A Custom Insurance Program

PREPARED FOR:

Timber Ridge Corporation, A Condominium Association

c/o Aspen Places, LLC
600 East Hopkins Avenue, #203
Aspen, CO 81611

PRESENTED BY:

EDWARD SHEPTAK

MOUNTAIN WEST Insurance Financial Services

201 Centennial Dr., Fourth Floor
Glenwood Springs, CO 81601
Phone 970-945-9111 or Toll Free 800-255-6390
Fax 970-945-2350

We are pleased to present this proposal, which is valid until 01/28/2026

CAI GOLD SPONSOR OF THE ROCKY MOUNTAIN CHAPTER

Your Mountain West team is available to assist you when you need to make a change to your policy, require claim service, and/or have any questions. The primary duties are listed below for each individual; however, all of these members are available at any time for any issue.

Ed Sheptak, Commercial Lines Producer
edwards@mtnwst.com
970-384-8222

- Visits to review and discuss operational changes in your organization
- Presentation of coverage recommendations and competitive pricing options
- Review of contracts and provides insurance recommendations to your firm on an ongoing basis
- Analysis of claims data
- Offers risk management recommendations

Cathy Stewart, Account Executive
cathys@mtnwst.com
970-384-8230

- Serves as your primary contact for insurance solutions
- In-house review and analysis of coverage
- Manages the insurance placement process to provide coverage options and competitive pricing

Michelle Castilla, Account Manager
michellec@mtnwst.com
970-826-3495

- Primary contact for billing and general accounting questions, and policy changes
- Receives and reviews certificate of insurance and evidence of insurance requests to be certain adequate coverage and limits are in effect. Coordinates issuance of certificates and evidence forms within 24 hours of receipt.

Claims Advocate
claims@mtnwst.com

- Serves as an additional contact for filing of new claims
- Monitors claim status to conclusion
- Works with all parties to expedite claim resolution

Employee Benefits Department

- Provides expertise and creative solutions for employer groups with 20 or more benefits-eligible employees
- Scope of service includes group medical, dental, vision, life and disability benefit plans
- Help clients with employee paid supplemental plans such as accident and critical illness

Personal Insurance

- Provides a wide range of personal insurance products that include homeowner's, automobile, recreational vehicles and personal umbrellas
- Offers a complimentary review of your current personal insurance program

In the event the individuals listed are unavailable, we have a full staff at your service. Please contact our office and ask our friendly receptionists to direct you to the appropriate team member. We also offer a full range of products for your employee benefits needs, as well as your personal insurance.

COVERAGE TYPE

Bare Walls	☒	**As Originally Conveyed**	☐	**All-In**	☐

PROPERTY COVERAGE – American Alternative Insurance

Address	Blanket Building Limit	Package Deductible
100 East Dean Street Aspen, CO 81611	$10,765,000	$5,000 Basic $10,000 Water Damage per Unit $10,000 Ice Damming per Unit $10,000 Sewer Backup per Unit $$10,000 Sprinkler Leakage per Unit 2% Wind/Hail

Coverage	Limit
Valuation	Guaranteed Replacement Cost
Building Law & Ordinance – Coverage A: Undamaged Portion of Building	Included
Building Law & Ordinance – Coverage B: Demolition of Undamaged Portion	$1,000,000
Building Law & Ordinance – Coverage C: Increased Cost of Construction	$1,000,000
Backup of Sewer and Water	Included
Agreed Amount – No Coinsurance	Yes
Equipment Breakdown	Included

Additions/Upgrades/Improvements: if any additions, upgrades, or improvements are made to the Association's portion of the buildings which increase the value of the building(s) by more than $25,000, the new value must be reported to the carrier – otherwise Guaranteed Replacement Cost will not apply.

Combustible burning (wood, charcoal) grills/smokers/firepits are not allowed on any deck or balcony.

Gas grills are allowed on decks and balconies if there is 10 ft of clearance from floor to ceiling when there is a roof or deck above. If there is no overhang, they are acceptable.

Standard Property Insurance does not include Flood, Earthquake or Earth Movement coverage

Higher Limits and Deductible Options Available Upon Request

ALL FORMS & ENDORSEMENTS LISTED ON POLICIES

Carefully review All Information and Request Additional Details if Needed

Ordinance or Law Coverage Explanation

In the event of covered damage to a building, the owner may have three ordinance/law-related exposures not covered by the usual commercial property form:

Coverage A: Coverage for loss to the undamaged portion of the building

- If the loss is only PARTIAL but the remaining part of the building must be demolished, this covers the value of the undamaged portion. Coverage A is usually included within the limit of insurance shown in the declaration as applicable to the covered building property. Coverage A does not increase the limit of insurance and it does not cover the cost of demolishing.

