

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, JANUARY 15, 2019 5:30PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Jeff Duke
Kim Dunn
Bob Pannier
Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

Rob called the meeting to order at 5:38 pm. Jeff made a motion to approve the minutes of the October 16, 2018 meeting. Kim seconded the motion and it was unanimously approved.

It was agreed the process to amend Covenants was lengthy and expensive and an attorney would need to be involved during the process so careful thought and planning was essential prior to any changes being proposed to owners.

Bob said there had been meetings in Mt. Crested Butte and Crested Butte regarding the Brush Creek development and attempts were being made to reach a consensus of three items including the number of units and two parking spaces each unit. Bob said the Friends of Brush Creek had hired Barney White, a leading water attorney in the State, as the County would be requiring the potential developer to perform tests to confirm the adequacy of the water supply prior to the purchase of the land. Bob explained the potential developer had said they would not build less than 180 units but the two Towns had been discussing a 156 unit limit and meetings would continue to discuss adequate water to serve the Brush Creek parcel.

Rob said he was still talking to Lacy Construction regarding the curb stop discussed at the October meeting and Jeff said there was another leak by a sprinkler box on a nearby island.

It was agreed the snow removal was generally working well and the timing of plows had been good.

Jeff said he had spoken to a few people about joining the Board but had not received a positive response from any of those contacts. Kim said she would reach out to a couple of neighbors.

Jeff said there might be some trees planted in the recreational path easement and in the Spring that would be checked and the trees would have to be moved out of the easement by the owners if necessary.

Bob said maintenance and utility line items were running high and Jeff said recent leaks might account for some increases and Jim said the monthly fee for Jack Dietrich had increased and there had also been additional testing performed by Jack. It was agreed the additional testing costs would be moved to maintenance instead of utilities and Jim agreed to review all the figures

and make adjustments to utilities and maintenance as necessary. After a short discussion it was agreed to continue with the current water setup and not introduce meters in the foreseeable future.

It was agreed the annual meeting would be Monday, July 8, 2019 at 5:30 pm.

The meeting adjourned at 6:35 pm.

Prepared by Rob Harper, Toad Property Management

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, JANUARY 28, 2020 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present: Kim Dunn
Rewk Patten
Jeff Duke
Bob Pannier
Scott Kelley, Toad Property Management

Scott called the meeting to order at 5:35 pm. Bob made a motion to approve the minutes of the November 19, 2019 meeting. Jeff seconded the motion and it was unanimously approved.

Bob said Beth Appleton, legal counsel for the Association, had circulated a memo regarding the Nichols project and gave options the Board could take regarding fines and penalties for non-compliance during the lengthy construction period of the project. After discussion Bob made a motion to file a lien for non-compliance assessments on the Nichols lot and talk to legal counsel regarding other costs and penalties. Rewk seconded the motion and it was unanimously approved. Bob agreed to follow up with Beth so the lien could be filed prior to the next Board meeting.

It was agreed the Board needed to tighten up the tracking of construction projects and the enforcement of existing regulations. Bob made a motion to have a representative from the Design Review Committee meet with the Board (in person, by phone or an email update) on a quarterly basis to discuss ongoing construction projects. Rewk seconded the motion and it was unanimously approved.

It was agreed the Lacy plow drivers had been creating large berms across driveways. Scott said Rob would contact Lacy and ask that the drivers turn the blade to reduce the problem of berms across driveways.

Scott said financials had been distributed prior to the meeting. Bob said he had been reviewing regular operating expenses and initial review indicated the 2020 expenses would finish the year close to Budget. Scott agreed to have the Toad crew shovel snow away from dog poop stations where possible and empty all poop station containers on a regular basis.

Jeff said the final approval had been issued by the State for the water system and additional testing of the Springs might be necessary although it was unclear at the present time. Jeff explained the rerouting of the overflow was not causing any problems at the present time and neighboring property owners had not expressed any concerns.

Scott said fines were being applied to any delinquent dues accounts.

There were no updates regarding the Rec Lot.

Jeff said the cattails in the smaller pond were too big for pulling and suggested cutting back the cattails in the Spring and if that did not prove successful then Jim Frank's chemical approach would be considered the following year.

At 6:12 pm Bob made a motion to adjourn the meeting. Jeff seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management



FIRST AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS
LARKSPUR

THIS FIRST AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS FOR LARKSPUR (this "First Amendment") shall be effective upon recordation and is made and adopted by the Larkspur Community Association, a Colorado nonprofit corporation (the "Association") upon the written consent and affirmative vote of the record owners of at least 75% percent of the lots within the subdivision and the written consent of Gunnison County, Colorado. This First Amendment amends the Declaration of Protective Covenants Larkspur as recorded in the real property records of Gunnison County, Colorado at Reception No. 568253 (the "Declaration").¹

The Declaration is amended as follows:

1. Article II, Section 1.3 of the Declaration is hereby revoked and replaced with the following:

Section 1.3 Common Interest Community. LARKSPUR is a common interest community and planned community within the meaning of the Colorado Common Interest Ownership Act ("CCIOA") and is entirely located within Gunnison County, Colorado. Larkspur is fully subject to CCIOA, shall comply with its provisions, and the Association shall have all powers enumerated thereunder for associations. Any provision or portion of a provision in this Declaration that is contrary to CCIOA shall be interpreted and applied in such a manner as to be fully compliant with CCIOA and as close as possible to the original intent of the provision or portion thereof. Common expenses of Larkspur Community Association shall be allocated as follows: (i) to the Owners of an essential unit and essential lot a share equal to 50% of the share of common expenses allocated to the Owner of a lot or unit that is not an essential lot or unit, and (ii) to the Owner of a lot or unit that is not an essential lot or unit, one full share, with a share equaling such percentage as is necessary, when taking into account the 50% reduced shares owed by Owners of essential lots and units, for the total of all shares to equal 100%. To the extent no other method of notice for an owner is identified, notice may be given to Owners by: (i) posting of notice in three conspicuous locations in LARKSPUR, (ii) mailing notice by first class mail to the most recent address of the Owner as identified on the Gunnison County Assessor's website, or (iii) email for those Owners that have provided an email address to the Larkspur Community Association or have otherwise used an email address to converse with the Larkspur Community Association.

2. Article VI, Section 8 of the Declaration regarding signs, shall be amended to add the following:

¹ Capitalized terms used herein but not otherwise defined herein shall have the meaning set forth in the Declaration.



Notwithstanding the foregoing, to the extent that political or other signage cannot be prohibited by CCIOA or other applicable law, it is expressly permitted hereunder, but only to extent that it may not be prohibited.

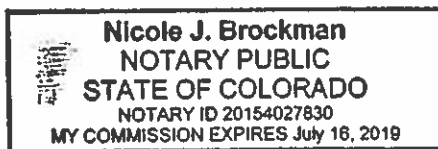
3. The following sentence shall be added to end of each of Article VI, Sections 15 and 29:

Notwithstanding any other provision of this Declaration, as is expressly permitted by CCIOA, certain on street parking is allowed for certain fire-fighting, law enforcement, ambulance or emergency medical services vehicles and to the extent so permitted by statute, but only to such extent as required by statute, the Declaration does not prohibit such parking.

4. Section 4 of Article XVIII of the Declaration is hereby revoked and replaced with the following:

4. Amendment The conditions, restrictions, stipulations, agreements and covenants herein contained, as well as the recorded plat of LARKSPUR, and any supplemental plats as specified in Article II hereof, shall not be waived, abandoned, terminated or amended except by the affirmative vote or agreement o Owners of units and lots to which sixty-seven percent of the votes in Larkspur Community Association are allocated and with the written consent of Gunnison County, which instrument shall be duly executed, acknowledged and recorded in Gunnison County, Colorado. Amendment of certain portions of the Design Guidelines for Larkspur may require the permission of Gunnison County. These include, but are not limited to, those provisions relating to parking, erosion control, drainage standards, and the Weed Management Plan.

Executed this 9 day of August, 2016.



Larkspur Community Association,
a Colorado nonprofit corporation

By: [Signature], President

STATE OF Colorado)
) ss.
County of Gunnison)

This document was acknowledged before me on this 9 day of August, 2016, by Jeffrey Duke as President of Larkspur Community Association, a Colorado nonprofit corporation.

Witness my hand and official seal

My commission expires: July 16, 2019.

[Signature]
Notary Public



CERTIFICATION

I, Jeffrey Duke, as President of the Larkspur Community Association, a Colorado nonprofit corporation, hereby certify that pursuant to C.R.S. § 38-33.3-217, Section 4 of Article XVIII of the Covenants, and the Colorado Revised Nonprofit Corporation Act, the owners and members of the Larkspur Community Association have consented to, agreed to, and approved of the First Amendment. This First Amendment was properly voted on and adopted by the owners of more than 75% of the tracts in the subdivision and members of the Larkspur Community Association. The signature pages for the consents provided by the owners and members of the Larkspur Community Association to this First Amendment are included herewith following my certification.

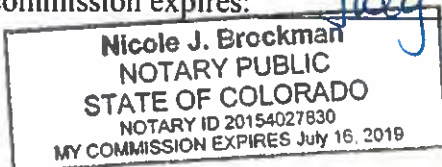
Larkspur Community Association,
a Colorado nonprofit corporation

By: [Signature], President

STATE OF Colorado)
) ss.
County of Gunnison)

This document was acknowledged before me on this 9 day of August, 2016, by Jeffrey Duke as President of Larkspur Community Association, a Colorado nonprofit corporation.

Witness my hand and official seal
My commission expires: July 16, 2019



[Signature]
Notary Public

POLICY NUMBER: NC430552

Named Insured: LARKSPUR COMMUNITY ASSOC.

SCHEDULE OF FORMS AND ENDORSEMENTS

IL0017	(11/98)	Common Policy Conditions
E001J	(04/17)	Nautilus Policy Jacket
E906	(01/16)	Service of Suit
E915	(07/13)	OFAC Adv Notice to Policyholder
S013	(07/09)	Minimum Earned Premium Endt
S150	(07/09)	CGL Coverage Part Declarations
CG0001	(04/13)	Comm1 General Liability Cvg Form
CG2107	(05/14)	Excl-Access or Disc of Con/Pers
CG2109	(06/15)	Exclusion - Unmanned Aircraft
CG2147	(12/07)	Excl-Employmt-Related Practices
CG2173	(01/15)	Excl of Certified Acts of Terror
CG2196	(03/05)	Silica/Silica-Related Dust Excl
IL0021	(09/08)	Nuclear Energy Liab Excl Endt
L216	(04/16)	Amend of Deftns-Insd Contract
L217	(06/17)	Excl-Punitive Exemplary Dmgs
L223	(06/07)	Exclusion - Total Pollution
L238	(06/07)	Exclusion - Toxic Metals
L241	(07/09)	Excl-Micro/Bio Organisms/Contam
L318	(11/10)	Exclusion - Events
L408	(03/12)	Changes-Civ Union/Domestic Prtnr
L601	(12/09)	Amend of Conditions - Prem Audit
L801	(06/07)	Addl Insd-Homeowners Assoc Mbrs
L850	(05/09)	Deductible Liab Insurance
S033	(02/16)	Excl - Cross Claims or Suits
S038	(04/16)	Amendment of Liquor Liab Excl
S063	(07/09)	Cond Excl-Water Hzd Sign Require
S071	(04/99)	Excl - Directors & Officers Liab
S095	(07/09)	Excl - Water-Related Rec Equip
S261	(07/09)	Exclusion - Asbestos
F001	(03/12)	Comm1 Property Coverage Part Dec
CP0010	(10/12)	Building & Personal Prop Cvg Frm
CP0090	(07/88)	Commercial Property Conditions
CP1030	(10/12)	Cause of Loss - Special Form
CP1033	(10/12)	Theft Exclusion
IL0935	(07/02)	Excl-Certain Comp-Related Losses
IL0953	(01/15)	Excl of Certified Acts of Terror
E600	(11/15)	Actual Cash Value
F201	(11/05)	Exclusion - Property Pollution
F202	(11/05)	Excl-Micro/Bio Organisms/Contam
F210	(04/16)	Amendment of Coverage - Collapse
F233	(11/14)	Excl Loss - Virus/Bacteria
F401	(04/16)	Comm1 Prop Ext Endt-Special Form
F605	(11/05)	Total Loss Endorsement

The forms and endorsements shown on this Schedule constitute the entire policy at the time of issuance.

SCHEDULE OF FORMS AND ENDORSEMENTS (Continued)

ADDITIONAL FORMS APPLICABLE:

The forms and endorsements shown on this Schedule constitute the entire policy at the time of issuance.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Nautilus Insurance Company®

An Arizona Stock Corporation

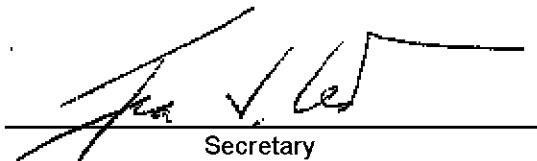
COMMERCIAL LINES POLICY

THIS POLICY IS NOT OBTAINED PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

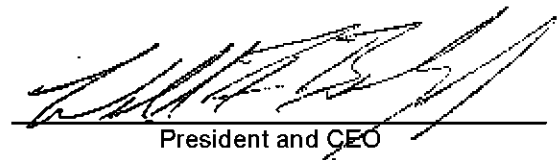
THIS POLICY CONSISTS OF:

- Declarations;
- Common Policy Conditions; and
- One or more Coverage Parts. A Coverage Part consists of:
 - One or more Coverage Forms; and
 - Applicable Forms and Endorsements.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Secretary



President and CEO

Administrative Office:
7233 East Butherus Drive, Scottsdale, Arizona 85260
(480) 951-0905

SERVICE OF SUIT

Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner or Director of Insurance or other Officer specified for that purpose in the Statute, or his/ her successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of you or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the below named as the person to whom the said Officer is authorized to mail such process or a true copy thereof.

It is further agreed that service of process in such suit may be made upon Janet Shemanske, or her nominee of the Company at 7233 East Butherus Drive, Scottsdale, Arizona 85260, and that in any suit instituted against the Company upon this policy, it will abide by the final decision of such Court or of any Appellate Court in the event of an appeal. Nothing herein shall constitute a selection or designation of forum, or a waiver of any of the Company's rights to select a forum or court, including any of the federal courts of the United States.

**U.S. TREASURY DEPARTMENT'S
OFFICE OF FOREIGN ASSETS CONTROL (OFAC)
ADVISORY NOTICE TO POLICYHOLDERS**

PLEASE READ THIS NOTICE CAREFULLY.

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of national emergency. OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations and narcotics traffickers as Specially Designated Nationals. This list can be located on the United States Treasury's web site: <http://www.treasury.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

POLICY NUMBER: NC430552

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

If this policy is cancelled at your request, there will be a minimum earned premium retained by us of \$ _____ or 25 % of the premium for this insurance, whichever is greater.

Non-payment of premium is considered a request by the first Named Insured for cancellation of this policy.

If a policy fee, inspection fee or expense constant is applicable to this policy, they will be fully earned and no refund will be made.

All other terms and conditions of this policy remain unchanged.

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

POLICY NUMBER: NC430552

☐ Extension of Declarations is attached.

Effective Date: 02/12/2019 12:01 A.M. Standard Time

LIMITS OF INSURANCE ☐ If box is checked, refer to form S132 Amendment of Limits of Insurance.

General Aggregate Limit (Other Than Products/ Completed Operations)	\$ 2,000,000	
Products/ Completed Operations Aggregate Limit	\$ INCLUDED	
Personal and Advertising Injury Limit	\$ 1,000,000	Any One Person Or Organization
Each Occurrence Limit	\$ 1,000,000	
Damage To Premises Rented To You Limit	\$ 100,000	Any One Premises
Medical Expense Limit	\$ 5,000	Any One Person

RETROACTIVE DATE (CG 00 02 ONLY)

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" which occurs before the Retroactive Date, if any, shown here: NONE (Enter Date or "NONE" if no Retroactive Date applies)

BUSINESS DESCRIPTION AND LOCATION OF PREMISES

BUSINESS DESCRIPTION: HOMEOWNERS ASSOCIATION

LOCATION OF ALL PREMISES YOU OWN, RENT, OR OCCUPY: ☐ Location address is same as mailing address.

1. BRUSH CREEK RD
CRESTED BUTTE CO 81224-
2. -

Additional locations (if any) will be shown on form S170, Commercial General Liability Coverage Part Declarations Extension.

LOCATION OF JOB SITE (If Designated Projects are to be Scheduled):

-
-

CODE # -	CLASSIFICATION	*	PREMIUM BASIS	RATE		ADVANCE PREMIUM
				Prem/ Ops	Prod/ Comp Ops	
90507 -	Homeowners Association - Common Area Only Rate is Per Home	T	57	8.131	INCLUDED	463 INCLUDED
90676 -	Lakes, Ponds, Reservoir - Incidental Exposure Only - Rated as Parks, Playgrounds or Sports Courts - Incidental Exposure Only	T	2	53.005	INCLUDED	106 INCLUDED
90678 -	Streets and Roads - Incidental Exposure Only	T	1	79.512	INCLUDED	80 INCLUDED
-						

*** PREMIUM BASIS SYMBOLS** **+ = Products/ Completed Operations are subject to the General Aggregate Limit**

a = Area (per 1,000 sq. ft. of area)	o = Total Operating Expenditures (per \$1,000 Total Operating Expenditures)	s = Gross Sales (per \$1,000 of Gross Sales)
c = Total Cost (per \$1,000 of Total Cost)	p = Payroll (per \$1,000 of Payroll)	t = See Classification
m = Admissions (per 1,000 Admissions)	u = Units (per unit)	

PREMIUM FOR THIS COVERAGE PART \$ 702 MP

FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

Refer to Schedule of Forms and Endorsements

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

Includes copyrighted material of Insurance Services Office, Inc. with its permission.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"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 whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are 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) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.
- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C - MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I - Coverage A - Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ACCESS OR DISCLOSURE
OF CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY - LIMITED BODILY INJURY
EXCEPTION NOT INCLUDED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

- p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

- Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.g. Aircraft, Auto Or Watercraft under Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph g.(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph g.(2) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph g.(2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
 - (i) Less than 26 feet long; and
 - (ii) Not being used to carry persons or property for a charge;
- (c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(e) "Bodily injury" or "property damage" arising out of:

(i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or

(ii) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

B. The following exclusion is added to Paragraph 2. **Exclusions of Coverage B - Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- a. The use of another's advertising idea in your "advertisement"; or
- b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

C. The following definition is added to the **Definitions** section:

"Unmanned aircraft" means an aircraft that is not:

1. Designed;
2. Manufactured; or
3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/ COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and 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.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:
- 2. Exclusions**
This insurance does not apply to:
Silica Or Silica-Related Dust
- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
 - b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
 - c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:
- 2. Exclusions**
This insurance does not apply to:
Silica Or Silica-Related Dust
- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
 - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- C. The following definitions are added to the Definitions Section:
- 1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
 - 2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/ COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF DEFINITIONS - INSURED CONTRACT
(Limited Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/ COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means any written:

- a. Contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "property damage" to premises while rented or loaned to you, or temporarily occupied by you with permission of the owner, is not an "insured contract";
- b. Sidetrack agreement;
- c. Easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. Obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. Elevator maintenance agreement; or
- f. Part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (1) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs, drawings, or specifications; or
 - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- c. Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in b.(1) or b.(2) above and supervisory, inspection, architectural or engineering activities; or
- d. That indemnifies any person or organization for "bodily injury" or "property damage" arising from the ownership, maintenance, or use of any aircraft.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PUNITIVE OR EXEMPLARY DAMAGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/ COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following exclusion is added to 2. Exclusions of Section I:

This insurance does not apply to punitive or exemplary damages, including but not limited to those damages that may be imposed to punish a wrongdoer or to deter others from engaging in a similar behavior.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - TOTAL POLLUTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion f. Pollution of 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of any authority, governmental or otherwise, for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants"; or
 - (c) Requirements by Environmental Protection Agency (EPA) 40 CFR Parts 280 and 281 for underground storage tanks, Comprehensive Environmental Response Compensation and Liability Act (CERCLA) or any similar State or Federal environmental act(s).

