AMERICAN FAMILY INSURANCE

AmFam.com
1-800-MY AMFAM (692 6326)

AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.
350 HIGHWAY 133 STE 1
CARBONDALE, CO 81623-1650

Your Insurance Coverage Summary

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TOWN CENTER LOT 19 BUILDING CONDOMINIUM ASSN
C/O SILVER MOUNTAIN PROPERTIES
326 HIGHWAY 133 STE 120
CARBONDALE, CO 81623-1568

Advance Notice of Renewal Premium

April 17, 2019

TOWN CENTER LOT 19 BUILDING CONDOMINIUM ASSN

Thank you for allowing American Family to insure your business. We appreciate your trust and confidence. Listed below are the principal coverages and limits that will apply for the renewal term shown on this coverage summary letter. Please take a minute to review them to be sure they are adequate for your needs. If you would like to discuss your policy coverages and limits, or if you have any questions, please don't hesitate to contact me.

Policy Period: 06-21-2019 TO 06-21-2020
Customer Billing Account: 012-664-134 49

A0G0 00010002 000080 0000

Policy Type: BUSINESSOWNERS POLICY	
Policy Number: 05XH173903	
Total Advance Renewal Premium:	$6,685.00
PLEASE DO NOT SEND MONEY ** INFORMATIONAL ONLY	

Total Advance Renewal Premium Summary:			
Hired Auto and Non-Owned Auto Liability			$148.00
Premises	1	65 N 4TH ST CARBONDALE, CO 81623-4510	$6,537.00

Section I Property Coverage — **Limit Of Insurance**

Description Of Premises

Premises No. 1
Location 65 N 4TH ST
CARBONDALE, CO 81623-4510
Occupancy Condominium Association - Residential with Mercantile
Number Of Units 14
Building Interest Leased to Others
Construction Joisted Masonry

Buildings, Auxiliary Buildings/Structures, Business Personal Property and Auxiliary Buildings Business Personal Property may have been increased by inflation protection.

continued

AMERICAN FAMILY INSURANCE GROUP
6000 AMERICAN PKWY • MADISON, WISCONSIN 53783-0001

OFFER OF TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM

Dear Policyholder:

Thank you for insuring with American Family Insurance. This notice provides you with important information about the Terrorism Risk Insurance Program Reauthorization Act of 2015. Please read the information below about the act and notify American Family if you wish to change your previous decision regarding acceptance or rejection of the coverage for "certified acts of terrorism."

Some Background

On Nov. 26, 2002, President Bush signed the Terrorism Risk Insurance Act into law, which requires insurance carriers to make coverage available to policyholders for losses due to "certified acts of terrorism". This law has been reauthorized since then, and the latest reauthorization occurred in January of 2015 when President Obama signed the Terrorism Risk Insurance Program Reauthorization Act of 2015 into law. The most recent reauthorization extends the current program for six years.

As an American Family customer, you have the right, under the recently reauthorized law, to purchase insurance coverage for losses resulting from "certified acts of terrorism", which are defined as: any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism. The criteria contained in that law for certifying an act of terrorism includes the following:

- The act is a violent act or an act that is dangerous to human life, property or infrastructure;
- The act results in aggregate property and casualty insurance losses in excess of $5 million; and
- The act is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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Further Explanation

Where coverage is provided under the act for losses resulting from "certified acts of terrorism," such losses may be partially reimbursed by the United States Government as established by the act. You should also understand that your policy may contain exclusions (not part of the act) that might affect your coverage. For example, if a "certified act of terrorism" occurs and results in damage that you're not covered for under other portions of your policy, the terrorism coverage may not apply to the loss because you need to have underlying coverage to qualify for a "certified act of terrorism" loss covered by the act.

You should also be aware that the reauthorized act contains a $100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" to $100 billion per calendar year. What this means is, if the combined insured losses for all insurers exceeds $100 billion, your coverage may be reduced due to the cap.

Per the act, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by American Family Insurance. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the Federal Government under the act.

BUSINESSOWNERS POLICY

Non-assessable policy Issued by

AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.
6000 American Pkwy
Madison WI 53783-0001
(608) 249-2111
Member of American Family Insurance Group

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AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.
MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICY
DECLARATIONS

POLICY NUMBER
05XH173903

CUSTOMER BILLING ACCOUNT
012-664-134 49

NAMED INSURED TOWN CENTER LOT 19 BUILDING CONDOMINIUM ASSN

MAILING ADDRESS
C/O SILVER MOUNTAIN PROPERTIES
326 HIGHWAY 133 STE 120
CARBONDALE, CO 81623-1568

POLICY PERIOD FROM 06-21-2019 TO 06-21-2020
12:01 A.M. Standard Time at your mailing address shown above.

FORM OF BUSINESS CORPORATION

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

SECTION I PROPERTY

ALL PROPERTY COVERAGES ARE SUBJECT TO THE FOLLOWING:

COVERED CAUSES OF LOSS SPECIAL - RISK OF DIRECT PHYSICAL LOSS

COVERAGE PROVIDED INSURANCE AT THE FOLLOWING DESCRIBED PREMISES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN UNLESS COVERAGE IS PROVIDED BY AN ENDORSEMENT.

