

POLICY MANUAL
Wind Meadows Corporation, Racine,

Subject:	Revision Date:	May 1, 2018
	Issue Date:	June 1, 1988

CORPORATE INSURANCE	Page No.	Policy No.
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The Wind Meadows Corporation, a Wisconsin non-stock Corporation, is organized as an "association by agreement" to represent the Owners of property within the legal boundaries of Wind Meadows. The Declaration of Conditions, Covenants, and Restrictions Regarding the Wind Meadows (WMC) Planned Community Development Subdivision specifies certain conditions regarding insurance coverage, i.e., (Articles 11 & 12) "DESTRUCTION AND RECONSTRUCTION" and "INSURANCE".

- I. WMC shall provide and maintain fire and extended damage insurance on all buildings within Parcel Service Areas I, II, III, VI, VIII plus the Leisure Center building and contents, the swimming pool and the tennis courts in the amount of the full replacement cost of all buildings, including fixtures, common building elements, pipes, wires, conduits and other utilities contained within easements appurtenant to the common building elements and within such units. Not included are owner(s) or tenant(s) personal property, value of foundations and excavation costs.
- II. Additionally, WMC shall provide liability insurance as it relates to all buildings, private streets, outlots, common areas and any portions thereof.
- III. WMC will provide insurance to safeguard the liability of all members of said association for common areas and lots; for directors and officers liability; and non-owned auto coverage.
- IV. All such insurance shall be obtained in the name of the WMC, the owners and their mortgagees as their interest may appear. The cost of insurance shall be shared on a beneficial basis as described later in this corporate policy statement.
- V. WMC will obtain two or more competitive bids.
- VI. From time to time, by action of the Board of Directors, certain provisions and conditions of the "Insurance Plan" may be modified and the owners duly notified in writing.
- VII. Each member of WMC will insure all their personal property and personal liability with an individually purchased homeowner's or tenant's insurance policy.

- VIII. This corporate policy statement has not been approved or disapproved by the insurance coverage provider nor has the WMC, by adoption of this corporate policy, superseded any conditions set forth in the issued insurance policy. The insurance policy issued by the insurance provider will be the controlling document for settlement of any claims arising from any and all loss claims filed.

DESCRIPTION OF INSURANCE

I. BUSINESS OWNERS PACKAGE POLICY

A. PROPERTY...(Buildings; business personal property, tennis courts, lighting, fencing, wind screens, nets, public lighting units, signs, mailbox stands, swimming pool.)

1. All risk insurance for direct physical loss subject to exclusions.
2. As of May 1, 2018, the estimated replacement cost was \$42,660,114.
3. Blanket coverage with annual adjustments based on the Local Cost Index. Condominium values will be adjusted to maintain insurance coverage at 100% of the replacement costs. (See chart "Projection of Real Estate Values")
4. The policy has a \$5,000 deductible provision. The owner with the loss is responsible for the entire \$5,000 deductible. However, when the loss is due to circumstances beyond the owner's control, the owner may appeal to the Board of Directors for waiver of responsibility for the deductible amount to the extent not covered by the owner's individual insurance policy.

B. COMPREHENSIVE BUSINESS LIABILITY

1. Broad-form comprehensive general liability, including hired and non-owned auto coverage.
2. \$1,000,000 for bodily injury and property damage per occurrence, \$2,000,000 annual aggregate.
3. \$5,000 for medical payments, each person.
4. Workman's Compensation for trades-people or contractors who may be injured and not self-insured or covered by their employer's Workman's Compensation.

II. COMMERCIAL UMBRELLA POLICY

- A. \$5,000,000 per occurrence and aggregate with \$10,000 retention.

III. DIRECTORS & OFFICERS LIABILITY

A. \$1,000,000 per occurrence, \$2,000,000 aggregate for ten (10) directors including four (4) officers.

IV. PROOF OF INSURANCE

A. The Insurance Company or its agent must deliver a binder of the insurance coverage to WMC, 30 days prior to the renewal date.

B. The Insurance Company or its agent must deliver all insurance policies to WMC within 90 days of the renewal date (5/1).

V. ALLOCATION OF INSURANCE COST

<u>COST CENTER</u>	<u>NO. UNITS</u>	<u>FIRE EXTENDED COVERAGE</u>	<u>GENERAL BUSINESS LIABILITY</u>	<u>UMBRELLA & DIRECTORS LIABILITY</u>
PSA I, II, III, VI, VIII	162	YES	NO	NO
L/C	310	YES	YES	NO
ADMIN	316	NO	NO	YES

- NOTES:
1. "Leisure Center" participates in Fire & Extended Coverage only to the extent of the value of the Leisure Center Building and related tennis facilities.
 2. "Units", include PSA's I, II, III, IV, V, VI, VII, VIII and L/C.

REFERENCES

Articles 11 and 12, Declaration of Conditions, Covenants and restrictions for each PSA Group.
Insbud2 (Cost Allocations).