B. The definition of "Pollutants" in the Definitions section is replaced by the following:

"Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - TOXIC METALS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Coverage B - Personal And Advertising Injury and Coverage C - Medical Payments:

This insurance does not apply to:

1. "Bodily injury", "property damage", "personal and advertising injury" or medical payments arising out of direct or indirect contact with, any exposure to, or the ingestion, inhalation, or absorption of any "toxic metals" in any form; or
2. Any loss, cost, or expense arising out of any:
 - a. Request, demand, order, or requirement by or on behalf of any authority, governmental or otherwise, that any insured or others abate, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any "toxic metals"; or
 - b. Claim or "suit" by or on behalf of any authority, governmental or otherwise, for damages because of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of any "toxic metals".

We will have no duty to investigate, defend or indemnify any insured in any action or proceeding alleging damages arising out of direct or indirect contact with, any exposure to, or the ingestion, inhalation, or absorption of any "toxic metals" in any form.

- B. For the purpose of this endorsement, the following definitions are added to the Definitions section:

1. "Toxic metals" are individual metals and metal compounds that negatively affect people's health. "Toxic metals" include, but are not limited to, arsenic, beryllium, "heavy metals", or hexavalent chromium.
2. "Heavy metals" are a group of elements between copper and bismuth on the periodic table of the elements having specific gravities greater than 4.0. "Heavy metals" include, but are not limited to, cadmium, cobalt, copper, lead, manganese, mercury, molybdenum, strontium, vanadium, or zinc.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - MICROORGANISMS, BIOLOGICAL ORGANISMS,
BIOAEROSOLS OR ORGANIC CONTAMINANTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusions are added to **2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Coverage B - Personal And Advertising Injury Liability and Coverage C - Medical Payments:**

This insurance does not apply to:

1. "Bodily injury", "property damage", "personal and advertising injury", or medical payments arising out of, related to, caused by or in any way connected with the exposure to, presence of, formation of, existence of or actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any microorganisms, biological organisms, bioaerosols or organic contaminants including, but not limited to, mold, mildew, fungus, spores, yeast or other toxins, mycotoxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion.
2. Any loss, cost or expense arising out of any:
 - a. Request, demand, order, or requirement by or on behalf of any authority, governmental or otherwise, that any insured or others abate, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, remediate or dispose of, or in any way respond to, or assess the effects of microorganisms, biological organisms, bioaerosols or organic contaminants including, but not limited to, mold, mildew, fungus, spores, yeast, or other toxins, mycotoxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion; or
 - b. Claim or "suit" by or on behalf of any authority, governmental or otherwise, for damages because of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of microorganisms, biological organisms, bioaerosols or organic contaminants including, but not limited to, mold, mildew, fungus, spores, yeast, or other toxins, mycotoxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion.

We shall have no duty to investigate, defend, or indemnify any insured in any action or proceeding alleging damages arising out of direct or indirect contact with, any exposure to, or the ingestion, inhalation or absorption of any microorganisms, biological organisms, bioaerosols, or organic contaminants including, but not limited to, mold, mildew, fungus, spores, yeast or other toxins, mycotoxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion.

This exclusion does not apply to any fungi, bacteria, microorganisms or biological organisms that are, are on, or are contained in, a good or product intended for bodily consumption.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - EVENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Coverage B - Personal And Advertising Injury Liability and Coverage C - Medical Payments:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical payments arising out of any "event" managed, operated or sponsored by the insured.

- B. The following definitions are added to the Definitions section:

1. "Event" means any activity of an athletic or sports, or entertainment nature of "limited duration" that you manage, operate, or sponsor including, but not limited to, a carnival, circus, concert, contest, demonstration, exhibition, fair, game, match, parade, race, rodeo, show, stunting activity, or theatrical performance.
2. "Limited duration" means a time period that can be established by a beginning and ending date.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES - CIVIL UNION OR DOMESTIC PARTNERSHIP

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/ COMPLETED OPERATIONS LIABILITY COVERAGE PART

All references to spouse shall include an individual who is a party to a civil union or is in a domestic partnership recognized under state law, where applicable.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF CONDITIONS - PREMIUM AUDIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/ COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

A. The Premium Audit Condition under Section IV - Conditions is replaced by the following:

Premium Audit

1. We will compute all premiums for this Coverage Part in accordance with our rules and rates. Premium shown in this Coverage Part as advance premium is a minimum and deposit premium.

The rates for each classification shown in the Declarations are multiplied by the estimated premium bases of that classification for the term to determine the advance premium.

We may conduct an audit of your books to determine the actual premium bases developed during the policy period. To calculate the actual premium developed during the policy period we will use one, or a combination, of the following premium bases: payroll, admissions, gross sales, total cost, area, each exposure unit, units or total operating expenditures.

2. If we determine, whether by audit of your books and records or otherwise, that you are conducting operations not scheduled on this policy, we may add the appropriate classifications and compute the rates and premiums in accordance with our rules and rates in effect on the inception date of this policy, unless coverage has been restricted to "designated operations".

3. **Premium Bases.**

The premium bases are defined in accordance with our rules and the following additional definitions:

- a. **Payroll** (premium basis symbol p): Remuneration paid to "employees", "casual laborers", "temporary workers", day laborers, statutory workers, seasonal workers or "leased workers", including but not limited to:

(1) Money or substitutes for money; commissions; bonuses; overtime; payments to statutory insurance or pension plans; profit sharing or incentive plans; pay for holidays, vacation or sickness; and fees paid to employment agencies for temporary personnel provided to you.

(2) If your operations consist of a number of separate operations classified individually in the Declarations, the payroll will be allocated to each classification where you have maintained records for each separate operation. Any such operation for which separate records are not maintained by you will be assigned to the highest rated classification.

(3) For premium computation purposes, the payroll of executive officers, individual insureds and co-partners is subject to a minimum annual payroll per person of:

\$

(If no entry is made, the minimum payroll as established by our rating rules will apply.)

The rates apply per \$1,000 of Payroll.

- b. **Admissions** (premium basis symbol m): The total number of persons, other than your "employees", admitted to the insured event or to events conducted on the premises whether on paid admissions, tickets, complimentary tickets or passes.

The rates apply per 1,000 Admissions.

- c. **Gross Sales** (premium basis symbol s): The gross amount charged by you, your concessionaires or by others trading under your name for:
 - (1) All goods or products, sold or distributed;
 - (2) Operations performed during the policy period; and
 - (3) Rentals; or
 - (4) Dues or fees.
 The rates apply per \$1,000 of Gross Sales.
 - d. **"Total Cost"** (premium basis symbol c) means the total cost of all work let or sublet in connection with each specific project including:
 - (1) The cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work including the cost of finished equipment installed whether or not furnished by the contractor, or subcontractor, or by you; and
 - (2) All fees, bonuses or commissions made, paid or due.
 The rates apply per \$1,000 of Total Cost.
 - e. **Area** (premium basis symbol a): The total number of square feet of floor space at the insured premises. The rates apply per 1,000 square feet of Area.
 - f. **Each** (premium basis symbol t): This basis of premium involves units of exposure, and the quantity comprising each unit of exposure is indicated in the Declarations, such as "per person". The rates apply per each unit of exposure.
 - g. **Units** (premium basis symbol u): A single room or group of rooms intended for occupancy as separate living quarters by a family, by a group of unrelated persons living together, or by a person living alone. The rates apply per Unit.
 - h. **Total Operating Expenditures** (premium basis symbol o): Total expenditures (including grants, entitlements and shared revenue) without regard to source of revenue during the policy period including accounts payable. The rates apply per \$1,000 of Total Operating Expenditures.
4. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request. Failure to supply such records upon request will be deemed a breach of condition and subject this policy, and may subject any in force policy of yours, to cancellation for breach of conditions.
 5. We reserve the right to examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.
 6. Premium shown in this Coverage Part as advance premium is a minimum and deposit premium. Advance premium includes any payments identified as premium paid prior to policy expiration. At the close of each audit period, we will compute the earned premium for that period. Audit premium is due and payable upon notice to the first Named Insured. Failure to pay the audit premium due will be deemed a breach of contract and subject this policy, and may subject any in force policy of yours, to cancellation for non-payment of premium.
 - a. If the actual earned premium generated as a result of an audit for the policy period is less than the advance premium, such advance premium is the minimum premium for the policy period indicated and is not subject to adjustment.
 - b. If the actual earned premium generated as a result of an audit for the policy period is greater than the advance premium, then a final premium adjustment endorsement will be issued. The additional premium amount shown on the final premium adjustment endorsement is due and payable to us upon notice to the first Named Insured.
 7. **Estimated Annual Audit Procedure:**

If, after three documented attempts, we are unable to examine your books and records to obtain the information necessary to complete the audit, we may implement our estimated audit procedure as outlined below:

 - a. An Estimated Audit Endorsement will be issued reflecting a fifty percent (50%) increase in your reported premium basis. This increase is an estimate based on information we have on file, or your business operations.

- b. The Estimated Audit Endorsement will include a copy of the Unproductive Audit Report that outlines the documented attempts made to collect the required information.
- c. If you agree with the Estimated Audit Endorsement, you must remit payment for the full amount of the estimated audit; or
- d. If you dispute the Estimated Audit Endorsement, you must provide the requested audit information so we can calculate the proper earned premium developed for the policy period.

8. Cancellation Audit Procedure.

- a. If the policy is canceled prior to the expiration date the first Named Insured retains the unearned premium; we will retain the earned premium developed by:
 - (1) Multiplying the advance premium by the applicable pro-rata factor, short-rate factor, or minimum earned premium percentage; or
 - (2) An audit of your books and records for the period the policy was in force, whichever is greater.
- b. If the actual earned premium generated as a result of an audit is greater than the advance premium paid at issuance, then a final premium adjustment endorsement will be issued. The additional premium amount shown on the final premium adjustment endorsement is due and payable to us upon notice to the first Named Insured.

B. The following definitions are added to the Definitions section:

- 1. "Casual laborers" are persons who provide services that are performed in the course of the employing unit's trade or business regardless of the amount of remuneration received or the length of time the services are provided.
- 2. "Designated operations" means only those operations performed by any insured that are described on the Common Policy Declarations, the General Liability Coverage Part Declarations, or the endorsements or supplements of this insurance.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS' ASSOCIATION MEMBERS
(CONDOMINIUM, HOME, TOWNHOUSE OR SIMILAR ASSOCIATION)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section II - Who Is An Insured is amended to include as an insured each individual owner of the insured owners' association, but only with respect to liability arising out of the ownership, maintenance, or repair of that portion of the premises which is not reserved for that owner's exclusive use or occupancy.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE (Including Allocated Loss Adjustment Expense)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/ COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Coverage	Amount And Basis Of Deductible		
	PER CLAIM	PER OCCURRENCE	PER ITEM
Bodily Injury Liability	\$	- OR - \$	Not Applicable
- OR -			
Property Damage Liability	\$	- OR - \$	- OR - \$
- OR -			
Bodily Injury Liability and Property Damage Liability Combined	\$ 500	- OR - \$	Not Applicable

- A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule as applicable to such coverages.
- B. You may select a deductible amount on either a per claim, a per "occurrence" or per item basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule. The deductible amount stated in the Schedule applies as follows:
1. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule is on a per claim basis, that deductible applies as follows:
 - a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
 - b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
 - c. Under Bodily Injury and Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
 - (1) "Bodily injury";
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combined
 as the result of any one "occurrence".

If damages are claimed for care, loss of services, loss of support or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.

2. **PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule is on a per "occurrence" basis, that deductible amount applies as follows:
 - a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
 - b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
 - c. Under Bodily Injury and Property Damage Liability Coverage Combined, to all damages because of:
 - (1) "Bodily injury";
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combinedas the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".
 3. **PER ITEM BASIS.** If the deductible amount indicated in the Schedule is on a per item basis, that deductible amount applies under Property Damage Liability Coverage, to each item damaged because of "property damage" sustained by one person or organization as the result of any one "occurrence".
- C. The deductible amount stated in the Schedule applies to loss, legal expense, and our "Allocated Loss Adjustment Expense" incurred, whether or not payment is made to the claimant, compromise settlement is reached or the claim is denied.
- D. The terms of this insurance, including those with respect to:
1. Our right and duty to defend the insured against any "suits" seeking those damages; and
 2. Your duties in the event of an "occurrence", claim or "suit"
- apply irrespective of the application of the deductible amount.
- E. We may, at our sole election and option, either:
1. Pay any part or all of the deductible amount to effect settlement of any claim or "suit" and upon notification of the action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us; or
 2. Upon our receipt of notice of any claim or at any time thereafter, request you to pay and deposit with us all or any part of the deductible amount, to be held and applied according to the terms of this policy.
- F. The following is **added** to the **Definitions** section:
- "Allocated Loss Adjustment Expense" will include all costs and expenses incurred by us in investigating and adjusting any loss, with the exception of salary and overhead.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - CROSS CLAIMS OR SUITS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Coverage B - Personal And Advertising Injury Liability and Coverage C - Medical Payments:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical payments arising out of occurrences between two or more members. Members include all active, inactive, auxiliary or national members, and any owners or unit owners of any Named Insured.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIQUOR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion c. Liquor Liability under Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability is replaced by the following:

This insurance does not apply to:

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises, for consumption on your premises;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured or his indemnitee allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

This exclusion applies only if you:

- (1) Are an owner or lessor of premises used for activities described in (2), (3), (4) or (5) below whether such activities are performed with or without your knowledge;
- (2) Manufacture, sell or distribute alcoholic beverages;
- (3) Serve or furnish alcoholic beverages for a charge where the activity:
 - (a) Requires a license; and
 - (b) Is for the purpose of financial gain or livelihood;
- (4) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity; or
- (5) Permit any person to bring any alcoholic beverages on your premises, for consumption on your premises.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITIONAL EXCLUSION - WATER-RELATED HAZARD SIGN POSTING REQUIREMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following is added to Section IV - Commercial General Liability Conditions:

As a condition of this insurance, **No Swimming, Swim At Your Own Risk** or similar signs warning of water-related hazards must be posted at any "water recreational area".

B. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Coverage B - Personal And Advertising Injury Liability and Coverage C - Medical Payments:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical payments arising out of the ownership, maintenance, operation, supervision or use of any "water recreational area" if **No Swimming, Swim At Your Own Risk** or similar signs warning of water-related hazards are not posted.

C. For the purpose of this endorsement, the following definition is added to the Definitions section:

"Water recreational area" includes, but is not limited to, any lake, pond, river, swimming pool, water park or any other body of water.

All other terms and conditions of this policy remain unchanged.

NAUTILUS INSURANCE COMPANY

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — DIRECTORS AND OFFICERS LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is **added** to Paragraph 2., Exclusions of Coverage (Section I - Coverages):

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical payments arising out of any error, omission, malpractice or mistake of a professional nature committed or alleged to have been committed by or on behalf of you in the conduct of any of your business activities.

All other Terms and Conditions of this Insurance remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - WATER-RELATED RECREATIONAL EQUIPMENT
(Designated Water-Related Recreational Equipment Excepted)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description of Water-Related Recreational Equipment	Serial Number
NONE	N/A

- A. The following exclusion is added to 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Coverage B - Personal And Advertising Injury Liability and Coverage C - Medical Payments:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical payments arising out of the ownership, maintenance, operation, supervision, use, or rental by anyone of any "water-related recreational equipment" that is normally used or designed to be used in or on water or located in or around any pool, lake, pond, other body of water or water facility.

However, this exclusion does not apply to "water-related recreational equipment" described in the Schedule.

- B. For the purpose of this endorsement, the following definition is added to the Definitions section:

"Water-related recreational equipment" means any device or apparatus used or designed to be used in or on water, or located in or around any pool, lake, pond, water facility or other body of water for the purpose of access, entertainment or amusement including, but not limited to, water slides, permanent or floating docks or piers, diving boards or towers, diving platforms, ski jumps, any motorized equipment or any device attached to any motorized equipment, any type of swing, or any inflatable flotation device.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following is added to Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Coverage B - Personal And Advertising Injury Liability and Coverage C - Medical Payments:

This insurance does not apply to:

1. "Bodily injury", "property damage", "personal and advertising injury", medical payments or "reduction in value" related to the actual, alleged, or threatened presence of, or exposure to "asbestos" in any form, or to harmful substances emanating from "asbestos". This includes ingestion, inhalation, absorption, contact with, existence or presence of, or exposure to "asbestos". Such injury from or exposure to "asbestos" also includes, but is not limited to:
 - a. The existence, installation, storage, handling or transportation of "asbestos";
 - b. The removal, abatement or containment of "asbestos" from any structures, materials, goods, products, or manufacturing process;
 - c. The disposal of "asbestos";
 - d. Any structures, manufacturing processes, or products containing "asbestos";
 - e. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage; or
 - f. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above.
2. Any loss, cost or expense, including, but not limited to payment for investigation or defense, fines, penalties and other costs or expenses, arising out of any:
 - a. Claim, "suit", demand, judgment, obligation, order, request, settlement, or requirement by or on behalf of any authority, governmental or otherwise, that any insured or any other person or entity test for, monitor, clean up, remove, contain, mitigate, treat, neutralize, remediate, or dispose of, or in any way respond to, or assess the actual or alleged effects of "asbestos"; or
 - b. Claim, "suit", demand, judgment, obligation, request, or settlement due to any actual, alleged, or threatened injury or damage from "asbestos" or testing for, monitoring, cleaning up, removing, containing, mitigating, treating, neutralizing, remediating, or disposing of, or in any way responding to or assessing the actual or alleged effects of, "asbestos" by any insured or by any other person or entity; or
 - c. Claim, "suit", demand, judgment, obligation, or request to investigate which would not have occurred, in whole or in part, but for the actual or alleged presence of or exposure to "asbestos".

This exclusion applies regardless of who manufactured, produced, installed, used, owned, sold, distributed, handled, stored or controlled the "asbestos".

- B. The following definitions are added to the **Definitions** section:

1. "Asbestos" means any type or form of asbestos, asbestos fibers, asbestos products, or asbestos materials, including any products, goods, or materials containing asbestos or asbestos fibers, products or materials and any gases, vapors, scents or by-products produced or released by asbestos.
2. "Reduction in value" means any claim, demand or "suit" that alleges diminution, impairment or devaluation of tangible property.

All other terms and conditions of this policy remain unchanged.