Coverage B: Coverage for demolition cost

- If the loss is only PARTIAL but the remaining part of the building must be demolished, this covers the cost of demolishing the undamaged portion. This coverage will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use, and ordinance or law.

Coverage C: Coverage for the increased cost of construction

- This coverage will pay for the increased cost to repair, reconstruct or remodel damage or undamaged portions of the building when the increased cost is the consequence of building, zoning, or land use laws.

GENERAL LIABILITY	
Coverage	**Proposed American Alternative Insurance**
General Aggregate	N/A
Per Occurrence	$2,000,000
Products/Completed Operations Aggregate	$2,000,000
Personal & Advertising Injury	$2,000,000
Medical Payments	$5,000
Hired and Non-Owned Auto Liability	$2,000,000

Exposure Type	Premium Basis Exposure
Residential Condominium – Association Risk Only	(Per Unit) 21

No Deductible – Occurrence Form

Today's litigious society requires careful business planning. Accident victims look for someone else to pay for bodily injury and property damage. Even if a suit is eventually dismissed or proved groundless, the high cost of defense can bankrupt even the most secure business.

Disclosure:

CAU requires the association to collect certificates of insurance from all contractors for both General Liability and Workers Compensation. The insurance requirements in the contract or agreement include commercial general liability limits of $1 million per occurrence, $2 million aggregate, $2 million products/completed operations, commercial auto liability limits of $1 million combined single limit (CSL), Worker's Compensation in the amount not less than the Statutory Limits with an Employer's Liability coverage of at least $500,000. The commercial general liability policy of the contractor shall name the Association as additional insured. The contractor's commercial general liability and worker's compensation policy shall provide a waiver of subrogation in favor of the Association, 30-day notice of cancellation other than Non-Payment of premium on GL, Commercial Auto, and Workers' compensation.

DIRECTORS & OFFICERS LIABILITY	
Coverage	**Proposed American Alternative Insurance**
General Aggregate Limit	$2,000,000
Per Occurrence Limit	$2,000,000
Additional Defense Outside Limit of Liability	No, Within Limits
Self-Insured Retention (Deductible)	$0

This pays on behalf of the insured director or officer for loss arising from claims during the policy period by reason of wrongful acts made while acting in their individual or collective capacities as directors or officers.

- ***Directors & Officers' Liability coverage as indicated above is subject to the HOA purchasing Full Property Limits and General Liability Coverage. Failure to accept these coverages will result in the Directors & Officer carrier re-underwriting the risk, subject to withdrawal of quote and/or change in premium. The coverages and premiums provided in this Proposal are considered null and void until approved by carrier.***

THIS COVERAGE IS WRITTEN ON A "CLAIMS-MADE BASIS"

"Claims-made coverage" means an insurance policy that provides coverage only if a claim is made during the policy period or any applicable extended reporting period. A claim made during the policy period could be charged against a claims-made policy even if the injury or loss occurred many years prior to the policy period. If a claims-made policy has a retroactive date, an occurrence prior to that date is not covered.

Although this policy includes Full Prior Acts coverage, it is a *claims-made* policy. In accordance with the policy terms, any known or potential claim or circumstance that may give rise to a claim must be reported to the carrier **within 60 days of the policy's expiration date**, regardless of the Full Prior Acts provision. Failure to report within this time frame may result in denial of coverage for that matter.

ALL FORMS & ENDORSEMENTS WILL BE LISTED ON THE POLICIES

FIDELITY/CRIME	
Coverage	**Proposed American Alternative Insurance (Limit/Deductible)**
Employee Dishonesty	$150,000 / $0
Depositors Forgery	
Computer Fraud	

There are many different types of bonds, commonly known as contracts, surety, or fiduciary. They are primarily written to guarantee or assure the performance of a contract in construction, according to plans and specifications. Miscellaneous bonds are written to guarantee performance in accordance with laws, regulations and ordinances. Crime coverage is also categorized as a type of bond.

