February 10, 2022

RE: 2022 Important Information and 2021 Year in Review

After a very slow year in 2020, the beginning of 2021 was also very slow for work progress at Westbrooke. We played as much catch-up as possible at the end of the year, but not all of our projects came together. We have a lot of information to share with you and are using this letter to provide it as clearly as possible, but if you have any questions after reading, please contact the office at 734-392-7790 or email lynn@mccormickcommunitymanagement.com.

Water Cost Additional Assessment: Enclosed you will find a $96.00 invoice for the annual additional assessment for the water usage in 2021. This assessment will be announced and payable every year after we receive the fourth quarter water bills for the community. In future years, you can expect it to come with your annual budget and it will be payable in January or February. The purpose of the assessment is to offset the variable and somewhat unpredictable cost of water from year to year. In general, we can closely estimate a budget amount for water, but due to unforeseen circumstances, oftentimes the water bills come in much higher than anticipated, leaving us short for the year. Some events that cause excess water usage that we cannot predict include ill-fitting toilet tank flanges causing constant refill, incorrect use of your furnace's humidifier, and water activated back up sump pump usage. The goal is to closely estimate and to only assess when it is necessary.

Sump Pump, Water Spigots, Water Supply Lines and Toilets: Charlie from Imperial Maintenance will be contacting all homeowners who have sump pumps over the next two months in order to schedule a sump pump inspection. While he is in the unit, he will use a plastic tag to mark your unit's main water shut off, the exterior water spigot valve and the water meter if those are in your basement. He will also ask to inspect your toilet flanges to make sure they are fully functioning. If you have any water related concerns while he is there, please let him know to inspect them so that solutions can be sought. For those that do not have a sump pump, if you wish to have your unit's water valve identified and tagged and your toilets inspected, please contact us and place a work order so that it can be scheduled as well.

Maintenance Request Procedure: Most co-owners know to contact Lynn with maintenance requests, but sometimes the method of contacting her leads to a delay in action. All urgent requests, meaning a maintenance issue that is <u>actively causing damage</u>, MUST be called in using either phone number 734-392-7790 (landline) or 734-673-9170 (cell phone). Examples of an urgent request include the following: any water or sewage issue that you cannot stop by turning off the plumbing fixture, water leaking into your unit from the outside or inside, dirty or clean looking water coming up through a drain, burning smell or smoke (call 911 first), and natural gas smell (also call 911 first and Consumers at 800-477-5050). Almost all other requests are considered non-urgent and you can call, text or email them to Lynn.

Rental Restrictions Master Deed/Bylaws Amendment: With 40 votes in favor of and 3 against, we were successful in achieving the co-owners' affirmation of approving the change to the Master Deed and Bylaws. The change, once in effect, will limit the number of units that can be rented at one time to eight units, amongst other changes. Once the mortgage companies are finished voting, we are confident that the amendment will pass and it will then be recoded with Oakland County. The final amendment will be mailed to each homeowner at that time. If you are new to the community or have any questions about this, please contact me at 734-392-7790.

New Master Deed/Bylaws Amendment Requires Your Attention Regarding Windows: Enclosed you will find a new packet of information that requires your immediate attention. This Master Deed and Bylaw change would place all responsibility for windows, door walls and skylights onto the homeowners that they serve. Currently, the association is mostly responsible for these building components. Unfortunately, the rate at which the windows are failing, coupled with the increasing cost of repairs and replacements, makes it impossible for the association to continue with the financial responsibility while keeping the monthly dues under $500.00 per month. We have found that the windows are requiring more work to be repaired, and some simply cannot be repaired. Please read the enclosed packet carefully for more details on why this change is being proposed and remit your vote by the deadline using the self addressed, stamped envelope provided. An informational meeting with our attorney has been scheduled to take place on March 14th via Zoom video conference if you have any questions you wish to reserve until that time.