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

POLICY NUMBER: NC430552

☐ Supplemental Declarations is attached (Applies only if box is checked) Effective Date: 02/12/2019 12:01 A.M. Standard Time

BUSINESS DESCRIPTION HOMEOWNERS ASSOCIATION									
DESCRIPTION OF PREMISES									
PREM NO.	BLDG NO.	LOCATION ADDRESS	CLASS CODE	CONST	PROT CLASS	YEAR BUILT	NO. OF STORIES		
1	1	BRUSH CREEK RD CRESTED BUTTE CO 81224 - BLDG DESC/OCCUPANCY: HOMEOWNERS ASSOCIATION	0333	FRAME	10	2006	1		
1	2	BRUSH CREEK RD CRESTED BUTTE CO 81224 - BLDG DESC/OCCUPANCY:	0333	FRAME	10	2006	1		
BLDG DESC/OCCUPANCY: -									
COVERAGES PROVIDED (INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN)									
PREM NO.	BLDG NO.	COVERAGE	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	* COINS %	RATES	PREMIUM		
1	1	Building	25,000	Special-Excl Theft	80%	1.1650 \$	582 MP		
1	1	Property Extension							
* IF EXTRA EXPENSE COVERAGE, LIMITS ON LOSS PAYMENT									
DEDUCTIBLE \$ Exceptions: \$									
OPTIONAL COVERAGES (APPLICABLE ONLY WHEN ENTRIES ARE MADE IN THE SCHEDULE BELOW)									
		AGREED VALUE			REPLACEMENT COST (APPLIES ONLY IF "X" IS SHOWN BELOW)				
PREM NO.	BLDG NO.	EXPIRATION DATE	COVERAGE	AMOUNT	BUILDING	PERSONAL PROPERTY	INCLUDING "STOCK"		
1	1				X				
		INFLATION GUARD PERCENTAGE		** MONTHLY LIMIT OF INDEMNITY (Fraction)	** MAXIMUM PERIOD OF INDEMNITY ***	** EXTENDED PERIOD OF INDEMNITY (Days)			
PREM NO.	BLDG NO.	BUILDING	PERSONAL PROPERTY						
** APPLIES TO BUSINESS INCOME ONLY *** APPLIES ONLY IF "X" IS SHOWN BELOW									
MORTGAGE HOLDER(S)									
PREM NO.	BLDG NO.	MORTGAGE HOLDER NAME AND MAILING ADDRESS							
		LOAN NUMBER: -							
		LOAN NUMBER: -							
		LOAN NUMBER: -							
PREMIUM FOR THIS COVERAGE PART						\$	582 MP		
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)									
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue: APPLICABLE TO ALL COVERAGES: Refer to Schedule of Forms and Endorsements									
APPLICABLE TO SPECIFIC PREMISES/ COVERAGES: PREM NO. BLDG NO. COVERAGES FORM NUMBERS									

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2. Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) 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 building or structure;
 - (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 building or structure.

b. **Your Business Personal Property** consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
 - (2) Machinery and equipment;
 - (3) "Stock";
 - (4) All other personal property owned by you and used in your business;
 - (5) Labor, materials or services furnished or arranged by you on personal property of others;
 - (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
 - (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.
- c. **Personal Property Of Others** that is:
- (1) In your care, custody or control; and
 - (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
 - (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/ or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of or compliance with an 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", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced at the same or another premises; and
 - (ii) Unless the repair or replacement is 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 for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
 - (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
 - (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.
- f. Electronic Data**
- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
 - (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
 - (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

(1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

(2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the business personal property has been placed in the storage unit;

(b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Building 1:	\$ 60,000
Limit of Insurance - Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
- 250

\$ 59,850 Loss Payable - Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable - Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable - Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

When:	The value of the property is:	\$	250,000
	The Coinsurance percentage for it is:		80%
	The Limit of Insurance for it is:	\$	100,000
	The Deductible is:	\$	250
	The amount of loss is:	\$	40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When:	The value of the property is:	\$	250,000
	The Coinsurance percentage for it is:		80%
	The Limit of Insurance for it is:	\$	200,000
	The Deductible is:	\$	250
	The amount of loss is:	\$	40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When:	The value of the property is:	
	Building at Location 1:	\$ 75,000
	Building at Location 2:	\$ 100,000
	Personal Property at Location 2:	\$ 75,000
		<u>\$ 250,000</u>
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location 2:	\$ 30,000
	Personal Property at Location 2:	\$ 20,000
		<u>\$ 50,000</u>

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits Of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section G. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole

collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in (5)(a), (5)(b) and (5)(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or

- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or

- (b) To collapse caused by one or more of the following:

- (i) The "specified causes of loss";
- (ii) Breakage of building glass;
- (iii) Weight of rain that collects on a roof; or
- (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;

- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

- (3) Materials used in repair, construction, renovation or remodeling; or

- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph B.1.a. Ordinance Or Law;
 - (b) Paragraph B.1.c. Governmental Action;
 - (c) Paragraph B.1.d. Nuclear Hazard;
 - (d) Paragraph B.1.e. Utility Services; and
 - (e) Paragraph B.1.f. War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.
- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
- (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
 - a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage - Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in D.1. through D.7.

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
 - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in 2.a. or 2.b.;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.
3. This **Additional Coverage - Collapse** does not apply to:
 - a. A building or any part of a building that is in danger of falling down or caving in;
 - b. A part of a building that is standing, even if it has separated from another part of the building; or
 - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
 - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

- 5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
 - a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.d.;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in D.1. through D.7.

E. Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

- 1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

- 3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension F.3. does not increase the Limit of Insurance.

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c.(1) or c.(2) of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THEFT EXCLUSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - SPECIAL FORM

SCHEDULE

Premises Number

1

Building Number

1

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

With respect to the location(s) indicated in the Schedule, the following is added to the **Exclusions** section:

We will not pay for loss or damage caused by or resulting from theft.

But we will pay for:

1. Loss or damage that occurs due to looting at the time and place of a riot or civil commotion;
or

2. Building damage caused by the breaking in or exiting of burglars.

And if theft results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.1. of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph A. of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy

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

- A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and 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.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/ or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART

The following is **added** to any provision, which uses the term Actual Cash Value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual Cash Value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The Actual Cash Value of the lost or damaged property may be significantly less than its replacement cost.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PROPERTY POLLUTION

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - BASIC FORM
CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM
STANDARD PROPERTY POLICY

A. When referenced in the coverage form, **Pollutant Clean Up and Removal** under **Additional Coverages** is **deleted**.

B. The following is **added** to the **Exclusions** section:

PROPERTY POLLUTION

We will not pay for loss, damage or expense caused directly or indirectly, in whole or in part, by the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants". Nor will we cover any loss, damage or expense arising out of any:

1. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
2. Claim or suit by or on behalf of a government authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

Such loss, damage or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This exclusion also applies to personal property contained in any man-made structure.

C. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - MICROORGANISMS, BIOLOGICAL ORGANISMS,
BIOAEROSOLS OR ORGANIC CONTAMINANTS, IRRITANTS OR
POLLUTANTS**

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - BASIC FORM
CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM
STANDARD PROPERTY POLICY

- A. Paragraph h. **"Fungus", Wet Rot, Dry Rot and Bacteria** of section B. **Exclusions** is replaced by the following:
We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
1. Any microorganisms, biological organisms, bioaerosols or organic contaminants, irritants or "pollutants", including but not limited to mold, mildew, "fungus", spores, yeast or other toxins, mycotoxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion; or
 2. Rust, corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
- B. In the Causes of Loss - Basic, Broad and Special Forms, **Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot and Bacteria** is deleted in its entirety.
- C. In the Standard Property Policy, Additional Coverages, f. - **Limited Coverage for "Fungus", Wet Rot, Dry Rot and Bacteria** is deleted in its entirety.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COVERAGE - COLLAPSE

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM

The following **replaces** paragraph 3.a. of Additional Coverage - Collapse:

- a. A building or any part of a building that is in danger of falling down or caving in, even if such danger of falling down or caving in is imminent;

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
 - B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
 - C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
 - D. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL PROPERTY EXTENSION ENDORSEMENT - SPECIAL FORM

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

SUMMARY OF COVERAGE

The following is a summary of increased Limits Of Insurance and additional coverage provided by this endorsement. Limits shown below are the highest dollar amount payable and may be subject to sublimits or other limitations. For complete details on specific coverages, refer to the appropriate provisions in this endorsement.

COVERAGE	LIMITS OF INSURANCE / COVERAGE EXTENSION
Accounts Receivable	\$10,000
Computer Equipment	\$ 5,000
Covered Property Distance From Described Premises	1,000 Feet
Extra Expense	\$ 5,000
Fire Department Service Charge	\$ 5,000
Fire Protection Equipment	\$ 2,500
Outdoor Property	\$ 5,000
Property Off Premises	\$15,000
Spoilage	\$10,000
Valuable Papers And Records (Other Than Electronic Data)	\$10,000
Water Back Up Or Overflow From Sewer, Drain or Sump	\$10,000

A. The following changes are made to the Building and Personal Property Coverage Form and Causes Of Loss - Special Form:

1. The following is added to Paragraph 5. Coverage Extensions of Section A. - Coverage of the Building And Personal Property Coverage Form:

Accounts Receivable

- a. You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to your accounts receivable for:
 - (1) All amounts due from your customers that you are unable to collect;
 - (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from Covered Causes of Loss to your records of accounts receivable.
- b. The amount of receivables will be determined as follows:
 - (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
 - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.
- c. The most we will pay under this Extension is \$10,000 at each described premises, unless a higher limit is shown in the Declarations.

2. The following is added to Paragraph 5. Coverage Extensions of Section A. - Coverage of the Building And Personal Property Coverage Form:

Computer Equipment Coverage

- a. You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to:
 - (1) Computer equipment and related component parts that are:
 - (a) Your property; or
 - (b) The property of others that is in your care, custody or control;
 - (2) Your instructional material and prepackaged software programs purchased for use with your computer system; and
 - (3) Your blank electronic or magnetic media.
- b. The following Exclusions from Paragraph 2. of Section B. - Exclusions of the Causes Of Loss - Special Form do not apply to this Extension:
 - (1) Exclusions B.2.a. (Artificially generated electric current).
 - (2) Exclusions B.2.d.(6) (Mechanical breakdown).

- c. The most we will pay for loss or damage under this Extension is \$5,000 at each described premises, unless a higher limit is shown in the Declarations.
- 3. In Paragraph 1. **Covered Property** of Section A. - **Coverage of the Building And Personal Property Coverage Form**, all reference to distance from the described building, structure or premises is increased to 1,000 feet.
- 4. The following is added to Paragraph 4. **Additional Coverages** of Section A. - **Coverage of the Building And Personal Property Coverage Form**:
Extra Expense
 - a. You may extend this insurance to apply to the actual and necessary "extra expense" you sustain due to direct physical loss of or damage to Covered Property at the premises that are described in the Declarations. The loss or damage must be caused by or resulting from a Covered Cause of Loss.
 - b. The most we will pay for loss under this Extension is \$ 5,000 at each described premises.
- 5. In Paragraph c. **Fire Department Service Charge** of 4. **Additional Coverages** of Section A. - **Coverage of the Building And Personal Property Coverage Form**, the amount up to which we will pay is increased to \$5,000.
- 6. The following is added to Paragraph 4. **Additional Coverages** of Section A. - **Coverage of the Building And Personal Property Coverage Form**:
 - g. **Fire Protection Equipment**
When you use your fire protection equipment, or your fire protection equipment automatically discharges to protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500 of your costs to recharge your fire protection equipment.
Neither the Deductible nor the Coinsurance Additional Condition apply to this coverage.
- 7. In Paragraph e. **Outdoor Property** of 5. **Coverage Extensions** of Section A. - **Coverage of the Building And Personal Property Coverage Form**, the most we will pay is increased to \$5,000, but not more than \$500 for any one tree, shrub or plant for the coverage provided.
- 8. Paragraph d. **Property Off-Premises** of 5. **Coverage Extensions** of Section A. - **Coverage of the Building And Personal Property Coverage Form**, is replaced by the following:
Property Off-Premises
 - a. You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (1) Temporarily at a location you do not own, lease or operate;
 - (2) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (3) At any fair, trade show or exhibition.
 - b. This Extension does not apply to property in or on a vehicle.
 - c. The most we will pay for loss or damage under this Extension is \$15,000.
- 9. The following is added to Paragraph 5. **Coverage Extensions** of Section A. - **Coverage of the Building And Personal Property Coverage Form**:
Spoilage Coverage
 - a. You may extend the insurance provided by Your Business Personal Property to apply to direct physical loss or damage by the Covered Causes of Loss to "perishable stock" at the described premises owned by you or by others that is in your care, custody or control; but only with respect to the coverage provided by this Extension.
 - b. With respect to the coverage provided by this Extension, property located on the buildings or in the open or in vehicles is considered to be Property Not Covered.

- c. With respect to the coverage provided by this Extension, Paragraph 3. **Covered Causes Of Loss of Section A. - Coverage of the Building And Personal Property Coverage Form** is replaced by the following:

Covered Causes of Loss means the following:

- (1) Breakdown or contamination, meaning:

(a) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

(b) Contamination by the refrigerant.

- (2) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

- d. Paragraph 5. **Coverage Extensions of Section A. - Coverage of the Building And Personal Property Coverage Form** does not apply.

- e. **Section B. Exclusions of the Causes Of Loss - Special Form** is amended as follows:

B. Exclusions

1. Only the following Exclusions contained in Paragraph 1. of **Section B. - Exclusions of the Causes of Loss - Special Form** applicable to this Coverage Part apply to Spoilage Coverage:

- a. Earth Movement;
- b. Governmental Action;
- c. Nuclear Hazard;
- d. War And Military Action; and
- e. Water.

2. The following Exclusions are added:

We will not pay for loss or damage caused by or resulting from:

- a. The disconnection of any refrigerating, cooling, or humidity control system from the source of power.
- b. The deactivation of electrical power caused by manipulation of any switch or other device used to control the flow of electrical power or current.
- c. The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order.
- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

- f. The following is added to **Section F. - Additional Conditions of the Building And Personal Property Coverage Form**:

Additional Condition

The following Condition applies in addition to the **Common Policy Conditions** and the **Commercial Property Conditions**:

Refrigeration Maintenance Agreement

You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us, the insurance provided by this Coverage Extension will be automatically suspended at the involved location.

- g. **Section G. - Optional Coverages of the Building And Personal Property Coverage Form** does not apply.

- h. The most we will pay for loss or damage under this Extension is \$10,000 at each described premises, unless a higher limit is shown in the Declarations. Our payment for loss or damage to property of others will only be for the account of the owner of the property.
10. Paragraph c. **Valuable Papers and Records (Other Than Electronic Data)** of 5. **Coverage Extensions of Section A. - Coverage of the Building And Personal Property Coverage Form**, is replaced by the following:

Valuable Papers and Records (Other Than Electronic Data)

- a. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on "valuable papers and records" for which duplicates do not exist. However, this Extension does not apply to "valuable papers and records" that exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.
- b. Coverage under this Extension is limited to the "specified causes of loss" as defined in **Section G. - Definitions of the Causes Of Loss - Special Form**, and Collapse as set forth in the **Causes of Loss - Special Form**.
- c. The following Exclusions in **Section B. - Exclusions of the Causes Of Loss - Special Form** do not apply to this Extension:
- (1) Exclusions B.1.e. (Utility services);
 - (2) Exclusions B.2.d.(6) (Mechanical breakdown); and
 - (3) Exclusions B.2.d.(7) (Dampness or dryness of atmosphere, changes in or extremes of temperature and marring or scratching);
- d. Coverage under this Extension includes Collapse as set forth in **Section D. - Additional Coverage - Collapse of the Causes Of Loss - Special Form**.
- e. Under this Extension, the most we will pay to replace or restore the lost information is \$10,000 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.
11. Exclusion g. **Water** of Paragraph 1. of **Section B - Exclusions of the Causes Of Loss - Special Form** is replaced by the following:

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water under the ground surface pressing on or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (4) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1) or (3), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (4), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason to contain the water.

But if any of the above, in Paragraphs (1) through (4), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

12. The following additional coverage extension is added to Section F. - Additional Coverage Extensions of the Causes Of Loss - Special Form:

Water Back Up or Overflow From Sewer, Drain or Sump

- a. You may extend the insurance provided by this Coverage Part to apply to loss or damage to property caused by or resulting from water that backs up or overflows from a sewer, drain or sump.
- b. The most we will pay under this Extension is \$10,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises or locations involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.
- c. For the purposes of this extension, the term drain includes a roof drain and related fixtures.

B. The following definitions are added to the Definitions sections of the Building And Personal Property Coverage Form and the Causes Of Loss - Special Form:

1. "Extra Expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) that are incurred to:
 - a. Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;
 - b. Minimize the "suspension" of business if you cannot continue "operations"; or
 - c. Repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Extension.
2. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
3. "Operations" means your business activities occurring at the described premises.
4. "Period of restoration" means the period of time that:
 - a. Begins with the date of direct physical loss or damage 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" does not include any increased period required due to the enforcement of any ordinance or law that:

- a. Regulates the construction, use or repair, or requires the tearing down of any property; or
- b. 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".

The expiration date of this policy will not cut short the Period of Restoration.

5. "Perishable Stock" means personal property:
 - a. Maintained under controlled conditions for its preservation; and
 - b. Susceptible to loss or damage if the controlled conditions change.

6. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
7. "Suspension" means the slowdown or cessation of your business activities.
8. "Valuable papers and records" means inscribed, printed, or written documents, manuscripts, or records, including abstracts, books, deeds, drawings, films, maps, or mortgages.
But "valuable papers and records" does not mean "money" or "securities", converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL LOSS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A. In the event of a total loss or a "constructive total loss" of the Covered Property, the premium for that Covered Property will be fully earned and no refund will be made.
- B. For the purpose of this endorsement the following is **added** to the **Definitions** section:
"Constructive total loss" means Covered Property that is damaged and is treated as a total loss because the cost of repairing the damaged Covered Property exceeds the value of the Covered Property.

All other terms and conditions of the policy remain unchanged.

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, FEBRUARY 26, 2019 5:30PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Kim Dunn
Bob Pannier
Rework Patten
Jeff Duke
Jim Ruthven, Toad Property Management

Jim called the meeting to order at 5:30 pm. Minutes of the January 15, 2019 meeting would be reviewed at the next meeting.

Bob said Gary Gates was threatening legal action against entities who had opposed the Brush Creek project and it appeared likely that Gary Gates would be moving onto other projects in Gunnison County.

It was agreed the current snow removal was going well with Lacy Construction bringing in a smaller machine to deal with berms and the more confined spaces. Snow removal was being performed when there was a storm of 4 inches or more or as deemed necessary. Jim agreed to review snow storage requirements in the Association's governing documents and the County documents and speak to Lacy Construction to find out if they were encountering any problems with existing landscaping. After discussion it was agreed to continue with the current snow removal as the majority of owners appeared to be happy with the level of service and only one letter of complaint had been received.

Bob expressed concern at the number of owners more than 30 days delinquent with HOA dues. Jim agreed to follow up in accordance with the Collection Policy and also clean up the delinquency report which was still showing names of previous lot owners. Bob said he would be preparing the 2018 tax return.

It was agreed to schedule repair work on the island as soon as the weather allowed so that the irrigation system would be working in the Spring and any disruption due to digging up a section of the road would be completed when less owners were in residence.

It was agreed to get on the SealCo schedule for crack sealing. Kim said she needed to put up a small sign alerting people to vicious dogs as her dogs were being overly protective of their space. Rework said the pumps appeared to be generally working well and light bulbs had been received and would be installed when the weather was warmer. It was agreed signage for fishing regulations needed to be installed in the Spring and detail of the signs would be discussed at a future meeting.

Plans for a new house had just been submitted for design review.

Mike Howe joined the meeting and explained he was requesting approval from the Board to approach owners with a ballot asking for support to amend the original subdivision plat to have a maximum of 8 single family lots on the undeveloped land which had originally been platted for larger structures. Mike explained it would be necessary to go through a major review with the County and adequate water would be one of the largest issues reviewed. Mike said he would like the Ballot to be sent to all owners around the time of the annual meeting and explained he had a 60 day window to obtain responses from owners and required at least 40 votes to proceed with the process to amend the Plat. The Board agreed to review the Ballot and discuss at the next meeting. Mike left the meeting.

Wouter van Tiel joined the meeting and said the last plow by Lacy Construction had been done well. It was explained reserves were being built up for future road and infrastructure expenses and as dues were low it might be necessary in a large snow year to have a special assessment to cover the snow removal expenses. Small annual increases in dues were anticipated to keep pace with the increasing cost of services. Kim explained drifting snow or clean up prior to the next large storm did trigger snow plowing in addition to the 4 inch rule.

