September 1, 2021

Please Contact Your Insurance Agent:
New Coverage Changes Need Your Immediate Attention

Dear Homeowner,

Please read the following very carefully as there have been changes to our insurance coverage, and there are steps you need to take right away.

- Please Contact Your Insurance Agent right away
- You will need to upgrade your policy (related details enclosed)
- Our PREVIOUS company, CAU, has cancelled our coverage due to excessive claims experience; since 2011, we have had 8 large losses—including the recent $350,000 Four-Unit Fire Claim

- **NEW Coverage with a new carrier IS in place** effective September 1, 2021
- However, it is a “Bare Walls” Insurance Plan (details enclosed)
- This means THE HOA provides coverage for buildings and structures only
- Therefore, UNIT OWNERS will need coverage that will insure their entire interior
- Our old premium of $42,094 annually is now $104,689.62 — about 2.5X higher due to adverse claims experience — yet we are fortunate to have it

- You see, there was significant doubt whether we would get insured at all much less in time to meet the September 1 deadline as all companies turned us down until ONE came through on August 31 (which explains why we could not get this to you any sooner than today)

- Again, you **must** contact your agent and advise him/her of these changes
- Please provide Your Agent with our **NEW Insurance Certificate enclosed**; it answers the questions you and your agent are likely to have; additional questions can be answered by calling our Broker at **949-588-0711**

Thank you for your prompt attention!

The Casa Del Pueblo Board of Directors
Casa Del Pueblo Condominium Association

Your association’s insurance coverage has changed. The policy which previously included the Unit Interiors, and has switched to a Bare Walls Policy which only covers the structure up to the interior drywall. The property deductible has also increased to $50,000. As a unit owner, you will want to notify your personal lines agent of these changes so they can update your personal policy to avoid any gaps in coverage.

Per your governing documents (CC&Rs), Casa Del Pueblo Condominium Association maintains a master insurance policy which includes coverage for all common area property, including the residential building and UNITS on a BARE WALLS basis. Additionally, due to the BARE WALLS requirement, your HOA policy excludes finished flooring, wall coverings, fixtures and cabinets, and your personal property. The association policy carries a deductible of $50,000 per occurrence, which, depending on the circumstances of the loss, could be your responsibility as a homeowner.

CONDOMINIUM UNIT OWNERS INSURANCE COVERAGE NEEDED

As a unit owner, you should purchase a Condominium Unit Owner’s policy (HO-6). The following are suggestions regarding pertinent coverage; however, you should also consult with a personal lines agent for further coverage recommendations

- **Personal Property** coverage WITH replacement cost covering your personal belongings as the master association policy does not cover Unit Owner’s personal property.

- **Building Additions and Alterations, Flooring, Cabinetry, Fixtures, Walls Coverings, etc.** can be covered on your personal policy when the association’s policy does not pick up coverage for Betterments and Improvements and other interior components. Also, please be sure to notify your personal insurance agent that this association carries a deductible of $50,000 per occurrence property deductible so that you are covered in the event you are responsible for that deductible or loss sustained within your Unit that is less than the deductible.

- **Loss of Use** will pay the unit owners living expense while the unit is not inhabitable due to an insured loss. If your condo is rented out, this coverage will be replaced with Loss of Rents coverage.

- **Loss Assessment** will pay the owners share of a special assessment levied due to an insured loss exceeding the associations master policy limits.

- **Personal Liability** pays for bodily injuries to other people or damage to their property if you are liable resulting from unintentional acts committed by qualified family members including sporting activities and acts of your pets.

Be sure to review this with your personal insurance agent today.
CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 9/1/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFRMS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
LaBarre/Oksnee Insurance
30 Enterprise, Suite 180
Aliso Viejo CA 92656

INSURED
Casa Del Pueblo Condominium Association
C/O Associated Property Manage
3260 E. Indian School Road
Phoenix AZ 85018

COVERAGE
CERTIFICATE NUMBER: 613168910

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NOTICE TO: 2ND PAGE OF CERTIFICATE OF INSURANCE FOR FURTHER COVERAGE INFORMATION.

Associated Property Management
3260 E. Indian School Road
Phoenix AZ 85018 USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
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<tr>
<th>AGENCY</th>
<th>LaBarre/Oksnee Insurance</th>
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<tr>
<td>NAMED INSURED</td>
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**ADDITIONAL REMARKS**

Bare Walls (Interior Coverage Excluded)

Coverage Includes:
- Special Form with 100% Replacement Cost
- Equipment Breakdown
- Building Ordinance or Law A+B+C
- D&O is a Claims-Made Policy
- Hired and Non-Owned Auto Liability
- Accident Medical