Revised Rules and Regulations: The Rules and Regulations were revised last summer and mailed to those that did not attend the annual meeting. If you did not receive a copy of the rules or want another copy, please contact me. One of the most important items that we cannot stress enough is that all exterior modifications must have approval before they are done. This includes changes to planting other than annual flowers, extending or modifying your flower beds, major changes to your decks, doorwall replacement, storm door changes, garage doors, etc. The Rules and Regulations go into great detail about what is and is not allowed, and tell you what you need to gain permission to do in advance. The board of directors have the right to make you "undo" something that was not approved, even if you feel like it was an improvement. Another important rule that we want to point out is that you should not have any decorations or furniture on your walkway all year round. These can get in the way of the service providers, including emergency responders. For the wintertime, please remove everything from your porch to allow the snow crew to do a good job. If there is something breakable in their way, they will not be held responsible for the damage if it was forbidden in the rules.

New Stop Signs and Enforcement: You probably noticed that there are two new stop signs in the community. In order for those signs to be enforceable by the police, all signs in the community had to be brought into compliance with what the police department said was legal. Therefore, most of the signs throughout were removed, and a handful of no parking signs installed to their specifications. Once the police has a chance to inspect these signs, they will include Westbrooke on their list of communities that they can enforce the signage, meaning that ticketing for failure to abide by the signs can take place.

Safety at Westbrooke: We continue to see some homeowners that leave their garage doors open for long periods of time. This mostly happens during the warmer months, but can also happen in the winter. When you leave your garage door (or front door) open, you are inviting trouble. There are non-residents who wander through the community daily. Perhaps they are just taking a shortcut to get to where they are going and mean no harm, but please keep your garage doors closed just in case visitors are looking for an easy target to steal from. Those of us that keep up on community news sites like Nextdoor.com see warning after warning (from all surrounding cities) about people robbing from garages, just walking into an unlocked front door, and going into cars and taking anything of value. If Westbrooke looks closed up with no easy opportunities to commit crimes, criminals (if any) will likely go elsewhere. Another easy way to thwart crime is to light up the community. Please keep your porch light on at night. Time and time again, it has been proven that a brightly lit home is less likely to be targeted versus a poorly lit home.

Personal Insurance on Your Basement: The power outage this summer was an eye-opener for some Westbrooke homeowners, especially those with finished basements. When the power goes out and it is not rainy, it isn't a concern with sump pumps. Unfortunately, the power went out and we had a huge amount of rain. With the sump pumps not working, we sent maintenance around with generators to drain the sump pits that were overflowing or about to. Many basements were ruined by water that week. Recently, a sewage blockage caused sewer water to back up into the basements of the five units in one building and three units in another building. The important information for all homeowners to take away from these experiences is that you must check your insurance policy to make sure that you have your own coverage for your basement. Here is a simple list of scenarios to use as talking points with your insurance agent:

1. Basement is original specifications, meaning that it has the cement floor, no drywall, no studs on the walls for drywall, no rooms, no bathroom – in this scenario, you should have enough coverage to pay for any affected belongings to be replaced or cleaned. With a water or sewage back up, the association pays for someone to come and abate the water and disinfect the floor as needed. The association, however, has no obligation to move, clean or discard anything that was affected such as personal belongings, furniture or building materials.
2. Basement has cement floor, but also has some upgrades such as walls, drywall, studs, or a bathroom – in this scenario you should have enough coverage to hire a company to disinfect, dry down or remove and replace those upgrades. Depending on what you have in the way of the water, the association may not have the obligation to send help.
3. Basement has other flooring on top of the cement – in this scenario the association has no obligation to send a company to extract water or disinfect. The homeowner is responsible for hiring someone to clean the mess or making a personal insurance claim.
4. Basement has other flooring, walls, drywall, trim, furnishings (aka a semi- or fully finished basement) – in this scenario, the association has no obligation to send a company to extract water or disinfect. The repairs, removals, and anything to restore the space solely falls on the homeowner. The cost for this scenario is very large and if this describes your basement, you want to include as much insurance on your policy for water intrusion as possible. Be sure to talk this over with your insurance agent and be detailed about the basement and contents to make sure that you have as much coverage as you need. We cannot give insurance advice, but try to secure as much coverage as the insurance company allows and if that isn't enough to cover a complete removal and re-finishing, consider shopping insurance companies.
5. In general, you want to have some sort of water intrusion, sewer back up, or sump pump failure coverage in your policy <u>even if you do not have a sump in your unit, failure of the sump in another unit can flood your basement</u>. The amount of coverage that you get should be based on what your basement contains. Please discuss the details with your insurance professional.