The meeting adjourned at 6:30 pm.

Prepared by Rob Harper, Toad Property Management

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, MARCH 17, 2020 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present by phone: Kim Dunn
Mary Poole
Jeff Duke
Bob Pannier
Scott Kelley, Toad Property Management

Scott called the meeting to order at 5:43 pm. Kim made a motion to approve the minutes of the January 28, 2020 meeting. Mary seconded the motion and it was unanimously approved.

Bob said he had not heard back from Beth Appleton, legal counsel for the Association, regarding the Nichols project and would continue to follow up.

Mary said she had a long conversation with Jim Frank about environmentally sensitive alternatives for dealing with the Cattails in the pond. Mary agreed to pass the literature to Jeff as he was the lead on that project.

No update was available from the Design Review Committee and it was agreed the Board needed to be more involved with the DRC as there were several projects pending. It was agreed a DRC Update would be on the Agenda for the next meeting.

Jeff said he would continue to pursue the source of a small water leak at the pump. Jeff explained it was the same location as the 2019 leak.

It was agreed dog owners were not adequately picking up after their dogs and additional action was once again was necessary.

At 6:16 pm Jeff made a motion to adjourn the meeting. Bob seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, APRIL 14, 2020 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present: Kim Dunn
Rewk Patten
Jeff Duke
Bob Pannier
Scott Kelley, Toad Property Management
Rob Harper, Toad Property Management

Scott called the meeting to order at 5:41 pm. Jeff made a motion to approve the minutes of the March 17, 2020 meeting. Bob seconded the motion and it was unanimously approved.

Jeff gave a brief overview for the Design Review Committee. There are no new projects coming up, there are 2 that may be coming. There are 4 projects under construction and all are moving along. Jeff has asked the DRC to provide a quarterly report. Jeff asked for a form letter to send to owners out of compliance. Bob said he would talk to Beth Appleton to draft the letter.

Scott discussed the status of the refund to Nichols for half the deposit. Board believed that half of the deposit had been refunded and the second half was waiting on verification of vegetation this Spring. Motion to return half to Nichols and wait on the second half until vegetation is verified was made by Jeff and seconded by Kim. The motion was unanimously approved.

Jeff discussed his research on cattail remediation. Jeff recommended cutting back the cattails several times late this summer and if that doesn't work, then take a herbicide approach.

Scott discussed the purpose of the new quarterly financial report and the current financials for Larkspur.

Under new business, Jeff recommended the association pay for food for the DRC meetings. He suggested the association provide a debit card instead of reimbursement. Scott said he would have to research if that's possible.

Jeff brought up the SUV and trailer that has been parked on the street for a long period of time. Scott said he would pursue with the owner, Kim will provide owner's name.

Jeff also mentioned that a new pressure tank was installed in the pump house and is doing great.

At 6:06 pm Rewk made a motion to adjourn the meeting. Bob seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management

DRAFT

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, APRIL 23, 2019 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Kim Dunn
Bob Pannier (by phone)
Rewk Patten
Jeff Duke
Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

Rob called the meeting to order at 5:56 pm. Kim made a motion to approve the minutes of the January 15, 2019 and February 26, 2019 meetings. Jeff seconded the motion and it was unanimously approved.

Rob said Mike Howe wanted to include his development proposal with the annual meeting mailing and it was agreed the proposal needed to be reviewed by the Association's legal counsel to give procedural recommendations. Jeff made a motion to pass the development proposal to Beth Appleton and when a response had been received from Beth the Board would review the response in executive session with Beth attending the special meeting. Bob seconded the motion and it was unanimously approved. Rob agreed to contact Beth Appleton.

Jeff said there was a 20 gallon a minute leak in the non-potable water system and it was difficult to locate the leak because of the amount of Spring run-off. Jeff explained the Water Referee had approved the due diligence form and it had been sent to Judge Patrick for his approval. Jeff confirmed Jack Dietrich had been working on the State certification process to become a public water service, instead of the temporary designation, and it was hoped to have that completed by the Summer. It was agreed Jeff would proceed with any work necessary to repair the leak and Jeff said the damage probably occurred during snow removal. Bob suggested checking the Association insurance to find out if the policy covered infrastructure damage.

Jeff agreed to continue negotiations with SealCo for road maintenance as the cost of crack sealing appeared to be very high but was probably necessary this year.

Bob said Gary Gates had secured the 40 unit project in Gunnison County but not the larger Gunnison project. Bob explained the Brush Creek project was currently in limbo and it was unlikely anything would come up regarding the potential Brush Creek development within the next year to 18 months.

Jim said snow removal through the end of March was approximately \$14,600 over budget. Rob said a lot of essential work had been performed in March and the expense for the season was very similar for the same time period in 2017. Jim said water maintenance would be approximately \$3,000 over budget. Jim confirmed late fees had been added to the twelve

delinquent accounts and now there were just three delinquent owners. Rob said dues would need to increase in the new Budget to help cover the higher costs.

The meeting adjourned at 6:50 pm.

Prepared by Rob Harper, Toad Property Management

DRAFT

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, MAY 21, 2019 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Kim Dunn
Bob Pannier
Rewk Patten
Jeff Duke
Beth Appleton, Association Legal Counsel (by phone)
Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

Rob called the meeting to order at 5:31 pm. Minutes of the April 23, 2019 meeting were approved via email prior to the meeting.

At 5:34 pm Jeff made a motion to go into Executive Session to discuss matters with legal counsel. Bob seconded the motion and it was unanimously approved.

At 6:26 pm Jeff made a motion to leave Executive Session. Kim seconded the motion and it was unanimously approved.

After discussion it was agreed Beth would write to Mike Howe's legal counsel explaining the reasons why the Board would not approve the mailing of the Rec Lot Ballot in the current form with the Annual Meeting documents. Beth explained the letter would include the Board's requirements to have a plat to review which clearly designated the location of lots and open space, address the voting rights and dues structure outlined in the Covenants and a water engineer to confirm adequate water at full build-out.

Beth left the meeting.

Rob said Bob had been working on the proposed 2020 Budget and Bob explained E lots were restricted to a 3% increase each year and S and R lots could be increased at any rate the Board deemed necessary. Bob said he had prepared a 2020 Budget based on the actual expenses incurred in recent years. Jeff said snow removal costs would continue to increase as more homes were built and the Budget needed to reflect the costs for the above average snowfall years and in the lower than average snowfall years the unused funds would be available for maintenance projects. Bob explained the proposed 2020 Budget expenses exceeded income by \$6,300 and proposed two possible options to address that. The first option would be a 3% dues increase for all lots with a special assessment of \$105 per lot and the second option was to increase dues for the E lots by 3% and the S lots would go from \$1,061 per lot to \$1,216, an increase of 15%. After discussion Bob agreed to update the draft 2020 Budget and distribute to the Board for approval and inclusion in the annual meeting mailing.

Mike Howe joined the meeting and asked if the Ballot to amend the Covenants to allow changes to the Rec Lot would be included in the annual meeting mailing. Jeff explained any Ballot to amend the Covenants needed to address all issues related to the subdividing of the Rec Lot and without a plat showing lot and open space placement or professional reports confirming adequate water it was premature to permanently amend the Covenants. Mike Howe said the County required approval from the Association prior to proceeding with any review process. Bob explained the Association's legal counsel would be sending a letter to Mike's attorney to address the amendments necessary to the Ballot and the requirement for a plat and a letter from a mutually acceptable water engineer confirming sufficient water at full build out with the addition of any new homes on the Rec Lot.

Mike said he would speak to his attorney and if it was necessary to go around the Board and present the amendment to the owners himself he would not sign the Cost Recovery Agreement prepared by his legal counsel. Jeff said a plat and supporting documents would make it easier for owners to decide if they agreed to an amendment of the Covenants to allow construction of eight homes instead of a large, up to 39,000 square foot, recreational facility. Bob said if the changes could be made to the Ballot in a timely fashion the Ballot could be mailed with the annual meeting package. Mike explained he had an issue with amending the Covenants prior to the plat being approved by the County and said he would speak to his legal counsel.

Jeff confirmed the Board needed the steps outlined in the discussion to be addressed prior to mailing the Ballot with the annual meeting documents and it was agreed the two attorneys would speak. Mike left the meeting.

Rob said the annual meeting was scheduled for July 8, 2019 and two Board members were up for re-election and there was one additional vacant board seat.

Jeff said the leak had been located and further investigation and repair would be done in the near future and the road would have to be cut and an asphalt patch added. Jeff explained the second leak required further investigation but was probably an underground valve that needed to be turned on and that would also involve cutting into the road. Jeff said the two repair projects would probably cost between \$10,000 to \$15,000. Jeff explained dye had been added to the lake and dye would be added to the upper pond soon.

The meeting adjourned at 7:45 pm.

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, JUNE 2, 2020 5:30 PM MST
318 ELK AVENUE
CRESTED BUTTE COLORADO 81224**

Present by phone: Kim Dunn
Rewk Patten
Jeff Duke
Mary Poole
Scott Kelley, Toad Property Management

Scott called the meeting to order at 5:36 pm.

Jeff said a repair had just been completed by Lacy Construction on the non-potable water system and Jeff agreed to compare the invoice with invoices submitted for similar work last year by Dietrich Dirtworks.

Jeff made a motion to approve the minutes of the April 14, 2020 meeting. Mary seconded the motion and it was unanimously approved.

Prior to the meeting Scott circulated updated financials and a draft budget which would be distributed with the annual meeting documents. The draft 2021 budget included a 3% increase. Landscaping and Grounds Maintenance included expenses for Weed Management and Pond Maintenance. Rewk made a motion to approve the draft 2021 Budget as presented. Jeff seconded the motion and it was unanimously approved. Scott confirmed delinquent owners were being contacted.

After discussion it was agreed Jeff would ask Bob to continue to work on finalizing the letter to John Nichols and the letter would be approved via email and sent to John Nichols prior to the next Board meeting.

Kim and Mary said they were willing to serve additional three year terms on the Board. Scott explained the annual meeting would be held at Queen of All Saints Meeting Room and via Zoom. Scott said the addition of Zoom would require additional time at the meeting to establish who was participating and confirming a quorum. It was agreed the annual meeting documents, with the addition of the financials approved earlier in the meeting, were ready to be mailed to owners.

Concern was expressed about construction site work occurring on a Sunday. Jeff said he had followed up with the sites concerned and reminded them of the guidelines. Requesting owners and contractors to sign a document prior to the start of construction confirming they had read and understood the restrictions outlined in Covenants or Guidelines was discussed.

Jeff said he would continue to investigate a leak at the lake and confirmed Luke had been asked to make some repairs to the irrigation system.

At 6:15 p.m. Rewk made a motion to adjourn the meeting. Kim seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, JUNE 18, 2019 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Kim Dunn
Bob Pannier
Rewk Patten
Jeff Duke
Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

Rob called the meeting to order at 5:33 pm. Bob made a motion to approve the minutes of the May 21, 2019 meeting. Jeff seconded the motion and it was unanimously approved.

Concern was expressed that Gary Garland, current owner of the Rec Lot, had distributed a Ballot to amend the Covenants to owners and several owners had approached Board members with questions and expressed confusion about the proposal and the Ballot. After discussion it was agreed Beth Appleton would be instructed to draft an email to owners explaining the Ballot did not come from the Board and the Board had not received a detailed proposal for the Rec Lot.

Rob said work was underway on the first water leak and once that was resolved the second leak would be dealt with. Once the leaks were rectified the surface of the roads would be repaired as an association expense and the Aspen trees in the immediate area would be monitored.

Rob agreed Toad would move a pile of waste rock over to a culvert to reduce erosion in that area.

Rob said the annual meeting was scheduled for July 8, 2019 and Bob had updates for the draft 2020 Budget which was distributed with the annual meeting documents. Bob explained the revised draft 2020 Budget reflected a 23% dues increase instead of a special assessment. It was agreed handouts with the changes would be distributed at the meeting.

Bob said the 2018 Budget versus actual expenses had a shortfall of approximately \$5,500 due primarily to maintenance and a water augmentation increase. Jim agreed to provide a list of the large 2018 maintenance items.

Bob explained the Reserve account had approximately \$38,000 at December 31, 2018 once the Certificate of Deposit, performance deposits, water tap fees, Operating Reserve and the 2019 shortfall were removed from the total. Bob said the water tap fees should be retained for future expenses related to the capital assets/infrastructure of the Association and said \$40,000 had just been transferred to the Money Market account from the Checking account. After discussion it was agreed it would be beneficial to hold the water tap fee money in an account at a different

federally insured bank to ensure the total of all accounts never exceeded \$250,000 at any one bank.

Rob confirmed the contract with Waste Management for the trash can at the tennis court had been cancelled and it was agreed Toad would periodically remove trash from the trash can.

It was suggested future annual meetings be scheduled for early May.

The meeting adjourned at 6:36 pm.

Prepared by Rob Harper, Toad Property Management

**LARKSPUR COMMUNITY ASSOCIATION
ANNUAL HOMEOWNERS MEETING
VIA ZOOM
TUESDAY JULY 7, 2020
5:30 P.M. MDT**

Present: Kim Dunn
Jeff Duke
Mary Poole
Bob Pannier
Caren Carroll
Ann Gibson
Travis and Erika White
Anita Wynes
Max Lenker
Charles Gries
Debbie Cox
Heather Connor
Caren Carroll
Scott Kelley, Toad Property Management

By Proxy: DMTJR Enterprises
Gary Garland
Marcus Gillespie
Erika Hosier
Peter Kubisiak
John Nichols
Wilma Properties LLC
Zephyr Mountain Properties LLC

Scott Kelley called the meeting to order at 5:35 pm and confirmed notice of the meeting was mailed to owners on June 4, 2020. With 9 proxies and those participating by Zoom a quorum was established. Kim Dunn made a motion to approve the minutes of the July 8, 2019 Annual Meeting. Bob Pannier seconded the motion and the motion was unanimously approved.

Jeff Duke said the dues increase in 2019 had helped with cash flow and budgeting. Jeff explained three water repairs had been made during the year and the asphalt had been repaired on the 2019 projects and for the most recent 2020 repair the asphalt would be replaced after the winter to make sure the problem had been solved. Jeff said three construction projects were just finishing up, two projects, one new construction and one remodel, were just starting up and one new construction was expected to start in the next couple of weeks.

Jeff explained the Board would obtain a bid from SealCo for crack sealing the roads prior to winter.

Bob Pannier said the dues increase in 2019 had put the Association in a good position to respond to maintenance and small capital projects and it was anticipated 2020 costs would finish the year close to Budget. Bob said owners should anticipate a 3% increase in dues each year to keep up with inflation and increasing costs.

Bob Pannier said Larkspur had become a public water district in 2019 and there might be higher costs each year to keep up with inspections. Bob explained the Association owned the infrastructure for both water and sewer although East River Sanitation District operated the sewer.

Bob explained the Association had approximately \$11,000 in receivables and was in the process of chasing those owners who were delinquent on their dues. Bob summarized some of the expenses for legal and landscaping which had been over Budget.

Caren Carroll made a motion to ratify the 2020 Budget. Debbie Cox seconded the motion and it was unanimously approved.

Ann Gibson made a motion to adopt the 2021 Budget. Debbie Cox seconded the motion and it was unanimously approved.

Scott Kelley said Kim Dunn and Mary Poole were willing to continue on the Board for additional three year terms. Bob Pannier made a motion to appoint Kim and Mary to the Board for three year terms. Ann Gibson seconded the motion and it was unanimously approved.

Jeff Duke said after the 2019 annual meeting the Board had given a list of items which needed to be addressed in order for the Howe's to move forward with a project at the Rec Lot but nothing had been received. It was explained R1 was platted as a Rec Lot together with some condominiums and a change to the use of the land would require an amendment to the Covenants, requiring 67% approval of owners.

Jeff thanked owners for participating in the meeting via Zoom. Jeff said Google docs might be used in the future to coordinate community work days or projects in an effort to keep the neighborhood looking good and keeping costs down.

Caren Carroll made a motion to adjourn the meeting at 6:06 pm. Jeff Duke seconded the motion and it was unanimously approved.

Rob Harper, Toad Property Management, Inc

**LARKSPUR COMMUNITY ASSOCIATION
ANNUAL HOMEOWNERS MEETING
CHATEAUX CONDOMINIUMS CLUBHOUSE
651 GOTHIC ROAD, MT. CRESTED BUTTE, CO 81225
SATURDAY JULY 8 2017
9:00 A.M. MDT**

Board Members Present:

Kim Dunn S-27
Jeff Duke S-5, E-5
Heather Woodward S-47
Bob Pannier S-15, S-16

Other Community Members Present:

Erika White S-45
Stewart Hunter S-28, S-29, S-36, S-40
Anne Gibson S-9
Jim Frank S-34

Present By Proxy/Proxy Holder:

White E-1 / Kim Dunn
Crossen E-8 / Bob Pannier
Hodge S-38 / Jeff Duke
Renick S-24 / None
Kubisiak S-42 / Rewk Patten
Cox S-25 / Heather Woodward
Mob S-45 / Erika White
Thompson S-11 / Erika White

Others Present:

Rob Harper, Toad Property Management, Inc

Rob Harper called the meeting to order at 9:10am, noting a quorum. Proof of Meeting Notice was sent on May 24 2017. Jeff Duke notes the water numbers quoted in the Minutes of the meeting held on July 8 2016 were incorrect. Correct numbers should read "at the current usage rate (2016) an expected usage rate at build-out should be 2-3 million gallons of domestic potable water, with a budgeted amount of 5-6 million gallons" leaving "10 million gallons available for watering lawns". (32 gallon/minute ((from the spring, after Whetstone Vista)) X 365 = 16 million gallons).

Jeff assures everyone that with the 16 million gallons allotted, water is available. Bob Pannier makes a motion to approve the amended minutes, Jeff seconds, all in favor, amended minutes approved.

Officer's Report: Representing the Water Committee, Jeff leads a discussion about average household potable water usage. No other Officer comments.

Manager's Report/Recreation Lot: Rob summarizes – changing the status of the R-1 lot would require a large amount of work including a Covenants change and County approval. The owners of the R-1 lot informed the Board their intention to send a letter to the Community asking for feedback on a plan to divide the R-1 into (owners want 8, Water Committee suggests up to 5.5) single-family lots. Feedback discussion follows – where is the R-1 lot? Original usage definition, what can be built without a Covenants change (3 condo units to include a rec center employee unit), the future impact of a for profit recreation center, costs of attorneys & infrastructure, current lot owner value impact. How about a trade for the current HOA owned property on Lexie Court? Discussion about that scenario (long term open space & pavilion, overflow parking, snow storage), and the need to confirm HOA ownership. The status/future of R-1 lot/land remains a due diligence point for prospective Larkspur buyers

Lake/Landscape Update: Stewart Hunter opens a discussion – let's take a pro-active approach/strategy to make the lake area more recreational, to include fishing, a dock. Discussion of dosage of non-toxic chemicals, timing of Aquashade use. Jim Frank suggests adding copper sulfate annually, others ask is it safe? Bob notes the need for a landscape masterplan, discussion follows. Bob makes a motion to create a Larkspur Beautification & Landscape Committee, Jeff seconds, all in favor, motion passess.

Financial Update: 2016 was an average year expense-wise with the exception of snow removal, thus the special assessment of \$272/per s-lot. Future snow removal budgets will be increased. \$4300 was collected in past dues/penalties/interest. Bob explains how the HOA owns the infrastructure of the community (roads, curbs, water treatment, etc) and how any budget surplus and/or tap fees (and the like) collected be earmarked for capital improvements. A 3% annual dues increase is planned, the amount allowed. A six months' worth of expenses is in reserves (not to be counted on) leaving \$84,000 to cover future infrasturture replacement, maintenance, beautification, etc. Bob believes the HOA to be healthy for the short term, a long term plan is necessary, the development now 8 years old, projections should be out to 30 years.