EXCESS LIABILITY

Coverage	Proposed Spinnaker Insurance
General Aggregate Limit	$5,000,000
Per Occurrence Limit	$5,000,000
Self Insured Retention	$0

Carrier does not offer mid-term limit changes*

SCHEDULE OF UNDERLYING POLICIES

Description	Company/Policy	Policy Term	Policy	Limit
Hired & Non-Owned Auto Liability	CAU/American Alternative	01/29/26 to 01/29/27	Combined Single Limit	$2,000,000
General Liability	CAU/American Alternative	01/29/26 to 01/29/27	Each Occurrence	$2,000,000
			General Aggregate	N/A
			Products & Comp Ops	$2,000,000
			Personal Injury	$2,000,000
Directors & Officers	CAU/American Alternative	01/29/26 to 01/29/27	Each Loss	$2,000,000
			Aggregate	$2,000,000

Commercial Excess Liability provides an extra layer of liability coverage that sits over-and-above the liability limits provided through any underlying (or primary) policies; these can include General Liability, Automobile Liability, Directors and Officers Liability, and Employers Liability (Workers Compensation).

Damages arising out of Construction are excluded. This does not apply to operations, maintenance, or non-structural interior modifications. Construction means any construction, remodeling, upgrades, landscaping or repairs performed, or products installed into or on real property, including structures, common areas, streets, or utilities. We recommend that the Association make sure that contractors have appropriate insurance when doing any type of work for the Association. Other exclusions may also apply. Please refer to the policy for a complete list of exclusions.

***All Dues/Broker/Policy/ Inspection Fee are Fully Earned**
No Flat cancellation

PREMIUM SUMMARY FOR Timber Ridge Corporation, A Condominium Association			
Coverage	**Expiring Annual Premium**	**Proposed Annual Premium**	**Accept or Decline (note below)**
Commercial Package	$25,570.00	$28,053.00	Accept
Excess Liability	$1,642.00	$1,618.00	Accept
Total Premium	**$27,212.00**	**$29,671.00**	
Price per Unit (21)	**$1,295.81**	**$1,412.90**	

Higher Limits May Be Available Upon Request. We can't guarantee that we can always get higher limits.

See Coverage Outline for Limits and Deductibles for all other coverages.

COVERAGE OPTIONS				
Coverage	**Limit**	**Deductible**	**Additional Return Premium**	**Accept or Decline (note below)**
Commercial Property – Increase Basic Deductible	$10,765,000	$10,000	($439.00)	Accept
Workers Compensation – Additional Application Needed	$1M/$1M/$1M	$0	$352.00	Accept

Please note Accept or Decline as appropriate, sign and return to bind coverage by 01/28/2026 with:

- Signed Proposal Acceptance
- Signed and Completed CAU Application
- Signed JGS Membership Agreement

Premiums subject to carriers Loss Control and Compliance with Recommendations, failure to comply may result in policy cancellation. Compliance with Loss Control Recommendations may result in additional monies by the HOA.

SIGNATURE: DocuSigned by: Diane Spicer CBF34ED73A8B40E... **DATE:** 1/5/2026

This is not a contract of insurance. No coverage is provided by this summary, nor does it replace any provisions of any policy ultimately delivered. The policy alone determines the scope of insurance protection. Please read your policy carefully and review its Declarations for complete information on coverage. If you would like to discuss this account or obtain sample forms and endorsements, please contact your agent.

December 23, 2025

Timber Ridge Corporation, A Condominium Association
c/o Aspen Places, LLC
600 East Hopkins Avenue, #203
Aspen, CO 81611

FEE DISCLOSURE

You are hereby informed in accordance with Colorado Division of Insurance Regulation 1-2-9 that a fee is being charged to you for one of the following services:

- Risk Management
- Financial Planning
- Investment Counseling
- Qualified Retirement Plan Design or Administration
- Estate Planning
- Third Party Employee Benefit Plans
- **Other services for which the agency does not receive a commission from the insurance company.**

You are under no obligation to purchase any insurance product through the agent in exchange for receiving the specific services.

The State of Colorado requires that we obtain your signature based upon this disclosure. Please sign in the below area and return to our office prior to **01/28/2026.**

If you have any questions, please let us know.

Sincerely,

Ed Sheptak

Edward Sheptak
Commercial Lines Agent
970-945-9111
edwards@mtnwst.com

DocuSigned by:
Diane Spicer
CBF34ED73A8B40E...

