

RECEIVED
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+0000010 167-307
ANTLERS GULCH TOWNHOMES ASSOCIATION
C/O KEY TO THE ROCKIES
23024 US HIGHWAY 6 UNIT 202
KEYSTONE, CO 80435-7793

AMERICAN FAMILY INSURANCE GROUP

6000 AMERICAN PKWY
MADISON, WI 53783-0001
(608) 249-2111

01-05-2010

ANTLERS GULCH TOWNHOMES ASSOCIATION
C/O KEY TO THE ROCKIES
23024 US HIGHWAY 6 UNIT 202
KEYSTONE, CO 80435-7793

Policy Number: 05XY502101

Dear Policyholder:

American Family has sorted recyclables, promoted ride-share programs, used energy-efficient lighting in its offices and carried out many other environmentally friendly practices for years. Now, we're building on that foundation and taking another step toward being more "green."

To achieve this "green" goal, we are streamlining the information you'll receive when your policy renews. Instead of receiving a complete copy of your policy, you'll simply receive a declaration stating your current limits and coverage. This will help our environment by saving more than 6 million pieces of paper per year!

You will continue to receive copies of forms and endorsements that have been revised since your last renewal. Unless replaced by new forms and endorsements, these documents remain in effect at each renewal and are a part of your policy.

Please contact your agent if you require a complete policy copy or have any questions regarding this notice. Thank you for insuring with American Family. We appreciate your business and look forward to building a "greener" future together.

Sincerely,

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

LESLIE A WIESE
PO BOX 24359
SILVERTHORNE, CO 80497-4359
970-668-6600

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICYPOLICY NUMBER
05XY502101**DECLARATIONS**CUSTOMER BILLING ACCOUNT
012-119-153 64NAMED ANTSLERS GULCH TOWNHOMES ASSOCIATION
INSUREDMAILING C/O KEY TO THE ROCKIES
ADDRESS 23024 US HIGHWAY 6 UNIT 202
KEYSTONE, CO 80435-7793POLICY PERIOD FROM 02-19-2010 TO 02-19-2011
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

COVERAGE	LIMIT OF INSURANCE	PREMIUM
OPTIONAL COVERAGE EMPLOYEE DISHONESTY	\$10,000	\$156.00

COVERAGE PROVIDED. BLANKET 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 PREMISESPREMISES NO. 0001 BUILDING NO. 001
LOCATION 63 SCR #188
KEYSTONE CO 80435BUILDING INTEREST LEASED TO OTHERS
PREDOMINANT OCCUPANCY CONDOMINIUM ASSOCIATION - RESIDENTIAL WITHOUT MERCANTILE
NUMBER OF UNITS 6
CONSTRUCTION FRAME
YEAR BUILT 2001
COMMERCIAL BUILDING CONSTRUCTION COST INDEX LEVEL 318**DESCRIPTION OF PREMISES**PREMISES NO. 0002 BUILDING NO. 001
LOCATION 67 SCR #188
KEYSTONE CO 80435BUILDING INTEREST LEASED TO OTHERS
PREDOMINANT OCCUPANCY CONDOMINIUM ASSOCIATION - RESIDENTIAL WITHOUT MERCANTILE
NUMBER OF UNITS 6
CONSTRUCTION FRAME
YEAR BUILT 2001AGENT 167-307
LESLIE A WIESE
PO BOX 24359
SILVERTHORNE, CO 80497-4359PHONE
970-668-6600PAGE 0001
BRANCH HNC003 RENW
ENTRY DATE 01-05-2010

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICY

POLICY NUMBER
05XY502101

DECLARATIONS

CUSTOMER BILLING ACCOUNT
012-119-153 64

COMMERCIAL BUILDING CONSTRUCTION COST INDEX LEVEL 318

DESCRIPTION OF PREMISES

PREMISES NO. 0003 BUILDING NO. 001
LOCATION 71 SCR #188
KEYSTONE CO 80435BUILDING INTEREST LEASED TO OTHERS
PREDOMINANT OCCUPANCY CONDOMINIUM ASSOCIATION - RESIDENTIAL WITHOUT MERCANTILE
NUMBER OF UNITS 6
CONSTRUCTION FRAME
YEAR BUILT 2001