Construction Update: Discussion about a current construction project taking too long, the penalties involved. Rob will start the process to notify the owner of any/all violations, possible fines. Heather updates all – 3 approved builds since Spring, 2 have started. Heather says one other proposal coming soon.

Elections: Jeff makes a motion to keep Heather Woodward & Kim Dunn on the Board for additional 3-year terms, Bob seconds, all in favor, both Board members' term extended. Jim thanks the Board for their work this past year, especially the effort to collect the past due monies owed.

New Business: Discussion about the affordable housing project next to the Larkspur Community including density (248 units), scale, involmnet/voice of surrounding HOA's.

Monthly Board meetings happen the 3rd Tuesday at 5:30pm, Toad offices, for any continued feedback to the Board regarding the Recreation Lot; and to have a rep for the newly formed Beautification Committee attend with updates.

It was suggested to move the Annual Meeting date to a weekday vs. a weekend day, attendance may improve since summer weekends are full for most.

Bob makes a motion to adjourn, Jeff seconds, all in favor, meeting adjourned at 11:00am.

Rob Harper, Toad Property Management, Inc

**LARKSPUR COMMUNITY ASSOCIATION
ANNUAL HOMEOWNERS MEETING
QUEEN OF ALL SAINTS MEETING ROOM
401 SOPRIS AVENUE, CRESTED BUTTE, CO 81224
MONDAY JULY 8, 2019
5:30 P.M. MDT**

Board Members Present:

Kim Dunn
Jeff Duke
Rex Patten
Bob Pannier

Other Community Members Present:

Jeff Bivens
Pablo and Maria Fanti
Pat Golden
Todd and Caren Carroll
Anne Gibson
Emily Pannier
Travis and Erika White
Stewart and Janet Hunter
Dawn Howe
Jim Frank
Laird Cagen
Mary Poole
Jason Kidd

Others Present:

Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

Rob Harper called the meeting to order at 5:32 pm and confirmed notice of the meeting was mailed to owners on May 31, 2019. With 11 proxies and those in attendance a quorum was established. Todd Carroll made a motion to approve the minutes of the July 9, 2018 Annual Meeting. Kim Dunn seconded the motion and the motion was unanimously approved.

Brush Creek Update: Bob Pannier said Gary Gates had just requested a one year extension from the County for the Brush Creek Development preliminary plan submittal. Bob explained Friends of Brush Creek would submit a written rebuttal to the County regarding a one year extension but the County would make the final decision on granting or denying more time to satisfy the list of items required as part of the preliminary plan process.

Water Committee Update: Jeff Duke said two leaks in the non-potable water system had been identified and repaired and additional original infrastructure problems might be located in the future as more homes were built. Jeff explained the pond was in good condition and a dye was added to the pond as needed to restrict plant growth below the

water surface. Jeff said by the end of the Summer he expected the State to confirm Larkspur as a public water system and additional regulations would be required at that time.

Design Review Committee Update: Jason Kidd said three homes were under construction and a fourth project was expected to start soon.

Recreational Lot: Dawn Howe said the Howes had been working with the Board regarding possible residential development of the Rec Lot and following an approach by Gary Garland they had entered into an agreement to sell the Rec Lot to Gary and he would go through the approval process to change the plat for the Rec Lot to residential lots. However, at the end of June Gary had pulled out of the agreement as he had not received the initial response he wanted to a Ballot which had been mailed to all owners. Dawn explained they were currently considering two options and welcomed input from those at the meeting:

1. The first option was to let the current Ballot continue and review responses after the 60 day period required by the State.
2. The second option was to send out as soon as possible a plan together with a comprehensive narrative explaining costs, density, open space, infrasture, water and traffic and giving owners 30 days to provide feedback on those plans. Once the feedback had been assimilated a new ballot and comprehensive narrative would be circulated giving owners 60 days to accept a residential plan, subject to the County approving the change of use and the project.

After a long discussion regarding future use of the Recreational Lot Dawn Howe agreed to prepare an email clarifying the present position and asking for feedback from owners within 30 days.

Financial/Budget Report: Bob Pannier explained the draft 2020 Budget had been modified prior to the meeting and copies of the revised document were available at the meeting. Bob said 2018 finished with approximately \$10,000 in additional expenses for repairs and maintenance, water augmentation and legal expenses. Bob explained the Balance Sheet figure of \$216,704 included cash which the Association did not own such as performance deposit funds. Bob explained the Association owned and treated the potable water, the Association also owned the sewer lines and East River treated that water and as those costs were depreciating assets the Board would be allocating values to the infrastructure and funds needed to be held in reserve to cover repair and future replacement of the infrastructure. The Association as at December 31, 2018 held \$84,000 from water tap fees in a Reserve account and tap fees would continue to be put into that separate account to cover future costs. Bob said from the \$216,704 total cash, approximately \$38,000 was available for the Association to use to meet operating shortfalls or capital projects.

Bob explained the Association would place funds in separate banks to avoid exceeding the \$250,000 FDIC threshold.

Bob said the significant snow fall during the 2018/19 winter had resulted in costs of \$23,500 for snow removal and by the end of 2019 it was anticipated operating expenses would exceed budget by approximately \$15,500. Bob explained the 2019 shortfall could be covered from Reserves but a 23% dues increase for the S Lots and 3% increase for the E lots in 2020 would be necessary to avoid special assessments.

After discussion Laird Cagan made a motion to ratify the 2019 Budget. Jim Frank seconded the motion and it was unanimously approved.

Elections: Rob explained Bob Pannier and Jeff Duke were willing to continue on the Board for additional three year terms and there was one vacant position on the Board. Jim Frank made a motion to appoint Bob and Jeff to the Board for an additional three year term. Laird Cagan seconded the motion and it was unanimously approved. Rob encouraged owners to volunteer for the vacant position on the Board.

Pat Golden made a motion to adjourn the meeting at 7:03 pm. Caren Carroll seconded the motion and it was unanimously approved.

Rob Harper, Toad Property Management, Inc

**LARKSPUR COMMUNITY ASSOCIATION
ANNUAL HOMEOWNERS MEETING
401 SOPRIS AVENUE, CRESTED BUTTE, CO 81224
MONDAY JULY 9 2018
5:30 P.M. MDT**

Board Members Present:

Kim Dunn
Jeff Duke
Rewk Patten
Bob Pannier
Rob Zillioux

Other Community Members Present:

Erika White
Dawn Howe
Anne Gibson
Jim Frank
Emily Pannier
Caren & Todd Carroll
Jason Kidd
Erika Hosier
Deuce Wynes
Laird Cagen
Mary Poole
Liberty Michos
Wouter Van Tiel

Present By Proxy/Proxy Holder:

Spencer Trippe / Jeff Duk
Sam Trippe /
Shannon Renick / Kim Dunn
Peter Kubisiak / Rewk Patten
Debbie Hodge / Rewk Patten
Debbie Cox / Jeff Duke
Scott Hahn / Rewk Patten
Bryan Harlan /
Gary Garland / Jeff Duke
Tim Seifert /
Gary Kob / Erika White

Others Present:

Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

Rob Harper called the meeting to order at 5:37pm. All Board members are present and with proxies a quorum is established. Proof of Meeting Notice was sent on 31 May 2018. Jim Frank makes a motion to approve the minutes of the Annual Meeting of 2017, Bob Pannier seconds, all in favor, minutes approved.

President's Report: Monthly Board meetings have spent time discussing the Brush Creek development Jeff Duke says. Jeff thanks Roger Cram and the tennis club for upkeep of the tennis courts & windscreens will be replaced as needed this year; re-surfacing the tennis courts will likely require a future assessment. The lake is a little lower this year, and as a member of the Water Committee, Jeff is monitoring. In addition, Jeff is looking to use a vinegar solution (non-toxic) later this summer to manage future weed growth around the lake & pathway.

Brush Creek Development Update: Bob Pannier is the President of a non-profit called the Friends Of Brush Creek (FOBC). Bob reported Gary Gates is firm on building 220 units on the 14 acre parcel yet large issues regarding water & sewer remain unanswered. Besides density, FOBC maintains Gates' development offers too little (just 30-ish) in affordability and not enough space is dedicated to recreation. Talks continue.

Design Review Committee Update: Jason Kidd reminds all that new color or stain on homes/structures requires approval. Five building projects will conclude this year. Updated guidelines are available online via toadpropertymanagement.com under Larkspur. Anyone interested in joining the Design Review Committee, please contact Jason.

Financial/Budget Report: Bob Pannier states the budgeted numbers for landscaping and repairs/maintenance have been a focus, to keep more control of. Discussion regarding receivables, the same 4-5 owners are habitually behind in dues/assessments. One foreclosed property dollars owed will need to be written off. Discussion regarding reserve dollars & capital improvements. Bob made a motion to approve the 2018-19 budget as proposed & distributed today, Kim Dunn seconds, all in favor, motion approved.

Water Committee Update: Costs to monitor the tap water (quality assurance) have increased from \$500/month to \$600/month as the Larkspur Association water source moves into becoming an official "public water supply". Individual water meters may one day be installed, but until then, Larkspur community members do not pay for water.

Elections: John Nichols makes a motion to re-elect Rewk Patten to a three-year Board Member term, Jeff Duke seconds, all in favor, motion approved.

Recreation Lot Update: Dawn Howe, owner of the lot, would still like to sub-divide the parcel which is currently on the market for just under one million dollars. Discussion on the size of the sub-division, Land Use Resolution (LUR) changes/approval. Water & utilities would need thorough research. The Board is willing to hear any due diligence.

New Business: The outdoor street lamps/bulbs repair has been an on-going issue. Jeff will present his research to the Board at the next meeting, order some samples, and get the project going again.

John Nichols makes a motion to adjourn, Jeff seconds, all in favor, meeting adjourned at 6:35pm

Rob Harper, Toad Property Management, Inc

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, AUGUST 20, 2019 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Kim Dunn
Rewk Patten
Jeff Duke
Mary Poole
Rob Harper, Toad Property Management
Peggy Langewisch, Toad Property Management

Rob called the meeting to order at 5:35 pm. Kim made a motion to approve the minutes of the June 18, 2019 meeting. Jeff seconded the motion and it was unanimously approved.

Kim made a motion for the following officers, Rewk seconded the motion and it was unanimously approved:

President	Jeff Duke
Vice President	Kim Dunn
Secretary / Treasurer	Bob Pannier

Kim made a motion to appoint Mary Poole to the Board to complete the term vacated by Rob Zilloux.

Rob said he did not have any updates regarding the Rec Lot.

Jeff said the State had completed a site visit and identified a few small corrections to be rectified within 10 days. Jeff said a gravity fed backflow preventer needed to be installed and that would be a makeshift system prior to a winter solution being installed. Jeff said two leaks, caused by settlement, had been repaired and the asphalt would need to be patched in those locations and also by a manhole cover. Jeff explained Lacy Construction had not provided a bid and the work was completed by Dietrich Dirtworks. Jeff suggested changing snow removal to Dietrich instead of Lacy Construction.

Rob said irrigation at the front entrance had been damaged by construction traffic and there was also a leak in the same area which Luke would continue to troubleshoot. It was agreed the lake was looking good and Rob said noxious weeds had been pulled where necessary and sprayed in other areas.

Rob introduced Peggy who had replaced Jim at the Toad office and said she would be taking over the financial and budgeting work. Rob said snow removal and legal were significantly over budget. Rob agreed to follow up with Beth Appleton regarding some of the legal fees for the Rec Lot work being recovered from the Rec Lot owner. Peggy confirmed most of the legal

expenses were for the Water Attorney and Jeff said those charges would only be incurred every five or six years.

The meeting adjourned at 5:55 pm.

Prepared by Rob Harper, Toad Property Management

DRAFT

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, SEPTEMBER 17, 2019 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Kim Dunn (by phone)
Rewk Patten
Jeff Duke
Mary Poole
Bob Pannier
Rob Harper, Toad Property Management

Rob called the meeting to order at 5:33 pm. Jeff made a motion to approve the minutes of the August 20, 2019 meeting. Kim seconded the motion and it was unanimously approved.

Rob said there was no new information regarding the Rec Lot.

Jeff said the State had inspected the water system and the corrections they had requested had reduced flow to 19 gallons instead of the previous 40 -50 gallons and the 19 gallons was not sufficient to maintain the level of the lake. Jeff explained a solution might be a testable backflow preventer and he was gathering information to confirm the sizing and thought the work could be completed for less than \$5,000. Jeff said he would report back to the Board when research was completed as the State had recommended two options and the second option might be subject to freezing and the backflow preventer would be subject to annual inspections so the benefits of the two options needed further research.

Jeff said final invoices had not been received for repairs but after the asphalt invoice was received he expected the water repairs and the subsequent road repairs would probably cost approximately \$15,000. Jeff explained sprinklers close to the road near the Skyland entrance were once again damaged and Luke had been asked to submit a proposal to relocate the sprinklers approximately 10 feet further back from the road. Jeff said the sprinkler system by the water storage tanks was now operating and grass seed would be added to that area.

It was agreed the police would be called if trail bikes were being used on vacant lots or causing a disturbance in the neighborhood.

Concern was expressed about herbicide being used in the future to kill the cattails in the lakes and Rob agreed to reach out to RMBL for additional suggestions to deal with cattails. Jeff said he would perform some work on the Rec Path and a weed barrier needed to be added in the future.

Bob said the review of the proposal for the property at the corner of Brush Creek was currently with the two Towns and Friends of Brush Creek was not taking any action at this time.

Rob explained Toad maintenance and landscaping expenses were within budget. Proposals from Dietrich and Lacy would be obtained for winter snow removal and reviewed by the Board. Jeff said he would not add any additional blue dye to the lakes until the Spring. It was agreed the recent water repairs and associated road repairs would be shown as separate capital line items.

Bob said the DRC wanted assistance from the Board as multiple letters had been sent to Nichols regarding failure to complete the construction project within the maximum timeframe and not using the previously approved colors but no responses had been received.

The meeting adjourned at 6:50 pm.

Prepared by Rob Harper, Toad Property Management

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, SEPTEMBER 22, 2020 5:30 PM MST
318 ELK AVENUE
CRESTED BUTTE COLORADO 81224**

Present by phone: Kim Dunn
Jeff Duke
Mary Poole
Scott Kelley, Toad Property Management

Scott called the meeting to order at 5:35 pm. Jeff asked for a tennis court discussion to be added to the Agenda.

Jeff made a motion to approve the minutes of the June 2, 2020 meeting. Kim seconded the motion and it was unanimously approved.

Jeff said the Design Review Committee had approved four projects and a hot tub request was being considered. Jeff said Taylor Reeves had received his Certificate of Occupancy and the work on the exterior of the house might go over time. A request for a time extension to finish the project could be made to the Design Review Committee.

Jeff said the upper pond had been drained down, cattails trimmed and the pond refilled. It was generally agreed the upper pond looked good and chemicals would not be used if the trimming method proved to be successful.

Jeff said the water system seemed to be working well and the irrigation system had been blown out and winterized. Luke would be asked to investigate a small irrigation leak in the Spring. It was agreed to continue with Luke for maintaining the irrigation system.

Scott said expenses, year to date, were approximately \$9,300 under budget. Scott agreed to move the large Lacy Construction expense to capital expenditures.

Scott said the DRC supported the return of the second half of the deposit to John Nichols. Jeff made a motion to refund the remaining \$5,000 deposit to John Nichols. Kim seconded the motion and it was unanimously approved.

Jeff agreed to contact the DRC regarding the hot tub request and it was unclear at this time if the proposed location of the hot tub was within the building envelope.

Mary said the path around the lake and the gardens were getting overgrown and Scott said the weeds in the gardens at the entrance had been a problem this year. It was agreed the two gardens at the front entrance would be maintained and also the small garden on Wright Ranch Road. Jeff said the landscaping crew had been asked to do additional weeding and mowing/lawn maintenance but the work had not been completed. Mary and Jeff agreed to

discuss landscaping needs in the Spring and Scott suggested reaching out to him if there were any landscaping concerns and he would coordinate the efforts of the landscaping crew.

Jeff said he had cleaned up the path around the lake in the past and it was agreed it would be done again in the Spring.

Scott said the weed management contractor had been too busy to spray and Toad had completed the spraying of the noxious weeds. Mary volunteered to pull some noxious weeds around the lake.

It was agreed information regarding noxious weeds needed to be circulated to all owners in the Spring.

Scott said the displaying of political signs by owners was permitted.

Jeff said a new net had been put up at the tennis courts. Jeff said the screening on the fences had been working loose and Jeff said he would remove the screens before the Winter and put back up in the Spring. Concern was expressed that the tennis committee did not appear to be very active or coordinated.

Scott said snow poles would be put in place late October and Jeff asked to be involved in placing the poles and to give some guidance on snow storage and share that information with Lacy Construction. Concern was expressed that some plow drivers drove too fast.

At 6:08 pm Kim made a motion to adjourn the meeting. Mary seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, OCTOBER 16, 2018 5:30PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Jeff Duke
Rewk Patten
Kim Dunn
Rob Zilloux
Rob Harper, Toad Property Management

Rob called the meeting to order at 5:52 pm. Kim made a motion to approve the minutes of the September 18, 2018 meeting. Jeff seconded the motion and it was unanimously approved.

It was agreed to keep gathering information from all available sources as the Towns of Crested Butte and Mt. Crested Butte continued to discuss the proposed Brush Creek project.

Rewk confirmed some seeding had been completed on areas damaged by construction and additional seeding would be completed in the Spring. Rob agreed to send an email to a contractor who had started cleanup of the lot and appeared to have now stopped and fining would commence if necessary. Kim said construction traffic had not been a problem since the last meeting.

Jeff said he had been in contact with Law of the Rockies regarding conditional water rights and Jeff confirmed everything that needed to be completed at this time had been done.

Jeff said he had completed some work on the rec path and it was agreed Jeff would add an 8 inch culvert under the rec path at the south west corner to help with drainage by the tennis courts.

Rob said the 14 light bulbs for the street lighting had arrived and the bulbs would be installed.

Rob agreed to speak to Lacy Construction about the valve outside Lot S29, 171 Larkspur Loop, as it appeared the valve, which was now under the road, had not been turned on at the time of installation. Rob agreed to report back to the Board with Lacy Construction's solution and plan to rectify. Jeff said the potable water supply at Lot E8, 29 Thomas Court, had been turned off due to a leak after the curb stop and the contractor would be back to repair.

Kim said she was working on the new owner information and it would be discussed at the next meeting.

Rob said the September, 2018 financials were not available and would be presented at the next meeting.

Rob said snow poles would be put in place and Jeff volunteered to show Toad where to place the poles.

Rob said the next meeting was scheduled for Tuesday, November 20, 2018.

The meeting adjourned at 6:20 pm.

Prepared by Rob Harper, Toad Property Management

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, OCTOBER 29, 2019 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Kim Dunn
Rewk Patten
Jeff Duke
Mary Poole
Bob Pannier
Beth Appleton (by phone)
Rob Harper, Toad Property Management

Rob called the meeting to order at 5:33 pm. Bob made a motion to approve the minutes of the September 17, 2019 meeting. Jeff seconded the motion and it was unanimously approved.

Rob said there was no new information regarding the Rec Lot.

Beth explained the process to levy fines for Nichols non-compliance and the opportunity for the owner to attend a hearing prior to the fines being applied. After discussion it was agreed to work with the Design Review Committee to compile a list of the construction violations and the main concerns were the length of time being taken to complete the project and the color of the stucco. Beth agreed to prepare a letter Nichols setting out the violations and fines to be applied against the \$10,000 deposit. Beth left the meeting.