DESCRIPTION OF PREMISES

PREMISES NO. 0001 BUILDING NO. 001
LOCATION 65 N 4TH ST
CARBONDALE, CO 81623-4510

BUILDING INTEREST LEASED TO OTHERS
PREDOMINANT OCCUPANCY CONDOMINIUM ASSOCIATION - RESIDENTIAL WITH MERCANTILE

NUMBER OF UNITS 14
CONSTRUCTION JOISTED MASONRY
YEAR BUILT 2005
COMMERCIAL BUILDING CONSTRUCTION COST INDEX LEVEL 377

POLICY PROPERTY DEDUCTIBLE $1,000

OTHER PROPERTY DEDUCTIBLE(S)
OPTIONAL COVERAGE/GLASS DEDUCTIBLE $500

COVERAGE	LIMIT OF INSURANCE	PREMIUM
BUILDING REPLACEMENT COST	$6,645,833	$5,587.00
BUSINESS PERSONAL PROPERTY REPLACEMENT COST AUTOMATIC INCREASE IN COVERAGE 4%	$17,316	$23.00

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AGENT 143-307
JOHN D BELL AGENCY INC
350 HIGHWAY 133 STE 1
CARBONDALE, CO 81623-1650

PHONE
970-963-5711
970-963-5712

PAGE 0001
BRANCH RMR025 REW
ENTRY DATE 04-11-2019

AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.
MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICY
DECLARATIONS

POLICY NUMBER
05XH173903

CUSTOMER BILLING ACCOUNT
012-664-134 49

DAMAGE TO PREMISES RENTED TO YOU - ANY ONE PREMISES	$50,000
LIABILITY - EACH OCCURENCE LIMIT	$2,000,000
PREM 0001 BLDG 001 MEDICAL EXPENSES - ANY ONE PERSON	$5,000

LOCATION	PREMIUM BASIS	RATE	ADVANCE PREMIUM
PREMISES NO. 0001 BUILDING NO. 001			
	14 UNITS		$68.00

APPLICABLE BUSINESS LIABILITY ENDORSEMENT CHARGES	$148.00
TOTAL ADVANCE BUSINESS LIABILITY PREMIUM	$216.00

Liability forms and endorsements applying to all premises and made part of this policy at time of issue:
Any endorsement followed by a state abbreviation will only apply to coverages within this state.

BP 04 04 01 06	BP 04 09 01 06	BP 04 17 07 02	BP 04 39 07 02
BP 04 54 01 06	BP 04 93 01 06	BP 05 17 01 06	BP 05 77 01 06
BP 10 05 07 02	BP 14 60 06 10	BP 15 04 05 14	BP 84 24 01 07
BP 85 04 07 10	BP 85 05 07 98CO	BP 85 10 07 98	BP 85 12 01 06
IL 75 26 12 05			

TOTAL ADVANCE BUSINESS PREMIUM	$6,685.00

This premium may be subject to adjustment.

Forms and endorsements applying to property and liability at all premises and made part of this policy at time of issue:
Any endorsement followed by a state abbreviation will only apply to coverages within this state.

BP IN 01 01 06	BP 00 03 01 06	BP 01 81 11 13	BP 05 01 07 02
BP 05 15 01 15	BP 05 24 01 15	BP 05 41 01 15	BP 80 01 08 18
BP 87 01 08 10	BP 87 90 08 10		

AUTHORIZED REPRESENTATIVE — William B. Westbrook, President — Secretary — COUNTERSIGNED LICENSED RESIDENT AGENT

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AGENT 143-307
JOHN D BELL AGENCY INC
350 HIGHWAY 133 STE 1
CARBONDALE, CO 81623-1650

PHONE
970-963-5711
970-963-5712

PAGE 0003
BRANCH RMR025 REW
ENTRY DATE 04-11-2019

POLICY NUMBER: 05XH173903

BUSINESSOWNERS
BP 04 04 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE	
Coverage	**Additional Premium**
A. Hired Auto Liability:	INCLUDED
B. Non-Owned Auto Liability:	INCLUDED

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

1. **Hired Auto Liability**

   The insurance provided under Paragraph **A.1. Business Liability** in **Section II – Liability,** applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. **Non-Owned Auto Liability**

   The insurance provided under Paragraph **A.1. Business Liability** in **Section II – Liability,** applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. For insurance provided by this endorsement only:

1. The exclusions, under the Paragraph **B.1. Applicable To Business Liability Coverage** in **Section II – Liability,** other than Exclusions **a., b., d., f.** and **i.** and the Nuclear Energy Liability Exclusion, are deleted and replaced by the following:

   a. "Bodily injury" to:

   (1) An "employee" of the insured arising out of and in the course of:

   (a) Employment by the insured; or

   (b) Performing duties related to the conduct of the insured's business; or

   (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

   This exclusion applies:

   (1) Whether the insured may be liable as an employer or in any other capacity; and

   (2) To any obligation to share damages with or repay someone else who must pay damages because of injury.