COMMERCIAL BUILDING CONSTRUCTION COST INDEX LEVEL 318

DESCRIPTION OF PREMISES

PREMISES NO. 0004 BUILDING NO. 001
LOCATION 75 SCR #188
KEYSTONE CO 80435BUILDING INTEREST LEASED TO OTHERS
PREDOMINANT OCCUPANCY CONDOMINIUM ASSOCIATION - RESIDENTIAL WITHOUT MERCANTILE
NUMBER OF UNITS 5
CONSTRUCTION FRAME
YEAR BUILT 2001

COMMERCIAL BUILDING CONSTRUCTION COST INDEX LEVEL 318

DESCRIPTION OF PREMISES

PREMISES NO. 0005 BUILDING NO. 001
LOCATION 65 SCR #188
KEYSTONE, CO 80435BUILDING INTEREST LEASED TO OTHERS
PREDOMINANT OCCUPANCY CONDOMINIUM ASSOCIATION - RESIDENTIAL WITHOUT MERCANTILE
NUMBER OF UNITS 6
CONSTRUCTION FRAME
YEAR BUILT 2004

COMMERCIAL BUILDING CONSTRUCTION COST INDEX LEVEL 318

CERTIFIED ACTS OF TERRORISM

\$138.00

PROPERTY DEDUCTIBLE \$2,500

AGENT 167-307
LESLIE A WIESE
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BRANCH HNC003 RENW
ENTRY DATE 01-05-2010

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICYPOLICY NUMBER
05XY502101**DECLARATIONS**CUSTOMER BILLING ACCOUNT
012-119-153 64**OTHER PROPERTY DEDUCTIBLE(S)**

OPTIONAL COVERAGE/GLASS DEDUCTIBLE	\$500
SEWER BACKUP AND SUMP OVERFLOW DEDUCTIBLE	\$500

COVERAGE

BUILDING - Blanket REPLACEMENT COST	LIMIT OF INSURANCE \$10,203,542	PREMIUM \$6,648.00
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AUXILIARY BUILDINGS/STRUCTURES - Blanket REPLACEMENT COST	\$31,299	\$16.00
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ADDITIONAL COVERAGE

BUSINESS INCOME	LIMIT OF INSURANCE ACTUAL LOSS SUSTAINED	PREMIUM INCLUDED
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OTHER COVERAGES OR OPTIONS

WATER BACKUP AND SUMP OVERFLOW	LIMIT OF INSURANCE \$5,000	PREMIUM \$325.00
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ORDINANCE OR LAW COVERAGE	SEE BP 04 46	\$907.00
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Property forms and endorsements applying to this 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 30 01 06 BP 04 46 01 06 BP 84 09 01 07 BP 84 11 07 98

MORTGAGEHOLDER	LOAN NO.	3060786757	PREMISE NO.	BUILDING NO.
CHASE HOME FINANCE LLC			0005	001
ITS SUCCESSORS AND/OR ASSIGNS ATIMA				
PO BOX 100564				
FLORENCE, SC 29502-0564				

APPLICABLE PROPERTY ENDORSEMENT CHARGES	\$5.00
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TOTAL ADVANCE PROPERTY PREMIUM	\$8,195.00
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Property 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 06 01 01 07 BP 83 01 07 98 BP 83 02 01 07 BP 84 04 01 07
BP 85 11 01 07

SECTION II LIABILITY AND MEDICAL EXPENSES

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to **Section II Liability** in the BUSINESSOWNERS COVERAGE FORM and any attached endorsements.