Rob said RMBL did not have any new recommendations for the removal of the Cattails in the ponds. After discussion it was agreed to continue researching the removal or spraying of Cattails.

Bob said the Association would be over budget and it was agreed expenses for the large project regarding the water mains would be recorded as a separate Capital line item.

It was agreed the snow plow contract would once again be with Lacy Construction and additional snow poles were already in place.

The meeting adjourned at 6:15 pm.

Prepared by Rob Harper, Toad Property Management

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, NOVEMBER 19, 2019 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Kim Dunn
Rework Patten
Jeff Duke
Bob Pannier
Beth Appleton
Rob Harper, Toad Property Management

Rob called the meeting to order at 5:30 pm. Bob made a motion to approve the minutes of the October 29, 2019 meeting. Kim seconded the motion and it was unanimously approved.

At 5:31 pm Jeff made a motion to go into Executive Session to discuss legal matters with Beth Appleton, the Association's legal counsel.

At 6:41 pm Bob made a motion to leave Executive Session. Jeff seconded the motion and it was unanimously approved.

Beth agreed to complete a review of the governing documents for owner non-compliance and email the Board with her findings.

The meeting adjourned at 6:42 pm.

Prepared by Rob Harper, Toad Property Management

LARKSPUR SUBD 2019 Drinking Water Quality Report

For Calendar Year 2018

Public Water System ID: CO0126466

Esta es información importante. Si no la pueden leer, necesitan que alguien se la traduzca.

We are pleased to present to you this year's water quality report. Our constant goal is to provide you with a safe and dependable supply of drinking water. Please contact JEFF BIVENS at 970-922-8922 with any questions or for public participation opportunities that may affect water quality.

General Information

All drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline (1-800-426-4791) or by visiting <http://water.epa.gov/drink/contaminants>.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV-AIDS or other immune system disorders, some elderly, and infants can be particularly at risk of infections. These people should seek advice about drinking water from their health care providers. For more information about contaminants and potential health effects, or to receive a copy of the U.S. Environmental Protection Agency (EPA) and the U.S. Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and microbiological contaminants call the EPA Safe Drinking Water Hotline at (1-800-426-4791).

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

- Microbial contaminants:** viruses and bacteria that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants:** salts and metals, which can be naturally-occurring or result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides:** may come from a variety of sources, such as agriculture, urban storm water runoff, and residential uses.
- Radioactive contaminants:** can be naturally occurring or be the result of oil and gas production and mining activities.
- Organic chemical contaminants:** including synthetic and volatile organic chemicals, which are byproducts of industrial processes and petroleum production, and also may come from gas stations, urban storm water runoff, and septic systems.

In order to ensure that tap water is safe to drink, the Colorado Department of Public Health and Environment prescribes regulations limiting the amount of certain contaminants in water provided by public water systems. The Food and Drug Administration regulations establish limits for contaminants in bottled water that must provide the same protection for public health.

Lead in Drinking Water

If present, elevated levels of lead can cause serious health problems (especially for pregnant women and young children). It is possible that lead levels at your home may be higher than other homes in the community as a result of materials used in your home's plumbing. If you are concerned about lead in your water, you may wish to have your water tested. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. Additional information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline (1-800-426-4791) or at <http://www.epa.gov/safewater/lead>.

Source Water Assessment and Protection (SWAP)

The Colorado Department of Public Health and Environment may have provided us with a Source Water Assessment Report for our water supply. For general information or to obtain a copy of the report please visit www.colorado.gov/cdphe/ccr. The report is located under "Guidance: Source Water Assessment Reports". Search the table using 126466, LARKSPUR SUBD, or by contacting JEFF BIVENS at 970-922-8922. The Source Water Assessment Report provides a screening-level evaluation of potential contamination that could occur. It does not mean that the contamination has or will occur. We can use this information to evaluate the need to improve our current water treatment capabilities and prepare for future contamination threats. This can help us ensure that quality finished water is delivered to your homes. In addition, the source water assessment results provide a starting point for developing a source water protection plan. Potential sources of contamination in our source water area are listed on the next page.

Please contact us to learn more about what you can do to help protect your drinking water sources, any questions about the Drinking Water Quality Report, to learn more about our system, or to attend scheduled public meetings. We want you, our valued customers, to be informed about the services we provide and the quality water we deliver to you every day.

Our Water Sources

<u>Sources (Water Type - Source Type)</u>	<u>Potential Source(s) of Contamination</u>
LACY SPRING NO 4 (Groundwater-Well)	There is no SWAP report, please contact us regarding potential sources of contamination.

Terms and Abbreviations

- **Maximum Contaminant Level (MCL)** – The highest level of a contaminant allowed in drinking water.
- **Treatment Technique (TT)** – A required process intended to reduce the level of a contaminant in drinking water.
- **Health-Based** – A violation of either a MCL or TT.
- **Non-Health-Based** – A violation that is not a MCL or TT.
- **Action Level (AL)** – The concentration of a contaminant which, if exceeded, triggers treatment and other regulatory requirements.
- **Maximum Residual Disinfectant Level (MRDL)** – The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- **Maximum Contaminant Level Goal (MCLG)** – The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
- **Maximum Residual Disinfectant Level Goal (MRDLG)** – The level of a drinking water disinfectant, below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- **Violation (No Abbreviation)** – Failure to meet a Colorado Primary Drinking Water Regulation.
- **Formal Enforcement Action (No Abbreviation)** – Escalated action taken by the State (due to the risk to public health, or number or severity of violations) to bring a non-compliant water system back into compliance.
- **Variance and Exemptions (V/E)** – Department permission not to meet a MCL or treatment technique under certain conditions.
- **Gross Alpha (No Abbreviation)** – Gross alpha particle activity compliance value. It includes radium-226, but excludes radon 222, and uranium.
- **Picocuries per liter (pCi/L)** – Measure of the radioactivity in water.
- **Nephelometric Turbidity Unit (NTU)** – Measure of the clarity or cloudiness of water. Turbidity in excess of 5 NTU is just noticeable to the typical person.
- **Compliance Value (No Abbreviation)** – Single or calculated value used to determine if regulatory contaminant level (e.g. MCL) is met. Examples of calculated values are the 90th Percentile, Running Annual Average (RAA) and Locational Running Annual Average (LRAA).
- **Average (x-bar)** – Typical value.
- **Range (R)** – Lowest value to the highest value.
- **Sample Size (n)** – Number or count of values (i.e. number of water samples collected).
- **Parts per million = Milligrams per liter (ppm = mg/L)** – One part per million corresponds to one minute in two years or a single penny in \$10,000.
- **Parts per billion = Micrograms per liter (ppb = ug/L)** – One part per billion corresponds to one minute in 2,000 years, or a single penny in \$10,000,000.
- **Not Applicable (N/A)** – Does not apply or not available.
- **Level 1 Assessment** – A study of the water system to identify potential problems and determine (if possible) why total coliform bacteria have been found in our water system.
- **Level 2 Assessment** – A very detailed study of the water system to identify potential problems and determine (if possible) why an E. coli MCL violation has occurred and/or why total coliform bacteria have been found in our water system on multiple occasions.

Detected Contaminants

LARKSPUR SUBD routinely monitors for contaminants in your drinking water according to Federal and State laws. The following table(s) show all detections found in the period of January 1 to December 31, 2018 unless otherwise noted. The State of Colorado requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year, or the system is not considered vulnerable to this type of contamination. Therefore,

some of our data, though representative, may be more than one year old. Violations and Formal Enforcement Actions, if any, are reported in the next section of this report.

Note: Only detected contaminants sampled within the last 5 years appear in this report. If no tables appear in this section then no contaminants were detected in the last round of monitoring.

Disinfectants Sampled in the Distribution System TT Requirement: At least 95% of samples per period (month or quarter) must be at least 0.2 ppm OR If sample size is less than 40 no more than 1 sample is below 0.2 ppm Typical Sources: Water additive used to control microbes							
Disinfectant Name	Time Period	Results		Number of Samples Below Level	Sample Size	TT Violation	MRDL
Chlorine	December, 2018	Lowest period percentage of samples meeting TT requirement: 100%		0	1	No	4.0 ppm

Lead and Copper Sampled in the Distribution System								
Contaminant Name	Time Period	90 th Percentile	Sample Size	Unit of Measure	90 th Percentile AL	Sample Sites Above AL	90 th Percentile AL Exceedance	Typical Sources
Copper	06/29/2018 to 06/29/2018	0.49	5	ppm	1.3	0	No	Corrosion of household plumbing systems; Erosion of natural deposits
Lead	10/16/2018 to 10/17/2018	4.5	5	ppb	15	0	No	Corrosion of household plumbing systems; Erosion of natural deposits
Copper	10/16/2018 to 10/17/2018	0.12	5	ppm	1.3	0	No	Corrosion of household plumbing systems; Erosion of natural deposits
Lead	06/29/2018 to 06/29/2018	3.5	5	ppb	15	0	No	Corrosion of household plumbing systems; Erosion of natural deposits

Disinfection Byproducts Sampled in the Distribution System									
Name	Year	Average	Range Low – High	Sample Size	Unit of Measure	MCL	MCLG	MCL Violation	Typical Sources
Total Trihalomethanes	2018	3	3 to 3	1	ppb	80	N/A	No	Byproduct of drinking water disinfection

Disinfection Byproducts Sampled in the Distribution System

Name	Year	Average	Range Low – High	Sample Size	Unit of Measure	MCL	MCLG	MCL Violation	Typical Sources
(TTHM)									

Radionuclides Sampled at the Entry Point to the Distribution System

Contaminant Name	Year	Average	Range Low – High	Sample Size	Unit of Measure	MCL	MCLG	MCL Violation	Typical Sources
Gross Alpha	2018	1.72	0.59 to 3.39	3	pCi/L	15	0	No	Erosion of natural deposits
Combined Radium	2018	1.13	0.6 to 2	3	pCi/L	5	0	No	Erosion of natural deposits
Combined Uranium	2018	3	3 to 3	3	ppb	30	0	No	Erosion of natural deposits

Inorganic Contaminants Sampled at the Entry Point to the Distribution System

Contaminant Name	Year	Average	Range Low – High	Sample Size	Unit of Measure	MCL	MCLG	MCL Violation	Typical Sources
Barium	2018	0.01	0.01 to 0.01	3	ppm	2	2	No	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits
Nitrate	2018	0.3	0.3 to 0.3	3	ppm	10	10	No	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits
Selenium	2018	0.33	0 to 1	3	ppb	50	50	No	Discharge from petroleum and metal refineries; erosion of natural deposits; discharge from mines

Secondary Contaminants**

**Secondary standards are non-enforceable guidelines for contaminants that may cause cosmetic effects (such as skin, or tooth discoloration) or aesthetic effects (such as taste, odor, or color) in drinking water.

Contaminant Name	Year	Average	Range Low – High	Sample Size	Unit of Measure	Secondary Standard
Sodium	2018	6.03	5.7 to 6.2	3	ppm	N/A

Violations, Significant Deficiencies, Backflow/Cross-Connection, and Formal Enforcement Actions

No Violations or Formal Enforcement Actions

LARKSPUR COMMUNITY ASSOCIATION

RESPONSIBLE GOVERNANCE POLICIES

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Larkspur Community Association, a Colorado nonprofit corporation (the “Association”), for the purpose of complying with C.R.S. § 38-33.3-209.5, hereby adopts the following responsible governance policies, procedures, and rules and regulations. Unless otherwise defined herein, terms defined in the Declaration of Protective Covenants Larkspur recorded in the real property records of Gunnison County, Colorado at Reception No. 568253, as amended (the “Covenants”), and the Association’s Articles of Incorporation (the “Articles”) and the Association’s bylaws, as amended (the “Bylaws”) shall have the same meaning herein. The Declaration, Articles, and Bylaws shall hereafter be collectively referred to as the “Governing Documents.”

Article 1: Collection of Unpaid Assessments – C.R.S. § 38-33.3-209.5(1)(b)(I) and C.R.S. § 38-33.3-209.5(5)(a):

1. Assessments are due within 30 days of the date of notice for such assessment. If the assessments are not paid when due, then such assessments shall become delinquent.
2. Interest on delinquent assessments, including recovery of attorneys’ fees incurred in pursuing delinquent assessments, is 18% per annum from the date the assessments became delinquent.
3. The Association charges a returned check charge of \$15.00, which may be waived by the Association for good cause shown. A late fee of \$25.00 per month is charged on all delinquent assessments.
4. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association must send the Owner a notice of delinquency specifying:
 - A. The total amount due, with an accounting of how the total was determined;
 - B. Whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into such a payment plan;
 - C. The name and contact information for the individual the Owner may contact to request a copy of the Owner’s ledger in order to verify the amount of the debt; and
 - D. That action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner’s delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner’s property, or other remedies available under Colorado law.
5. In accordance with C.R.S. § 38-33.3-316.3, a delinquent Owner may be eligible to enter into a payment plan, but not where:
 - A. The Owner does not occupy the Owner’s Unit and has acquired the Owner’s Unit as a result of a default of a security interest encumbering the lot or foreclosure of a lien by the Association; or
 - B. The Owner has previously entered into a payment plan with the Association; or

- C. The Association informs the delinquent Owner of the potential for a payment plan and the delinquent Owner does not agree to pay in accordance with the terms of the offered payment plan within 30 days of the Association informing the delinquent Owner of the potential for a payment plan and the terms of any such payment plan. The Association is under no obligation to negotiate or provide an opportunity for a payment plan of a greater duration than six months as provided below.
- 6. Any payment plan shall permit the delinquent Owner to pay off the deficiency in equal installments over a period of at least six months. The Board of Directors of the Association, in its sole discretion, may determine whether a payment plan should exceed six months in duration, and no Owner shall have any right to demand or request a payment plan for in excess of six months. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the six month period, constitutes a failure to comply with the terms of his or her payment plan.
- 7. Payments on a delinquent account of an Owner are applied to the most outstanding balances first and, where balances are equally outstanding, first to unpaid interest and other costs or fees, and then to unpaid principal.
- 8. Unpaid assessments will be collected through enforcement of all rights, procedures and remedies under the Covenants in accordance with the remaining Governing Documents and applicable law. These rights, procedures and remedies include the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, obtaining and foreclosing a judgment against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law. Delinquent Owners will be liable for all costs of collection, including without limitation attorneys' fees and court costs.
- 9. In determining which methods of enforcement to employ, it shall be the policy of the Association that the person or persons making such decision on behalf of the Association take into consideration, to the extent legally permissible, the totality of the circumstances, including without limitation any history with the Owner.

Article 2: Handling of Conflicts of Interest Involving Board Members – C.R.S. § 38-33.3-209.5(1)(b)(II)

- 1. Pursuant to C.R.S. § 7-128-501, C.R.S. § 38-33.3-310.5, and C.R.S. § 38-33.3-209.5(4):
 - A. A "conflicting interest transaction" means: A contract, transaction, or other financial relationship between a nonprofit corporation and a director of the nonprofit corporation, or between the nonprofit corporation and a party related to a director, or between the nonprofit corporation and an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest.

- B. No loans shall be made by the Association to its directors or officers.
- C. A director shall disclose any conflicting interest transaction or possibility thereof by disclosing to the Board of Directors in an open meeting prior to any action being taken to which the conflict of interest relates the material facts as to the director's relationship or interest and as to the conflicting interest transaction.
- D. A board member must recuse himself or herself from discussing or voting on any issue for which a conflicting interest transaction exists or is proposed.
- E. The Board of Directors may authorize, approve or ratify the conflicting interest transaction duly disclosed in accordance with C.R.S. § 7-128-501.
- F. There shall be a periodic review of the Association's conflict of interest policies, procedures, and rules and regulations.

Article 3: Conduct of Meetings – C.R.S. § 38-33.3-209.5(1)(b)(III)

1. Annual and special meetings of the members of the Association and meetings of the Board of Directors shall be held in accordance with, and upon such notice as required by, Colorado law and the Governing Documents. The conduct of all meetings shall be in accordance with the Governing Documents. To the extent not otherwise provided by the Governing Documents or Colorado law, it shall be the policy of the Association that all Owners shall be provided a reasonable opportunity to speak and be heard at annual and special meetings of the Association and, where the interests of efficiency and an orderly and prompt meeting do not dictate otherwise as determined in the sole discretion of the Board of Directors, at meetings of the Board of Directors.
2. To the extent not otherwise provided for by the Governing Documents and applicable law, meetings shall be conducted generally in accordance with Robert's Rules of Order where applicable. Any non-compliance with Robert's Rules of Order shall not affect the validity of the actions taken at a meeting. Any objection to the conduct of a meeting premised upon the non-compliance with Robert's Rules of Order must specify the failure to comply with Robert's Rules of Order, explain how such failure may be remedied, and be raised at the time of such non-compliance.

Article 4: Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and the Schedule of Fines – C.R.S. § 38-33.3-209.5(1)(b)(III)

1. All enforcement procedures shall comply with the Governing Documents and any applicable law.
2. In the absence of contrary procedures and provisions in the Governing Documents and the law, the procedures for enforcement of the Covenants and rules and regulations through imposition of fines shall be as follows:

- A. Prior to the imposition of any fines for any violation of any provision of the Governing Documents or any applicable law, it shall be the policy of the Association to attempt in good faith to contact in person, by telephone, by written communication (email, U.S. Mail, overnight courier, facsimile, posting on an Owner's house) or other means the Owner allegedly in violation. This good faith obligation is not intended to be a bar to any subsequent enforcement actions if such contact is not made. Failure to make such a contact shall not, in any way, prevent the Association from enforcement of the Governing Documents and correction of any violation.
 - B. If the matter is not resolved to the satisfaction of the Association through an initial contact, such Owner shall be provided with a written notice describing the alleged violation in sufficient detail to allow the Owner to determine the nature of the violation alleged if the Board of Directors decides to enforce such provision. Such notice shall (1) set a deadline for compliance if the noncompliance continues, (2) inform the Owner that the Owner may dispute that a violation exists or occurred and demand a hearing, and (3) set a deadline to demand a hearing. These deadlines shall be set by the Board of Directors in accordance with what the Board of Directors believes to be reasonable under the circumstances taking into consideration the nature of the alleged violation.
 - C. Any Owner who requests a hearing as provided above shall be afforded a fair and impartial hearing before a hearing board comprised of individuals that are impartial decision makers. The Board of Directors shall set the date and location of the hearing and provide notice of the date and location to the Owner a reasonable time in advance, considering the nature of the alleged violation. The Board of Directors shall select the impartial decision makers, which may consist of the Board of Directors. There shall be three impartial decision makers. An individual is an impartial decision maker if the individual has the authority to make a decision on a claimed violation and does not have a direct personal or financial interest in the outcome of the hearing. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. The Owner must be given an opportunity to be heard at the hearing. The hearing board shall decide whether a violation exists or occurred, whether the Owner is the one who should be held responsible, and impose the applicable fine if a violation does exist or has occurred. The hearing board may rule orally at the hearing or through a written document provided to the Owner within 30 days of the hearing.
3. The schedule of fines for violations shall be as follows:
- A. First violation: \$50.00
 - B. Second violation: \$100.00
 - C. Third violation and all violations thereafter: \$500.00

4. All fines are immediately due and payable when incurred. A fine becomes late if not paid within 30 days of being imposed and such late fines will bear interest at the rate of 18% per annum. A violation that is continuing in nature will incur a new fine each day that it persists beginning on the 5th calendar day after the Owner receives the written notice described in 2. B. above as if the violation were a new violation each day that it persists, but the violation shall be considered a single, continuing violation for purposes of notice and a hearing. A violation is continuing in nature if it creates noncompliance that will continue unless discontinued, remediated or otherwise terminated. An example of a continuing violation includes without limitation the construction of structures that violate the Covenants.
5. The Association may at any time, pursue all other legal remedies available as provided by the Governing Documents and applicable law. The failure to enforce any provision of the Governing Documents, these rules or other applicable law, shall not be deemed a waiver of the right to do so for any subsequent violations. Any non-compliance with the Governing Documents by any Owner, tenant of an Owner, guest of an Owner, family member of an Owner, or invitee or licensee of an Owner, will be the responsibility of the Owner. The Association may simultaneously impose fines and seek damages or other relief through judicial process.