Signature of Authorized Representative

1/5/2026
Date

DISCLOSURE FORM - CLAIMS-MADE POLICY
IMPORTANT NOTICE TO POLICYHOLDER

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT DESCRIBES SOME OF THE MAJOR FEATURES OF OUR CLAIMS-MADE POLICY FORM. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

DEFINITIONS

1. "Claims-made coverage" means an insurance policy that provides coverage only if a claim is made during the policy period or any applicable extended reporting period. A claim made during the policy period could be charged against a claims-made policy even if the injury or loss occurred many years prior to the policy period. If a claims-made policy has a retroactive date, an occurrence prior to that date is not covered.

2. "Extended reporting period" means a period allowing for making claims after expiration of a claims-made policy. This is also known as a "tail".

3. "Occurrence coverage" means an insurance policy that provides liability coverage only for injury or damage that occurs during the policy term, regardless of when claim is made. A claim made in the current policy year could be charged against a prior policy year, or may not be covered, if it arises from an occurrence prior to the effective date.

4. "Retroactive date" means the date on a claims-made policy which denotes the commencement date of coverage under the policy.

YOUR POLICY

Your policy is a claims-made policy. It provides coverage only for injury or damage occurring after the policy retroactive date (if any) shown on your policy and the incident is reported to your insurer prior to the end of the policy period. Upon termination of your claims-made policy an extended reporting period option may be available at the company's discretion.

There is no difference in the kinds of injury and damage covered by occurrence or claims-made policies. Claims for damages may be assigned to different policy periods, however, depending on which type of policy you have.

If you make a claim under your claims-made policy, the claim must be a demand for damages by an injured party. Your policy contains specific reporting requirements. Under most circumstances, a claim is considered when it is received and recorded by you or by us. Sometimes a claim may be deemed made at an earlier time. This can happen when another claim for the same injury or damage has already been made, or when the claim is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

This policy provides coverage for Directors & Officers Liability up to the maximum dollar limit specified in the policy.

The principal benefits and coverages are explained in detail in your claims-made policy. Please read it carefully and consult your insurance producer about any questions you might have.

EXCEPTIONS, REDUCTION AND LIMITATIONS

Your claims-made policy contains certain exceptions, reductions and limitations. Please read them carefully and consult your insurance producer about any questions you might have.

RENEWALS AND EXTENDED REPORTING PERIODS
Your claims-made policy has some unique features relating to renewal, extended reporting periods and coverage for events with long periods of exposure. If there is a retroactive date in your policy, no event or occurrence prior to that date will be covered under the policy even if reported during the policy period. It is therefore important for you to be certain that there are no gaps in your insurance coverage. These gaps can occur in several ways. Among the most common are:

1. If you switch from an occurrence policy to a claims-made policy, the retroactive date in your claims-made policy should be no later than the expiration date of the occurrence policy.

2. When replacing a claims-made policy with a claims-made policy, you should consider the following:

    a. The retroactive date in the replacement policy should extend far enough back in time to cover any events with long periods of liability exposure, or

    b. If the retroactive date in the replacement policy does not extend far enough back in time to cover events with long periods of liability exposure, you should consider purchasing extended reporting period coverage under the old claims-made policy.

3. If you replace this claims-made policy with an occurrence policy, you may not have insurance coverage for a claim arising during the period of claims-made coverage unless you have purchased an extended reporting period under the claims-made policy

Extended reporting period coverage may be offered to you for at least one year after the expiration of the claims-made policy at a premium not to exceed 200% of your last policy premium.

CAREFULLY REVIEW YOUR POLICY REGARDING THE AVAILABLE EXTENDED REPORTING PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING WHICH YOU MUST PURCHASE OR ACCEPT ANY OFFER FOR EXTENDED REPORTING PERIOD COVERAGE.

PROOF OF DELIVERY

Policy Type: Directors & Officers Liability
Insuring Company: American Alternative Insurance
Policy Effective Date: 01/29/2026

WORKERS COMPENSATION
But, We Don't Have Any Employees!

In addition to your association master policy, we have included a Workers Compensation and Employers Liability quotation. This insurance would cover Colorado mandated medical and income benefits for employees who become injured or sick as a consequence of their employment. The estimated annual premium for this one year policy is $300 to $500. This is the minimum premium and is based on your having no employees as of the policy commencement date. Unless you have employees during the policy period, it will be your final, total premium.

Even though you have no employees, currently, and do not anticipate hiring any, you still need this important coverage. Here are the two principal reasons for that and the answers to frequently asked questions.

Reason #1: Employees of Independent Contractors

- **Isn't the contractor responsible for its own employees?** Normally, independent contractors with employees are required, by State law, to maintain Workers Compensation insurance. However, when a contractor fails to maintain the required insurance, a sick or injured employee may -- and often does -- recover direct from the association…even though he or she is not an association employee.