AGENT 167-307
LESLIE A WIESE

PO BOX 24359
SILVERTHORNE, CO 80497-4359

PHONE
970-668-6600

PAGE 0003
BRANCH HNC003 RENW
ENTRY DATE 01-05-2010

BP AF 01 07 09

INSURED

Stock No. 15141

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICYPOLICY NUMBER
05XY502101**DECLARATIONS**CUSTOMER BILLING ACCOUNT
012-119-153 64**COVERAGE**

	LIMIT OF INSURANCE
AGGREGATE LIMIT (OTHER THAN PRODUCTS COMPLETED OPERATIONS)	\$4,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$4,000,000
DAMAGE TO PREMISES RENTED TO YOU	\$50,000
LIABILITY AND MEDICAL EXPENSES	\$2,000,000
PREM 0001 BLDG 001 MEDICAL EXPENSES - ANY ONE PERSON	\$5,000
PREM 0002 BLDG 001 MEDICAL EXPENSES - ANY ONE PERSON	\$5,000
PREM 0003 BLDG 001 MEDICAL EXPENSES - ANY ONE PERSON	\$5,000
PREM 0004 BLDG 001 MEDICAL EXPENSES - ANY ONE PERSON	\$5,000
PREM 0005 BLDG 001 MEDICAL EXPENSES - ANY ONE PERSON	\$5,000

LOCATION	PREMIUM BASIS	RATE	ADVANCE PREMIUM
PREMISES NO. 0001 BUILDING NO. 001	6 UNITS		\$34.00
PREMISES NO. 0002 BUILDING NO. 001	6 UNITS		\$34.00
PREMISES NO. 0003 BUILDING NO. 001	6 UNITS		\$34.00
PREMISES NO. 0004 BUILDING NO. 001	5 UNITS		\$28.00
PREMISES NO. 0005 BUILDING NO. 001	6 UNITS		\$34.00

CERTIFIED ACTS OF TERRORISM \$5.00

APPLICABLE BUSINESS LIABILITY ENDORSEMENT CHARGES \$8.00

TOTAL ADVANCE BUSINESS LIABILITY PREMIUM \$177.00

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 02 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 05 98 01 06
BP 10 05 07 02	BP 84 24 01 07	BP 85 04 07 98	BP 85 05 07 98CO
BP 85 10 07 98	BP 85 12 01 06	IL 75 26 12 05	

TOTAL ADVANCE BUSINESS PREMIUM \$8,372.00

This premium may be subject to adjustment.

AGENT 167-307
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PAGE 0004
BRANCH HNC003 RENW
ENTRY DATE 01-05-2010

BP AF 01 07 09

INSURED

Stock No. 15141

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AMERICAN FAMILY MUTUAL INSURANCE COMPANY

MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICY

DECLARATIONS

POLICY NUMBER
05XY502101

CUSTOMER BILLING ACCOUNT
012-119-153 64

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 07 02	BP 05 01 07 02
BP 05 15 01 08	BP 05 23 01 08	BP 05 38 06 08	BP 80 01 01 07
BP 87 01 01 07			

AUTHORIZED
REPRESENTATIVE

Jack Saloner
President

[Signature]
Secretary

COUNTERSIGNED
LICENSED RESIDENT AGENT

AGENT 167-307
LESLIE A WIESE
PO BOX 24359
SILVERTHORNE, CO 80497-4359

PHONE
970-668-6600

PAGE 0005
BRANCH HNC003 RENW
ENTRY DATE 01-05-2010

BP AF 01 07 09

INSURED

Stock No. 15141

POLICY NUMBER: 05XY502101

BUSINESSOWNERS
BP 04 02 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE	
A. Designation Of Premises (Part Leased To You): 63 SCR #188 KEYSTONE CO 80435	B. Name Of Person Or Organization (Additional Insured): KEY TO THE ROCKIES 23024 US HIGHWAY 6 STE 202 KEYSTONE CO 80435
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. 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 arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule.