In summary, the association only has the obligation to restore the original basement back to how it was when it was originally built, which means that, if it is just a bare basement, we come and dry it if it is sump pump water or we disinfect it if it is sewage. We suggest that you talk to your agent to determine what you need in coverage. Furthermore, if you have belongings in the basement, store them in plastic bins rather than cardboard boxes, and put unused large items up on pallets or shelves to raise it higher than an average flood would reach. Contact me if you need a digital copy of the Master Deed and Bylaws or the association's insurance policy to share with your insurance agent.

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Reimbursements: The community documents are very clear that the association does not have the obligation to reimburse co-owners for expenses that the co-owner agreed to pay. This most commonly happens when there are plumbing issues, such as a sewage back up or a sump pump failure, and occasionally for pest or critter control. Similarly, the association is not responsible for paying for a co-owner's insurance deductible even if the cause of the claim originates from something that the association is responsible for. Please be sure to review the maintenance matrix that is at the end of the revised Rules and Regulations to understand the responsibilities. If you do not have this document, contact Lynn at 734-392-7790 or email lynn@mccormickcommunitymanagement.com.

Proof of Insurance for the Community: If you have a mortgage on your condominium, you will likely receive an annual letter from your mortgage company asking for proof of insurance on the community. When this happens, you can call the insurance company directly and ask for the "declaration page". When you call, be prepared to provide the information from the letter you received to our insurance agency. Call NFP Property & Casualty (formerly ColburnColburn Insurance) and speak to Debbie Grasel: Office 313-543-8936, Direct Line 586-764-0028, or email Debbie.grasel@nfp.com. Please contact Debbie first as your mortgage company wants to see a current certificate that proves that the insurance policy is in effect. If you do not receive a call back within three business days, contact Lynn McCormick.

2021 Noteworthy Expenses: Inflation is touching all aspects of our lives and the cost of maintenance and building materials is no exception. In fact, some of the largest inflation costs can be found in the skilled trades, manual labor, and purchasing the materials necessary for repairing the community. Window repairs and replacement costs are up 30-40% over what we used to pay, the cost to paint increased due to the steep rise in wood and paint products. Unfortunately, the pool heater failed this past summer and that ended up pushing our pool maintenance expense up by $4,750.00. The unexpected expense increase that impacted the budget the most was an insurance price increase of over $8,000.00 due to the carrier revising the valuation of the community.

With the age of the buildings, we are finding that we have quite a bit of brickwork to do, mostly on porches, so we are now inspecting them yearly rather than every few years. We spent $5,565.00 on brickwork in 2021 and $9,955.00 in 2019. Many co-owners will recall that the association collected an additional assessment in 2019. Some of that money was earmarked for the replacement of four driveways. Unfortunately, the township did not approve the work as planned and the work was delayed to 2020. Following the re-application process, coupled with various Covid related delays in 2020 and 2021, the permit was not actually approved until November 2021. Now that we have the permit, the additional assessment money set aside for this work will be used, but the prices of labor and material have gone up so we may be short on that project before we even start.

In summary, the cost of maintenance is going up significantly and the board has had to make some tough decisions on how to handle each rise in cost, but also look at the bigger picture. One such change is the enclosed vote to change the Master Deed to make the windows a co-owner expense in the future. Another change is to raise the dues to $425.00 per month to handle the smaller cost increases that have amounted to a larger than expected total budget. Looking at the bigger picture, the board recognizes that, at a certain monthly association fee, it will be difficult to maintain the current ownership as well as attract buyers when the current owners try to sell. We will continue to make the best financial decisions possible for everyone in the community and value your opinions. If there is ever a concern, please contact us through the manager and we will gladly take your feedback under advisement.