Wminsr2 (Comparison Property Coverage Amounts).

WMC Board of Directors Meeting Minutes 2/25/87, 9/23/08, 10/28/08, 3/25/17, 6/27/17 and 8/22/17

ARTICLE 11
DESTRUCTION AND RECONSTRUCTION

- 11.1 In the event of a partial or total destruction of a building or buildings in the Manor Home Court, the building or buildings shall be rebuilt and repaired as soon as practicable by the Corporation, or at the Corporation's option, by the individual Owners. Such repair or replacement shall be substantially to the same design, plan and specifications as originally built, unless within 90 days of the date of the damage or destruction all Owners in the Manor Home Court and the Corporation agree not to rebuild or repair. On reconstruction, the design, plan and specifications of any building or unit may vary from that of the original upon approval of the Corporation, provided, however, that the number of square feet of ground covered by any unit may not vary materially from the number of square feet of ground covered by such unit as originally constructed, and the location of the buildings shall be substantially the same as prior to damage or destruction. All reconstruction shall comply with all building codes and other regulations or restrictions which are in effect at the same time of reconstruction.
- 11.2 The proceeds of any insurance collected for any damage or destruction shall be available to the party repairing or reconstructing for the purpose of repair or reconstruction as provided in Article 12 hereof. In the event that the proceeds of any insurance collected are insufficient to pay the costs of repair or reconstruction of a Manor Home, the Corporation shall have the right to assess the Owner for any deficit between the cost of repair or reconstruction or the Owner's damaged unit and the proceeds of the insurance received because of the damage or destruction. In the event the proceeds of the insurance are insufficient to pay the cost of repair or replacement of any damage to the Private Street within the Manor Home Court, all Owners within the Manor Home Court shall be assessed on a per-lot basis for any deficit between the cost of repair or replacement and the insurance proceeds. In the event the proceeds of insurance are insufficient to pay the cost of repair or replacement of any damage to the Outlots and facilities thereon, all Owners within the Parcel Service Area shall be assessed on a per-lot basis for any deficit between the cost of repair or replacement and the insurance proceeds.

ARTICLE 12
INSURANCE

- 12.1 The Corporation shall provide and maintain fire and extended coverage insurance on all buildings, including privately-owned land and Private Streets and Outlots and any portion thereof in the Manor Home Court and Parcel Service Area in the amount of the full insurable value (replacement value) of the buildings and other improvements, excluding foundations and excavation costs and shall assess the Owners uniformly for the cost of such insurance. The Corporation may provide insurance covering such other risks which from time to time customarily shall be covered with respect to buildings similar in construction, location and use, or which the Corporation deems necessary. All such insurance shall be obtained in the name of the Corporation, the Owners and their mortgagees as their interest may appear.
- 12.2 To the extent possible and necessary, all insurance purchased shall provide that the insurer waives its rights of subrogation as to any claims against Owners, the Corporation and their respective servants, agents and guests and that the insurance policy cannot be cancelled, invalidated or suspended on account of conduct of any one or more Owners, or the Corporation, or their servants, agents and guests, without 30 days prior written notice to the Corporation giving it an opportunity to cure the defect within that time. The amounts of protection and the types of hazards to be covered shall be reviewed by the Corporation at least annually, and the amount of coverage may be increased or decreased at any time it is deemed necessary as determined by the Corporation to conform to the requirements of full insurable value.
- 12.3 In the event of partial or total destruction of a building or buildings, and it is determined to repair or reconstruct such building or buildings, in accordance with Article 11 hereof, the proceeds of the insurance shall be paid to the Corporation or at the Corporation's option, the Owner to be applied to the cost thereof. If it is determined not to reconstruct or repair, then the proceeds shall be distributed to the Owners and their mortgagees, if any, as their respective interest may appear.
- 12.4 The insurance policy or policies shall not cover items of personal property of each Owner which shall be the responsibility of each Owner to insure.
- 12.5 The Corporation shall assess each individual Owner for any increase over the annual premiums occasioned by such Owner's use, misuse, or abandonment of a Manor Home or its appurtenances.
- 12.6 The Corporation shall also provide and maintain comprehensive general liability insurance covering all Owners in the Parcel Service Area and naming each Owner as an additional insured, and further covering all Owners, including those in the Parcel Service Area, for any liability resulting from their use of or interests in the Private Street and Outlots, all in such amounts as may be determined at the discretion of the Corporation from time to time but in no event with limits less than \$300,000 for injury to any one person, \$500,000 for injury to more than one person in any one accident or occurrence and \$50,000 property damage, without prejudice to the right of any Owner to maintain additional liability insurance. The cost of insurance covering the Outlots shall be assessed against all Owners in the Parcel Service Area. Such General Liability Insurance shall insure the Owners only against liabilities occurring as a result of or in connection with the Owner's interest in the Manor Home Court and the Parcel Service Area. The Owners shall be responsible for purchasing their individual public liability insurance.