Article 5: Inspection and Copying of Association Records by Owners – C.R.S. 38-33.3-209.5(1)(b)(V)

1. It shall be the policy of the Association to make all appropriate documents readily available to satisfy reasonable requests by Owners. Owners shall be provided with reasonable access to all Association documents to which they are legally entitled a right to inspect to the fullest extent permitted by law. In the absence of greater rights provided by any applicable law, Owners shall be afforded such inspection opportunity within a reasonable period of time, which shall presumptively mean the documents are made available at the next scheduled Association or Board of Directors meeting after a request provided that the request is made at least five business days prior to the meeting.
2. All requests for inspection and/or copying must be in writing and identify the documents sought either specifically by document or by applicable category of documents.
3. All costs of copying shall be paid by the Owner requesting the copies. The Association may copy the documents itself or may send the documents away for copying in its sole discretion.
4. The Association's membership list or other member information shall not be used for solicitation, including financial and political solicitation, and shall not be used for any commercial purpose. The Association's membership list or other member information shall not be sold to any person or entity. Any Owner that requests an opportunity to review or copies of membership lists or information agrees to comply with this provision of these rules. The Association may pursue any Owner for damages or injunctive relief

or both, including without limitation attorneys' fees, for abuse of the inspection and copying rights.

5. Presumptively, all financial records, meeting minutes, member information, resolutions, covenants, design review guidelines, policies, rules, and annual reports, if any, shall be available to Owners for copying and inspection upon appropriate written request. Attorney-client confidential documents are not available for inspection and/or copying. Similarly, any other documents that are confidential under any other constitutional, statutory or judicial provision and any documents the disclosure of which would constitute an unwarranted invasion of individual privacy, shall not be available for copying and/or inspection.
6. Nothing herein shall in any way limit any right to inspection or copying of records provided by the Bylaws or Covenants and to the extent that the Bylaws or Covenants provide greater inspection or copying rights than what is provided herein, such provisions of the Bylaws and Covenants shall be honored.

Article 6: Investment of Reserve Funds – C.R.S. § 38-33.3-209.5(1)(b)(VI)

1. All reserve funds shall be invested in accordance with the provisions of C.R.S. § 38-33.3-303(2.5) and C.R.S. § 7-128-401 in a manner that the directors believe is in the best financial interests of the Association taking into consideration the existing and anticipated needs of the Association. Such reserve funds may be held in an interest bearing account.

Article 7: Procedures for Adoption and Amendment of Policies, Procedures, and Rules – C.R.S. § 38-33.3-209.5(1)(b)(VII)

1. The Board of Directors of the Association shall have the authority to adopt and amend these rules and policies to the extent such adoption or amendment does not conflict with the Governing Documents. Such adoption or amendment shall take place at an open Board of Directors' meeting and be documented in the minutes.

Article 8: Procedures for Addressing Disputes Arising Between the Association and Members – C.R.S. § 38-33.3-209.5(1)(b)(VIII)

1. To the extent feasible, an Owner should attempt to address and resolve any dispute the Owner has with the Association through written correspondence with the Association, a private meeting with the appropriate individual on behalf of the Association, or discussion at an appropriate meeting. Any Owner that provides a written grievance to the Association shall be provided an opportunity to be heard at the next scheduled Board of Directors' meeting, if such grievance is received at least 30 business days before such meeting, or shall be responded to in writing by the Association within 30 days of being received if not sooner addressed at a meeting or otherwise.

Article 9: Reserve Studies, Funding and Related Matters

1. In the event that the Association obtains a reserve study, the Association's annual budgeting shall include such matters from the reserve study as the Board of Directors believe appropriate and feasible.

SECRETARY'S CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing was adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors on _____, 2016, and in witness thereof, the undersigned has subscribed his or her name.

Larkspur Community Association, a
Colorado nonprofit corporation

By: _____, President



DESIREEG

CERTIFICATE OF PROPERTY INSURANCE

 DATE (MM/DD/YYYY)
 02/05/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS 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.

PRODUCER Mountain West In & Fin Serv LLC 100 E Victory Way Craig, CO 81625	CONTACT NAME: PHONE (A/C, No, Ext): (970) 824-8185		FAX (A/C, No): (970) 824-8188
	E-MAIL ADDRESS:		
	PRODUCER CUSTOMER ID: LARKCOM-01		
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Nautilus Insurance Company		17370
INSURED Larkspur Community Assoc. c/o Toad Property Management PO Box 2776 Crested Butte, CO 81224	INSURER B: Travelers Property Casualty Company of America		25674
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 1 1 Brush Creek Road, Crested Butte, CO, 81224

SEE ATTACHED ACORD 101

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.

INSR LTR	TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
A	<input checked="" type="checkbox"/>	PROPERTY	NN876075	02/12/2019	02/12/2020	<input checked="" type="checkbox"/> BUILDING	\$ 25,000
		CAUSES OF LOSS					
		DEDUCTIBLES					
		BASIC					500
		BROAD					
	<input checked="" type="checkbox"/>	SPECIAL					
		EARTHQUAKE					
		WIND					
		FLOOD					
	<input type="checkbox"/>	INLAND MARINE	TYPE OF POLICY				\$
		CAUSES OF LOSS					\$
	<input type="checkbox"/>	NAMED PERILS	POLICY NUMBER				\$
							\$
B	<input checked="" type="checkbox"/>	CRIME	106935563	06/06/2018	06/06/2019	<input checked="" type="checkbox"/> Employee Dishonesty	\$ 50,000
		TYPE OF POLICY				<input checked="" type="checkbox"/> Forgery & Alteration	\$ 50,000
		Crime				<input checked="" type="checkbox"/> Computer Fraud	\$ 50,000
	<input type="checkbox"/>	BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$
							\$
B		Directors & Officers	106935563	06/06/2018	06/06/2019	<input checked="" type="checkbox"/> Each / Aggregate	\$ 1,000,000
A		General Liability	NN876075	02/12/2019	02/12/2020	<input checked="" type="checkbox"/> Each Occurrence	\$ 1,000,000

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

Unit Owners Evidence
 Bust Creek Road
 Crested Butte, CO 81224

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

**ADDITIONAL REMARKS SCHEDULE**

AGENCY Mountain West In & Fin Serv LLC		NAMED INSURED Larkspur Community Assoc. c/o Toad Property Management PO Box 2776 Crested Butte, CO 81224
POLICY NUMBER SEE PAGE 1		
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 24 FORM TITLE: Certificate of Property Insurance

Description of Property:
Building Limit includes 2 total buildings/ Replacement Cost Valuation/ 80% Co-Insurance
\$500 Deductible
General Liability Aggregate: \$2,000,000/ Medical Payments: \$5,000



Colorado Secretary of State
Date and Time: 05/18/2006 02:46 PM
Entity Id: 20061185082
Document number: 20061199649

Document processing fee
If document is filed on paper \$125.00
If document is filed electronically \$ 25.00
Fees & forms/cover sheets
are subject to change.

To file electronically, access instructions
for this form/cover sheet and other
information or print copies of filed
documents, visit www.sos.state.co.us
and select Business Center.

Paper documents must be typewritten or machine printed.

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Incorporation for a Nonprofit Corporation

filed pursuant to §7-90-301, et seq. and §7-122-101 of the Colorado Revised Statutes (C.R.S.)

1. Entity name:

Larkspur Community Association

(The name of a nonprofit corporation may, but need not, contain the term or abbreviation "corporation", "incorporated", "company", "limited", "corp.", "inc.", "co." or "ltd." §7-90-601, C.R.S.)

2. Use of Restricted Words *(if any of these terms are contained in an entity name, true name of an entity, trade name or trademark stated in this document, mark the applicable box):*

- ☐ "bank" or "trust" or any derivative thereof
☐ "credit union" ☐ "savings and loan"
☐ "insurance", "casualty", "mutual", or "surety"

3. Principal office street address:

19 Emmons Road

(Street name and number)

Crested Butte

(City)

CO

(State)

81224

(Postal/Zip Code)

United States

(Country – if not US)

(Province – if applicable)

4. Principal office mailing address:
(if different from above)

PO Box 1090

(Street name and number or Post Office Box information)

Crested Butte

(City)

CO

(State)

81224

(Postal/Zip Code)

United States

(Country – if not US)

(Province – if applicable)

5. Registered agent: (if an individual):

Garland

(Last)

Gary

(First)

F.

(Middle)

(Suffix)

OR (if a business organization):

6. The person appointed as registered agent in the document has consented to being so appointed.

7. Registered agent street address:

19 Emmons Road

(Street name and number)

Crested Butte

(City)

CO

(State)

81224

(Postal/Zip Code)

8. Registered agent mailing address:
(if different from above)

PO Box 1090

(Street name and number or Post Office Box information)

Crested Butte CO 81224
(City) (State) (Postal/Zip Code)
United States
(Province – if applicable) (Country – if not US)

9. If the corporation's period of duration is less than perpetual, state the date on which the period of duration expires:

(mm/dd/yyyy)

10. (Optional) Delayed effective date:

(mm/dd/yyyy)

11. Name(s) and address(es) of incorporator(s): (if an individual)

Willoughby Shay Lynn
(Last) (First) (Middle) (Suffix)

OR (if a business organization)

Bratton & McClow, LLC
(Street name and number or Post Office Box information)
232 W. Tomichi Ave., Ste. 202
Gunnison CO 81230
(City) (State) (Postal/Zip Code)
United States
(Province – if applicable) (Country – if not US)

(if an individual)

(Last) (First) (Middle) (Suffix)

OR (if a business organization)

(Street name and number or Post Office Box information)

(City) (State) (Postal/Zip Code)
United States
(Province – if applicable) (Country – if not US)

(if an individual)

(Last) (First) (Middle) (Suffix)

OR (if a business organization)

(Street name and number or Post Office Box information)

(City) (State) (Postal/Zip Code)
United States
(Province – if applicable) (Country – if not US)

(If more than three incorporators, mark this box ☐ and include an attachment stating the names and addresses of all incorporators.)

12. The nonprofit corporation is formed under the Colorado Revised Nonprofit Corporation Act.
13. The corporation will ☒ **OR** will not ☐ have voting members.
14. A description of the distribution of assets upon dissolution is attached.
15. Additional information may be included pursuant to §7-122-102, C.R.S. and other organic statutes. If applicable, mark this box ☒ and include an attachment stating the additional information.

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the secretary of state, whether or not such individual is named in the document as one who has caused it to be delivered.

16. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing:

<u>Willoughby</u>	<u>Shay</u>	<u>Lynn</u>	
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
<u>Bratton & McClow, LLC</u>			
<small>(Street name and number or Post Office Box information)</small>			
<u>232 W. Tomichi Ave, Ste. 202</u>			
<u>Gunnison</u>	<u>CO</u>	<u>81230</u>	
<small>(City)</small>	<small>(State)</small>	<small>(Postal/Zip Code)</small>	
<u></u>	<u>United States</u>		
<small>(Province – if applicable)</small>	<small>(Country – if not US)</small>		

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box ☐ and include an attachment stating the name and address of such individuals.)

Disclaimer:

This form, and any related instructions, are not intended to provide legal, business or tax advice, and are offered as a public service without representation or warranty. While this form is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form. Questions should be addressed to the user's attorney.

**ARTICLES OF INCORPORATION
OF
LARKSPUR COMMUNITY ASSOCIATION**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, acting as incorporator, hereby establishes a corporation pursuant to the Colorado Revised Nonprofit Corporation Act and adopts the following Articles of Incorporation:

**ARTICLE I
Name of Corporation**

The name of this corporation is:

LARKSPUR COMMUNITY ASSOCIATION

(hereinafter referred to as “LARKSPUR”).

**ARTICLE II
Period of Duration**

The corporation shall have perpetual existence, unless dissolved according to law.

**ARTICLE III
Purposes**

The corporation is established not for profit and the objects and purposes for which the corporation is organized and the nature of the business to be conducted by it shall be:

3.1 To own, operate, administer, and maintain all property, whether real or personal or interests therein, for the use and benefit of all Owners within LARKSPUR governed by the Declaration of Protective Covenants of LARKSPUR.

3.2 To constitute the Association to which reference is made in the Declaration of Protective Covenants of LARKSPUR.

3.3 To be the Association for Common Interest Community of LARKSPUR in accordance with the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act, as they now exist and as they may hereafter be amended from time to time.

3.4 To exercise all powers and to administer, manage, and govern LARKSPUR, governed by the Declaration of Protective Covenants of

LARKSPUR, including all powers granted to the Association under the Declaration of Protective Covenants.

ARTICLE IV

Powers

This nonprofit corporation shall have and may exercise all powers conferred upon a nonprofit corporation under the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, as they now exist and as they may hereafter be amended from time to time.

ARTICLE V

Membership

This nonprofit corporation shall have members and the membership shall be constituted as follows:

5.1 Members. The owner of a Lot or Unit in LARKSPUR governed by the Declaration of Protective Covenants of LARKSPUR upon becoming such owner, shall be entitled and required to be a member of the corporation and shall remain a member of the corporation for the period of ownership of the Lot or Unit.

5.2 Number of Members. The number of members in the corporation shall be determined as follows: (1) one membership for each of the individual Lots in LARKSPUR; (2) one membership for each of the multifamily units constructed; and (3) one membership for each condominium unit on the Recreation Parcel.

5.3 Appurtenant Right. Such membership shall be an appurtenant right of the ownership of a Lot or Unit, shall run with a Lot or Unit, and shall automatically be transferred to any subsequent owner of the Lot or Unit upon the recording of any deed or conveyance thereof to a subsequent owner.

5.4 Terms and Conditions. The terms and conditions of membership in the corporation shall be as set forth in these Articles of Incorporation and the Bylaws of the corporation.

5.5 One Class of Membership. There shall be one class of members.

5.6 Certificates of Membership. The corporation may issue a certificate evidencing membership therein.

ARTICLE VI

Board of Directors

6.1 Directors. The business and affairs of the corporation shall be managed by a Board of Directors, also know as an executive board under the Colorado Common Interest Ownership Act.

6.2 Qualifications of Directors. All directors shall be members of the corporation.

6.3 Number of Directors. The initial Board of Directors shall consist of three persons whose term of office and the manner of their election shall be set forth in the Bylaws of the Corporation. The number of directors may be increased or decreased to not less than three or more than five by a majority vote of the Board of Directors of the members.

6.4 Initial Board of Directors. The persons comprising the initial Board of Directors of the corporation and their names and addresses are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Gary Garland	PO Box 1090 Crested Butte, CO 81224
Derek Taaca	310 Whitfield Ave. Sarasota, FL, 34243
Laurie Garland	PO Box 1090 Crested Butte, CO 81224

6.5 Rights of Declaration. Notwithstanding any other provision of these Articles of Incorporation, Garland Properties, Inc., a Colorado corporation, as the Declarant of the Common Interest Community known as LARKPUR, its successors and assigns, shall have the right to appoint the members of the Board of Directors during the period of Declarant control. The period of Declarant control shall terminate no later than the earlier of (1) 60 days after the conveyance of 75% of the Lots within LARKSPUR to Owners other than the Declarant or (2) 2 years after Declarant has last conveyed a Lot within LARKPSUR in the ordinary course of business. Further, not later than 60 days after the conveyance of 25% of the Lots to Owners other than Declarant, at least one member and not less than 25% of the members of the Board of Directors shall be elected by the Owners other than Declarant and not later than 60 days after the conveyance of 50% of the Lots to Owners other than Declarant, not less than 1/3 of the members of the Board of Directors must be elected by the Owners other than Declarant.

ARTICLE VII Indemnification

The corporation shall indemnify the officers and directors of the corporation to the full extent permitted by the statutes of the State of Colorado.

ARTICLE VIII
Limitation of Liability

8.1 Non-Liability of Director. The personal liability of a director to the corporation or its members for monetary damages for breach of a fiduciary duty as a director is limited to the full extent provided by the statutes of the State of Colorado.

8.2 Liability for Willful or Wanton Acts. Directors shall not be liable for actions taken or omissions made in the performance of corporate duties except for wanton and willful acts or omissions.

ARTICLE IX
Bylaws

The initial Bylaws of the corporation shall be adopted by the Board of Directors. The power to alter, amend, or repeal the Bylaws or adopt new Bylaws shall be vested in the Board of Directors.

ARTICLE X
Registered Office and Agent

10.1 Address and Name of Office and Agent. The address of the initial registered office of the corporation is:

19 Emmons Road
PO Box 1090
Crested Butte, CO 81224

and the name of its registered agent at such address is:

Gary F. Garland

10.2 Change of Office or Agent. Either the registered office or the registered agent may be changed at any time in the manner provided by law.

10.3 Principal Office: the principal office of the corporation shall be:

19 Emmons Road
PO Box 1090
Crested Butte, CO 81224

ARTICLE XI
Distribution of Assets on Dissolution

Upon dissolution of the corporation, its assets shall be applied and distributed as follows:

11.1 First to pay and discharge all liabilities and obligations of the corporation.

11.2 To return, transfer or convey any assets as required by the provisions of the Colorado Revised Nonprofit Corporation Act or as the same may be subsequently amended or modified.

11.3 All remaining assets of the corporation shall be distributed to its members in proportion to each member's ownership interest in the corporation.

ARTICLE XII
Incorporator

The incorporator of the corporation is as follows:

NAME

ADDRESS

Shay Lynn Willoughby

232 W. Tomichi Ave. Suite 202
Gunnison, CO 81230

IN WITNESS WHEREOF, the above named incorporator has signed these Articles of Incorporation the 18th day of May, 2006.

/s/ Shay Lynn Willoughby
Shay L. Willoughby

Consent of Registered Agent:

I consent to act as the initial registered agent for the corporation.

Dated: May 4, 2006

Registered Agent:

/s/ Gary F. Garland
Gary F. Garland

**A duly-signed original is on file at the offices of Bratton & McClow, LLC,
232 W. Tomichi Ave., Ste. 202, Gunnison, CO 81230**

NOTICE

**LARKSPUR COMMUNITY ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS**

June 2, 2020 5:30 PM

**OFFICE OF TOAD PROPERTY MANAGEMENT
318 ELK AVENUE CRESTED BUTTE, CO 81224**

**Call-In:
605-562-0400
Code:
4288284**

AGENDA

- Call to order
- Approval of previous meeting minutes
- Committee Reports
 - Design Review Committee Report
 - Water
- Financials
- Old Business
 - Nichols
 - Cattail Remediation
- New Business
 - HOA Meeting
 - 2021 Budget
- Adjourn

**BYLAWS OF LARKSPUR COMMUNITY ASSOCIATION
A COLORADO NONPROFIT CORPORATION**

ARTICLE I

OFFICES

Section 1.1 PRINCIPAL OFFICE. The principal office of the corporation in the State of Colorado shall be located at 19 Emmons Road, Crested Butte, Colorado. The corporation may have such other offices, either within or outside of the State of Colorado, as the Board of Directors may designate, or as the business of the corporation may require from time to time.