   This exclusion does not apply to:

   (1) Liability assumed by the insured under an "insured contract"; or

   (2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

   b. "Property damage" to:

   (1) Property owned or being transported by, or rented or loaned to the insured; or

   (2) Property in the care, custody or control of the insured.

2. Paragraph **C. Who Is An Insured** in **Section II – Liability,** is replaced by the following:

   1. Each of the following is an insured under this endorsement to the extent set forth below:

      a. You;

      b. Any other person using a "hired auto" with your permission;

      c. For a "non-owned auto":

      (1) Any partner or "executive officer" of yours; or

      (2) Any "employee" of yours

      but only while such "non-owned auto" is being used in your business; and

      d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a., b.** or **c.** above.

   2. None of the following is an insured:

      a. Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;

      b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

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POLICY NUMBER: 05XH173903

BUSINESSOWNERS
BP 04 09 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE, OR RECEIVER

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

A. Name Of Person Or Organization:	B. Designation Of Premises:
COLORADO HOUSING AND FINANCE AUTHORITY COMMERCIAL LOAN SERVICING 1981 BLAKE ST. DENVER CO, 80202	65 N 4TH ST CARBONDALE, CO 81623-4510

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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The following is added to Paragraph **C. Who Is An Insured** in **Section II – Liability:**

3. The person or organization shown in the Schedule is also an insured, but only with respect to liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and as shown in the Schedule.

   This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

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a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2. The building sustains direct physical damage:

a. That is covered under this policy and such damage results in enforcement of the ordinance or law; or

b. That is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

c. But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **1, 2** and/or **3** of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **H.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of Coverages **1, 2** and/or **3** of this endorsement.

C. We will not pay under Coverage **1, 2,** or **3** of this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot or bacteria; or

2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.

D. **Coverage**

1. **Coverage 1 – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **1** for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage **1** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage **1** does not increase the Limit of Insurance.

2. **Coverage 2 – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

Paragraph **E.5.d. Loss Payment** Property Loss Condition does not apply to Demolition Cost Coverage.

3. **Coverage 3 – Increased Cost Of Construction Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

a. Repair or reconstruct damaged portions of that building; and/or

b. Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

a. This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

b. We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Paragraph **E.5.d. Loss Payment** Property Loss Condition does not apply to the Increased Cost of Construction Coverage.

E. **Loss Payment**

1. All following loss payment Provisions **E.2.** through **E.5.**, are subject to the apportionment procedure set forth in Section **B.3.** of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage **1** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

a. If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:

(1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

b. If the property is **not** repaired or replaced, we will not pay more than the lesser of:

(1) The actual cash value of the building at the time of loss; or

(2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

3. Unless Paragraph **E.5.** applies, loss payment under Coverage **2** – Demolition Cost Coverage will be determined as follows:

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b. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and

c. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

2. Paragraph **H.9. Period Of Restoration** Definition is replaced by the following:

9. "Period of Restoration" means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises, unless a lesser number of hours is shown in the Schedule of the endorsement; or

(2) Immediately after the time of the direct physical loss or damage for Extra Expense Coverage caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

The expiration date of this policy will not cut short the "period of restoration".

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Section I - Property is amended as follows:

A. Paragraph **A.1. Covered Property** is replaced with the following:

Covered Property includes Building as described under Paragraph **a.** below, Business Personal Property as described under Paragraph **b.** below, Auxiliary Buildings/Structures as described under Paragraph **c.** below, Auxiliary Buildings Business Personal Property as described under Paragraph **d.** below, or all four, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, Auxiliary Buildings/Structures, Auxiliary Buildings Business Personal Property, or all four, there is no coverage for property described under Paragraph **A.2.** Property Not Covered.

a. Building, means the described building shown in the Declarations, including:

(1) Completed additions;

(2) Fixtures, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

(4) Your personal property in apartments, rooms or common areas furnished by you as landlord;

(5) Personal property owned by you that is used to maintain or service the described building or the premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the described building;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the described building.

b. Business Personal Property located in or on the described building at the premises shown in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, including:

(1) Property you own that is used in your business;

(2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b);**

(3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the described building you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove;

(4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **1.b.(2);** and

(5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

c. Auxiliary Buildings/Structures, meaning the auxiliary buildings/structures described in the above Schedule located at the premises shown in the Declarations, including:

(1) Completed additions;

(2) Fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the auxiliary buildings/ structures, including:

(a) Fire extinguishing equipment;

(b) Floor coverings; and

(c) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the auxiliary buildings/structures;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the auxiliary buildings/structures, used for making additions, alterations or repairs to the auxiliary buildings/structures.

d. Auxiliary Buildings Business Personal Property located in or on the auxiliary buildings/structures described in the above Schedule located at the premises shown in the Declarations, including:

(1) Property you own that is used in your business;

(2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b);**

(3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **1.b.(2).**

B. The following is added to **E.3.,** Property Loss Conditions – Duties In the Event of Loss or Damage:

(10) Keep records of your property in such a way that we can accurately determine the amount of any loss.

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