- **Doesn't a certificate of insurance protect us?** Obtaining a certificate of insurance from each contractor, indicating the existence of Workers Compensation insurance, is a sound measure. However, all it means is that the required coverage is in force on a particular date. It provides no guarantee that coverage will remain in force.

- **If coverage lapses, doesn't the contractor's insurer notify us?** Most certificates of insurance impose a "best efforts" or "reasonable efforts" standard on the insurer regarding the notification of certificate holders. This does not guarantee timely notification.

- **Isn't a hold-harmless agreement from the contractor effective?** Obtaining a properly drafted, enforceable hold-harmless agreement from each contractor can be an effective measure and one we recommend. Under this type of agreement, the contractor guarantees to insulate your association from liability for the injuries and illnesses of its employees. However, an agreement is only as good as the contractor's solvency. If the contractor is not financially up to its legal obligations, its agreements are worthless.

- **Can a contractor drop its insurance and rely on ours?** Anyone who is legally required to maintain Workers Compensation insurance, and fails to do so, is subject to the fines and other penalties prescribed by the District of Columbia Workers Compensation statute. These penalties are intended to be far more burdensome than simple compliance. A prudent and financially sound contractor is unlikely to risk noncompliance. However, financial distress and simple oversight are frequent causes of noncompliance. Even many contractors who are insured attempt to treat some of their employees as independent contractors. This common practice, intended to save on Workers Compensation insurance costs, is virtually impossible for you to detect.

Reason #2: Part-time, Casual, Seasonal and Unanticipated Employees

- **Are all employees covered by Workers Compensation?** The ***State of Colorado*** Workers Compensation statute determines the scope and application of its benefits. This is usually based on some combination of number of employees, number of hours an employee works each week and types or categories of employment. Each State's statute is unique and only an examination of your statute can provide this information.

- **Is it possible to have an employee and not know it?** A person performing services for you may or may not be an employee for Workers Compensation purposes. What appears to be an independent contractor relationship – and which may indeed be one for all other purposes – could be an employment relationship where Workers Compensation is concerned. Aside from any other considerations, courts and Workers Compensation commissions lean toward an employment relationship whenever the person in question is otherwise uninsured.

- **Who can tell us when we need Workers Compensation?** Your insurance or legal advisor can help you with your Workers Compensation requirements. The chief source of information is District of Columbia's Workers Compensation statute. In addition to a plain reading of the statute, there is undoubtedly case law, which has provided interpretations of the statute when necessary.

The only certainty of full compliance with Workers Compensation requirements and the protection of your community's financial resources is this inexpensive coverage. Without it, some degree of unnecessary risk persists. With it, you avoid a potentially severe loss, a possible assessment needed to pay it and the punitive aspects of noncompliance.

BUT I DON'T HAVE FLOOD OR EARTH-MOVEMENT / EARTHQUAKE COVERGE!

Difference In Conditions Coverage

Difference in Conditions insurance or "DIC" insurance is designed to provide direct physical damage coverage for losses usually excluded in a standard property policy. The intent of DIC is to cover catastrophic perils such as flood and water damage, earthquake, earth movement, or collapse. The form provides coverage for risks of direct physical loss or damage, except as limited or excluded on covered property at described locations, at unnamed locations or while in transit.

There is no standard form for DIC, and coverage varies depending on the insurance carrier and nature of the risk.

Its name arises from the different coverage provisions between it and the standard property coverages. The more "differences" there are in coverage between the underlying coverage and the Difference in Conditions (DIC) form, the more coverage the DIC provides. DIC limits are usually equal to or less than the standard policy limits because the intent is for the DIC to be a companion to the standard policy covering on the same property.

The most common purpose of a DIC form is to provide either or both flood and earthquake and/or earth movement coverage. These causes of loss normally are excluded on standard property policy forms.

The National Flood Insurance Program (NFIP) offers coverage for buildings and contents. However, the amount of coverage available may be limited to specific amounts for buildings and contents. Additionally, the commercial NFIP ***does not offer any coverage for business income losses*.** A DIC policy can respond to both the need for higher real and personal property limits and for business income coverage.

Coverage may be available for the following:

- Building
- Business Personal Property (Contents)
- Business Income & Extra Expense
- Building Law and Ordinance

Various deductibles are available and may apply.

Please contact your agent for more information.

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