B. The following exclusions are added to Section II – Liability:

This insurance does not apply to:

1. Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.
2. Structural alterations, new construction or demolition operations performed by or for the person or organization designated in the Schedule.

POLICY NUMBER: 05XY502101

BUSINESSOWNERS
BP 04 30 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE			
Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable	Description Of "P-9" If Applicable:
0001	001	P-1	
0002	001	P-1	
0003	001	P-1	
0004	001	P-1	
0005	001	P-1	

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

A. The following is added to the **Property General Conditions** in **Section I - Property:**

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

2. The protective safeguards to which this endorsement applies are identified by the following symbols:

- a. **"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- (1) Any automatic fire protective or extinguishing system, including connected:

- (a) Sprinklers and discharge nozzles;
 - (b) Ducts, pipes, valves and fittings;
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
- (a) Non-automatic fire protective systems; and
 - (b) Hydrants, standpipes and outlets.
- b. **"P-2" Automatic Fire Alarm**, protecting the entire building, that is:
- (1) Connected to a central station; or
 - (2) Reporting to a public or private fire alarm station.
- c. **"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.
- d. **"P-4" Service Contract**, with a privately owned fire department providing fire protection service to the described premises.
- e. **"P-9"**, the protective system described in the Schedule.
- B. The following is added to Paragraph B. Exclusions in Section I – Property:
- We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:
- 1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
 - 2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.
- If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

POLICY NUMBER: 05XY502101

BUSINESSOWNERS
BP 04 46 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE					
Prem. No.	Bldg. No.	Coverage 1 (Check If Applies)	Coverage 2 Limit Of Insurance	Coverage 3 Limit Of Insurance	Coverages 2 And 3 Combined Limit Of Insurance*
0001	001	X			\$170,000
0002	001	X			\$170,000
0003	001	X			\$170,000
0004	001	X			\$135,000
0005	001	X			\$170,000

Business Income And Extra Expense Optional Coverage Enter Yes or No: Yes No

Number Of Hours Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage: 72

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

* Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages 2 and 3, or if one of these Coverages is not applicable.

Section I – Property is amended as follows:

A. Each Coverage – Coverage 1, Coverage 2 and Coverage 3 – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for the Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement apply only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:

- 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:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit of Insurance shown for Coverage 2 in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage 3 – Increased Cost of Construction Coverage will be determined as follows:
- a. We will not pay under Coverage 3:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage 3 is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit of Insurance shown for Coverage 3 in the Schedule above.
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage 3 is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit of Insurance shown for Coverage 3 in the Schedule above.
5. If a **Combined** Limit of Insurance is shown for Coverages 2 and 3 in the Schedule above, Paragraphs E.2. and E.3. of this endorsement do not apply with respect to the Building property that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages 2 and 3 in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

- a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
- (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement, we will not pay for loss due to any ordinance or law that:
 1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss. Flood is an excluded Cause of Loss;
- The building has a value of \$200,000;
- Total direct physical damage to building: \$100,000;
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value;
- Portion of direct physical damage that is covered (caused by wind): \$30,000;
- Portion of direct physical damage that is not covered (caused by flood): \$70,000; and
- Loss under Ordinance or Law Coverage 3 of this endorsement: \$60,000.

Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$\$30,000 \text{ divided by } \$100,000 = .30$

Step 2: Apply that proportion to the Ordinance or Law loss.

$\$60,000 \times .30 = \$18,000$

In this example, the most we will pay under this endorsement for the Coverage 3 loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages 1 and 2 of this endorsement.

- I. If shown as applicable in the Schedule of this endorsement, the following applies:

BUSINESS INCOME AND EXTRA EXPENSE OPTIONAL COVERAGE

1. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of your "operations" caused by or resulting from the enforcement of any ordinance or law that:
 - a. Regulates the construction or repair of any property;

- 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".

