Village Grande at English Mill Homeowners Association located in Egg Harbor Township, NJ. Based on our analysis, we are pleased to recommend the following insurance coverage:

- 1. PROPERTY** – Coverage would be written on a blanket basis, covering the clubhouse, fencing, light fixtures, pool, recreational facilities, and personal property owned by the Association. Coverage provided under the policy would on special causes of loss perils basis including Replacement Cost, and Agreed Amount. All property would be subject to a minimum policy deductible of \$2,500 each occurrence.
- 2. COMMERCIAL GENERAL LIABILITY** – Liability insurance would be designed to provide comprehensive protection for all common areas, including any swimming pools, and all recreational facilities. The limit under this section would be \$1,000,000 each occurrence. The basic policy would be extended to include the broadening CGL endorsement which includes Personal Injury Liability, Broad Form Property Damage, Host Liquor Liability, Blanket Contractual Liability, Medical Payments, Advertising Liability, Employees as Additional Insured, Incidental Medical Malpractice, Fire Legal Liability, Extended Bodily Injury, Non-Owned and Hired Automobile Liability, in addition to other coverages.
- 3. DIRECTORS AND OFFICERS LIABILITY** – Coverage would be provided for all present and past members who serve on the Board of Trustees for the Association. The policy would have a limit of \$2,000,000 subject to a \$2,500 deductible.

4. **UMBRELLA LIABILITY** – This policy would provide excess limits of liability above the primary Comprehensive General Liability, Non-Owned and Hired Automobile Liability, and Directors and Officers Liability policies. A minimum of \$15,000,000 for each occurrence is recommended however, higher limits are suggested for consideration by the Association.
5. **COMPREHENSIVE AUTOMOBILE** – If the Association owns any vehicles, this policy would be provided for a combined single limit of \$1,000,000 and would also include the necessary comprehensive and collision coverage. Non-Owned and Hired Automobile Liability would also be included.
6. **COMPREHENSIVE CRIME INSURANCE** – This policy would provide coverage for the Association as a result of fraudulent and dishonest acts of its employees, loss of money and securities on and off premises, depositors forgery and counterfeit money and paper currency. The limit for Employee Dishonesty coverage would be \$1,250,000.
7. **WORKER'S COMPENSATION** – Coverage would be provided for injuries to employees during the course of employment. Benefits would be based upon the statutory requirements prescribed by the State of New Jersey. The policy would be issued on a minimum premium basis subject to an audit at expiration.
8. **UNIT OWNERS INSURANCE** – A Homeowners Policy commonly referred to as an HO-3 or HO-5 policy, should be purchased by the Unit Owner to cover property damage to the building as well as their personal belongs, including furniture and fixtures, along with any upgrades purchased as options by the Unit Owners.

Implementation of the foregoing Coverage will, in our opinion, be adequate to meet the basic needs of the Association in insuring the exposure usual to Condominium/ Townhome Association and satisfies the requirements of any mortgage lenders or management contracts. Premium summary for the coverage is shown on the attached summary sheet.

Very truly yours

JACOBSON, GOLDFARB & SCOTT, INC



Vincent J. Hager, CIRMS  
President

VILLAGE GRANDE AT ENGLISH MILL  
 397 UNITS INCLUDING CLUBHOUSE  
 INSURANCE PREMIUM ESTIMATE  
 VALUES AS OF NOVEMBER 2011

COVERAGE	AMOUNT	PREMIUM
1. Property Insurance Clubhouse and contents – 100% Insurable Value 397 Single family units	\$1,500,000	\$13,215
Ordinance or Law Coverage	\$1,000,000	Included
Loss of Maintenance Fees	Actual Loss Sustained	Included
2. Commercial General Liability	\$1,000,000	Included
3. Directors and Officers	\$2,000,000	\$3,776
4. Umbrella Liability	\$15,000,000	\$2,296
5. Hired and Non-Owned Auto	\$1,000,000	Included
6. Comprehensive Crime	\$1,250,000	\$907
7. Workers Compensation	Statutory	\$880
8. Boiler and Machinery	\$1,500,000	Included
<b>Total Estimated Annual Premiums:</b>		<b>\$21,074</b>

The premium estimates above are based on rates in effect in November 2011. Actual premiums may vary, based on the date coverage actually attaches. The premium quotes above are good for 60 days from the date on the cover letter.