Section 1.2 REGISTERED OFFICE. The registered office of the corporation, required by the Colorado Revised Nonprofit Corporation Act to be maintained in the State of Colorado, may be, but need not be, identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

MEMBERS

Section 2.1 MEMBERS. Membership in the corporation shall consist of one class and shall be constituted as follows:

Members. The owner of a Lot or Unit in LARKSPUR governed by the Declaration of Protective Covenants of LARKSPUR upon becoming such owner, shall be entitled and required to be a member of the corporation and shall remain a member of the corporation for the period of ownership of the Lot or Unit.

Number of Members. The corporation shall have a maximum of 68 members, with one membership for each of the individual Lots in LARKSPUR, one membership for each of the multifamily units constructed and one membership for each condominium unit on the Recreation Parcel.

Appurtenant Right. Such membership shall be an appurtenant right of the ownership of a Lot or Unit, shall run with a Lot or Unit, and shall automatically be transferred to any subsequent owner of the Lot or Unit upon the recording of any deed or conveyance thereof to a subsequent owner.

Certificates of Membership. The corporation may issue a certificate evidencing membership therein.

Any business entity consisting of more than one individual shall be considered as one

member.

Members shall be admitted to membership in the corporation at such time as an application for membership is accepted by the Board of Directors and the membership fee, if any, as may be established by the Board of Directors is paid.

Section 2.2 ANNUAL MEETING. The annual meeting of the members shall be held at such time on such day in as shall be established at the first annual meeting by the Board of Directors, commencing with the year 2007, for the purpose of electing directors, electing the President and Vice President and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Colorado, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be convenient.

Section 2.3 SPECIAL MEETINGS. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of one-tenth of the members.

Section 2.4 MEETING OF ALL MEMBERS. If all of the members which are entitled to vote shall meet at any time and place, either within or outside the State of Colorado, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 2.5 QUORUM. One-fifth of the members entitled to vote, represented in person, shall constitute a quorum at any meeting of members, except as otherwise provided by the Colorado Nonprofit Corporation Code and the Articles of Incorporation. In the absence of a quorum at any such meeting, a majority of the members present may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of members whose absence would cause there to be less than a quorum.

Section 2.6 MANNER OF ACTING. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater proportion or number or voting by classes is otherwise required by statute or by the Articles of Incorporation or these By-laws.

All meetings of shareholders shall be conducted in accordance with the procedural rules set forth in the most recent edition of Roberts' *Rules of Order*.

Section 2.7 VOTING. Unless otherwise provided by these Bylaws or the Articles of

Incorporation, each member entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of members.

Section 2.8 INFORMAL ACTION BY MEMBERS. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 2.9 VOTING BY BALLOT. Voting on any question or in any election may be by voice vote unless the presiding officer shall order or any member shall demand that voting be by ballot.

Section 2.10 MANNER OF VOTING. Voting on any question or in any election in which a ballot vote is required, may be received by the Board in any manner which ensures the authenticity of the vote. Such manner may include: ballots delivered via hand delivery, facsimile, regular or express mail, email transmission, or any other electronic media which would allow the Board to ensure the authenticity of the vote.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1 GENERAL POWERS. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 3.2 PERFORMANCE OF DUTIES. A director of the corporation shall perform his or her duties as a director, including his or her duties as a member of any committee of the board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation, and with such judgment as an ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in paragraphs (a), (b), and (c) of this Section 3.2; but he or she shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his or her duties shall not have any liability by reason of being or having been a director of the corporation. Those persons and groups on whose information, opinions, reports, and statements a director is entitled to rely upon are:

a. One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

b. Counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such persons' professional or expert competence; or

c. A committee of the board upon which he or she does not serve, duly designated in accordance with the provision of the Articles of Incorporation or the By-laws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

Section 3.3 NUMBER, TENURE AND QUALIFICATIONS. The number of directors of the corporation shall initially be 3 directors and shall thereafter be as determined by a vote of the members of the corporation. Each director shall hold office until his or her successor shall have been appointed and qualified. Directors need not be residents of the State of Colorado.

The President or a Vice President shall preside at all meetings of the Board of Directors.

Section 3.4 REGULAR MEETINGS. The Board of Directors shall provide, by resolution, the time and place, either within or without the State of Colorado, for the holding of regular meetings without other notice than such resolution.

Section 3.5 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, within the State of Colorado, as the place for holding any special meeting of the Board of Directors called by them.

Section 3.6 NOTICE. Written notice of any special meeting of directors shall be given as follows:

By mail to each director at his or her business address at least three days prior to the meeting; or

By personal delivery or facsimile, email or other electronic transmission at least twenty-four hours prior to the meeting to the business address or residence address of each director, or in the event such notice is given on a Saturday, Sunday or holiday, to the residence address of each director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by electronic transmission, such notice shall be deemed to be delivered when the said notice is sent to the recipient. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these By-laws.

Section 3.7 QUORUM. One third of the number of directors fixed by or pursuant to Section 3.3 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such number is present at a meeting, a majority of the

directors present may adjourn the meeting from time to time without further notice.

Section 3.8 MANNER OF ACTING. Except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

All meetings of the Board of Directors shall be governed by the procedural rules set forth in the most recent edition of Roberts' *Rules of Order*.

Section 3.9 INFORMAL ACTION BY DIRECTORS. Any action required or permitted to be taken by the Board of Directors or by a committee thereof at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or all of the committee members entitled to vote with respect to the subject matter thereof.

Section 3.10 PARTICIPATION BY ELECTRONIC MEANS. Any members of the Board of Directors or any committee designated by such Board may participate in a meeting of the Board of Directors or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 3.11 VACANCIES. Any vacancy occurring in the Board of Directors may be filled by appointment by the remaining Board of Directors. A director appointed to fill a vacancy shall serve until his or her successor is appointed for the unexpired term of his or her predecessor in office.

Section 3.12 RESIGNATION. Any director of the corporation may resign at any time by giving written notice to the President or the Secretary of the corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.13 REMOVAL. Any director or directors of the corporation may be removed at any time, with or without cause, in the manner provided in the Colorado Revised Nonprofit Corporation Act.

Section 3.14 COMMITTEES. By resolution adopted by a majority of the Board of Directors, the directors may designate two or more directors to constitute a committee, any of which shall have such authority in the management of the corporation as the Board of Directors shall designate and as shall be prescribed by the Colorado Revised Nonprofit Corporation Act.

Section 3.15 COMPENSATION. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance at each meeting and may be paid for attendance at each meeting of the Board of Directors; but nothing herein shall preclude any director from serving the corporation in any other capacity and

receiving compensation therefor.

Section 3.16 PRESUMPTION OF ASSENT. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE IV

OFFICERS

Section 4.1 NUMBER. The officers of the corporation shall be President, Vice President, Secretary and Treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2 ELECTION AND TERM OF OFFICE. The President and Vice President of the corporation shall be elected at the annual meeting of the members of the corporation, except for the initial President and Vice President who shall be elected by the initial Board of Directors. The Secretary and Treasurer of the corporation shall be elected by the Board of Directors each year at the first meeting held after the annual meeting of members.

If the elections of officers are not held at such meetings, such elections shall be held as soon thereafter as practicable. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death

or until he or she shall resign or shall have been removed in the manner hereinafter provided.

Section 4.3 REMOVAL. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4.4 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4.5 PRESIDENT. The President shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He or she shall, when present, and in the absence of a Chair of the Board, preside at all meetings of the members and of the Board of

Directors. He or she may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 4.6 VICE PRESIDENT. The Vice President (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall, in the absence of the President or in the event of his or her death, inability or refusal to act, perform all duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 4.7 SECRETARY. The Secretary shall: (a) keep the minutes of the proceedings of the members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and (e) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 4.8 TREASURER. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these By-laws; and (c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 4.9 ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 4.10 BONDS. If the Board of Directors by resolution shall so require, any officer or agent of the corporation shall give bond to the corporation in such amount and with such surety as the Board of Directors may deem sufficient, conditioned upon the faithful performance of their respective duties and offices.

Section 4.11 SALARIES. The officers shall serve without salary.

Section 4.12 LOANS TO OFFICERS. No loans shall be made by the corporation to any officer or director of the corporation.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 5.1 CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 5.2 LOANS. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 5.3 CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 5.4 DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 5.5 GIFTS. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes of or for any special purposes of the corporation.

ARTICLE VI

NONDISCRIMINATION

The officers, directors, committee members, employees and persons served by this corporation shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin and sexual orientation.

ARTICLE VII

BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board of Directors.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the corporation shall end on the last day of December in each calendar year.

ARTICLE IX

CORPORATE SEAL

The Board of Directors may provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "CORPORATE SEAL."

ARTICLE X

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of these By-laws or under the provisions of the Articles of Incorporation or under the provisions of the Colorado Revised Nonprofit Corporation Act, or otherwise, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the event or other circumstance requiring such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE XI

AMENDMENTS

These By-laws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the directors present at any meeting of the Board of Directors at which a quorum is present.

ARTICLE XII

EXECUTIVE COMMITTEE

Section 12.1 APPOINTMENT. The Board of Directors by resolution adopted by a majority of the full Board, may designate two or more of its members to constitute an Executive Committee. The designation of such Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

Section 12.2 AUTHORITY. The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee and except also that the Executive Committee shall not have the authority of the Board of Directors in reference to amending the Articles of Incorporation, adopting a plan of merger or consolidation, recommending to the members the sale, lease or other disposition of all or substantially all of the property and assets of the corporation otherwise than in the usual and regular course of its business, recommending to the members a voluntary dissolution of the corporation or a revocation thereof, or amending the By-laws of the corporation.

Section 12.3 TENURE AND QUALIFICATIONS. Each member of the Executive Committee shall hold office until the next regular annual meeting of the Board of Directors following his or her designation and until his or her successor is designated as a member of the Executive Committee and is elected and qualified.

Section 12.4 MEETINGS. Regular meetings of the Executive Committee may be held without notice at such time and places as the Executive Committee may fix from time to time by resolution. Special meetings of the Executive Committee may be called by any member thereof upon not less than one day's notice stating the place, date and hour of the meeting, which notice may be written or oral, and if mailed, shall be deemed to be delivered when deposited in the United States mail addressed to the member of the Executive Committee at his or her business address. Any member of the Executive Committee may waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person. The notice of a meeting of the Executive Committee need not state the business proposed to be transacted at the meeting.

Section 12.5 QUORUM. A majority of the members of the Executive Committee shall

constitute a quorum for the transaction of business at any meeting thereof, and action of the Executive Committee must be authorized by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.

Section 12.6 INFORMAL ACTION BY EXECUTIVE COMMITTEE. Any action required or permitted to be taken by the Executive Committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Executive Committee entitled to vote with respect to the subject matter thereof.

Section 12.7 VACANCIES. Any vacancy in the Executive Committee may be filled by a resolution adopted by a majority of the full Board of Directors.

Section 12.8 RESIGNATIONS AND REMOVAL. Any member of the Executive Committee may be removed at any time with or without cause by resolution adopted by a majority of the full Board of Directors. Any member of the Executive Committee may resign from the Executive Committee at any time by giving written notice to the President or Secretary of the corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 12.9 PROCEDURE. The Executive Committee shall elect a presiding officer from its members and may fix its own rules of procedure which shall not be inconsistent with these By-laws. It shall keep regular minutes of its proceedings and report the same to the Board of Directors for its information at the meeting thereof held next after the proceedings shall have been taken.

Section 12.10 OTHER COMMITTEES. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be appointed in such manner as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the President of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the corporation shall be served by such removal.

ARTICLE XIII

EMERGENCY BYLAWS

The Emergency By-laws provided in this Article XIV shall be operative during any emergency in the conduct of the business of the corporation resulting from an attack on the United States or any nuclear or atomic disaster, notwithstanding any different provision in the preceding articles of the By-laws or in the Articles of Incorporation of the corporation or in the Colorado Revised Nonprofit Corporation Act. To the extent not inconsistent with the provisions of this Article, the Bylaws provided in the preceding articles shall remain in effect during such

emergency and upon its termination the Emergency By-laws shall cease to be operative.

During any such emergency:

(a) A meeting of the Board of Directors may be called by any officer or director of the corporation. Notice of the time and place of the meeting shall be given by the person calling the meeting to such of the directors as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting.

(b) At any such meeting of the Board of Directors, a quorum shall consist of the number of directors in attendance at such meeting.

(c) The Board of Directors, either before or during any such emergency, may, effective in the emergency, change the principal office or designate several alternative principal offices or regional offices, or authorize the officers so to do.

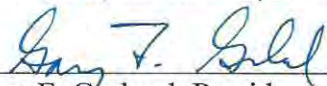
(d) The Board of Directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties.

(e) No officer, director or employee acting in accordance with these Emergency By-laws shall be liable except for willful misconduct.

(f) These Emergency By-laws shall be subject to repeal or change by further action of the Board of Directors or by action of the member(s), but no such repeal or change shall modify the provisions of the next preceding paragraph with regard to action taken prior to the time of such repeal or change. Any amendment of these Emergency Bylaws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

CERTIFICATE

I hereby certify that the foregoing By-laws, consisting of 12 pages, including this page, constitute the Bylaws of Larkspur Community Association, a Colorado nonprofit corporation adopted by the Board of Directors of the corporation as of FEBRUARY 22, 2007.



Gary F. Garland, President

Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224

DESIGN REVIEW ADMINISTRATIVE CHECKLIST

Lot / Property Address: _____

Owner Information: _____

☐ 1. Design Review Guidelines & Protective Covenants Acknowledgement (Appendix B) signed.

☐ 2. Design Review Committee & Board of Directors Not Liable (Appendix C) signed.

☐ 3. Application for Design Review (Appendix D) signed.

☐ 4. Design Review Fee.

Square Footage = _____

Design Review Fee = **\$100**

Date Paid _____ Ck # _____

☐ 5. Preliminary Review Checklist (Appendix E) completed.

☐ 6. Design Review Guidelines Checklist (Appendix F) completed by DRC.

7. Larkspur Fees and Sewer Tap Receipts (Appendix G) paid and received.

☐ 7a. Performance Deposit (Appendix G) paid.

Square Footage = _____

Performance Deposit = **\$10,000**

Date Paid _____ Ck # _____

☐ 7b. Water Tap Fees (Appendix G) paid.

Total EQR's = _____

Water Tap Fee = **\$14,000**

Date Paid _____ Ck # _____

☐ 8. Acknowledgement of Construction Regulations (Appendix H) signed.

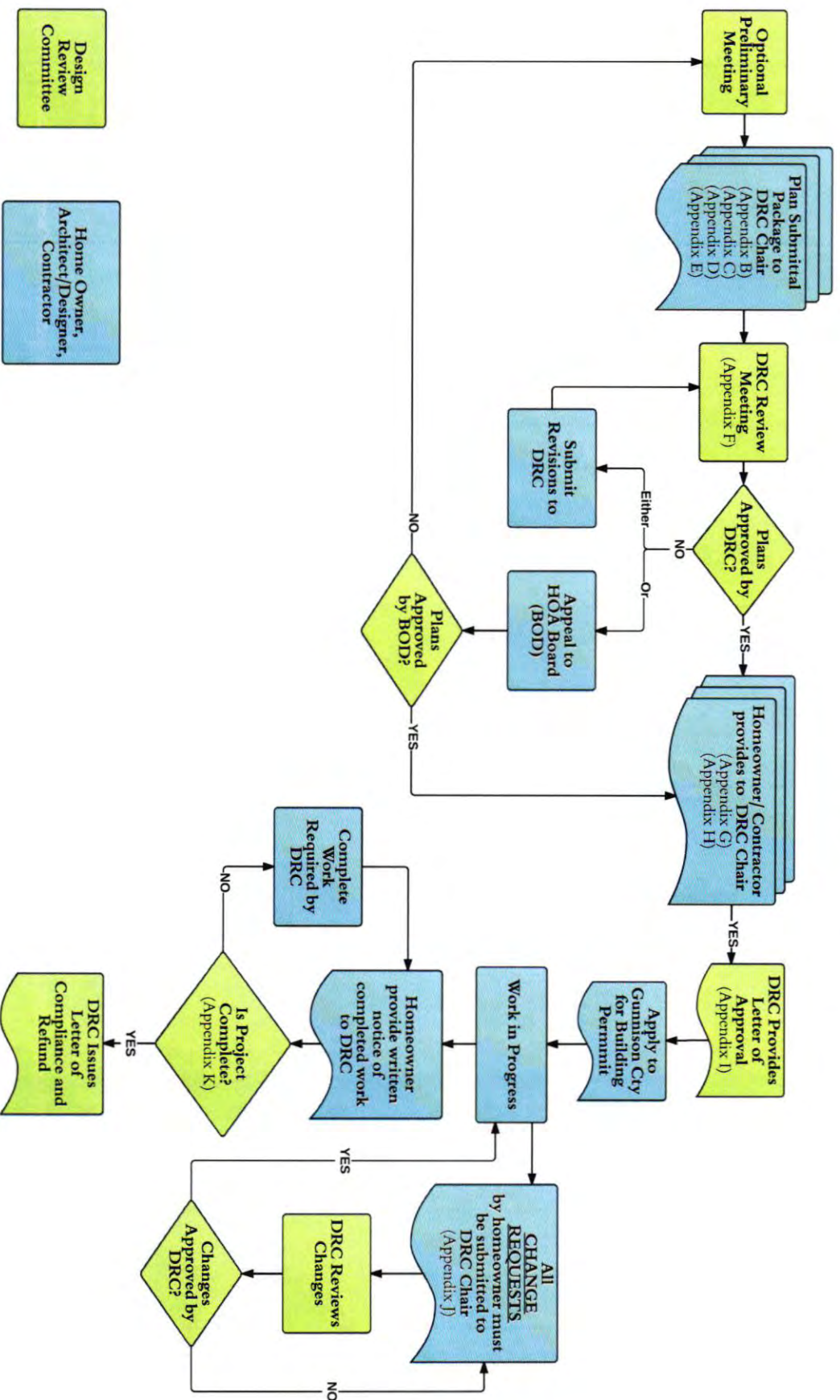
- ☐ 9. Design Review Approval (Appendix I) issued.
- ☐ 10. Pre-Construction Meeting Checklist (?????) completed.
- ☐ 14. Change Request Form (Appendix J) received and approved. *(if required)*
- ☐ 15. Performance Refund Checklist (Appendix K) completed.
- ☐ 16. Performance Deposit Refund.

Performance Deposit Refunded = _____
Date Paid _____ Ck # _____
Amount of Fine = _____ (if applicable).

Comments: _____

LARKSPUR DESIGN REVIEW PROCESS

Appendix A



Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224
www.larkspurcb.com

**DESIGN REVIEW GUIDELINES & PROTECTIVE COVENANTS
ACKNOWLEDGEMENT**

Date Reviewed: _____

Property: _____

Owner: _____

This certifies that the Property Owner, Architect or Designer, and General Contractor have read the Larkspur Community Association Guidelines and Protective Covenants and agrees to abide by the said Design Review Guidelines and Protective Covenants.

Owner

Architect/Designer

Larkspur Design Review Committee Chair

Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224
www.larkspurcb.com

DESIGN REVIEW COMMITTEE AND BOARD OF DIRECTORS NOT LIABLE
--

Date Reviewed: _____

Property: _____

Owner: _____

Per Article III, #3. Requirements For Plan Approval, #A. 5. Design Review Committee & Board of Directors Not Liable, "Neither the Design Review Committee nor the Board of Directors of the Larkspur Community Association shall be liable in damages to any person or firm submitting any plans and specifications for approval or to any owner or owners of lands by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such plans and specifications. Any person or entity submitting plans to the Design Review Committee for approval, by so doing does agree and covenant that he or it will not bring any action or suit to recover damages against the Design Review Committee, its members as individuals, or its advisors, employees or agents".

Owner

Witness

Larkspur Design Review Committee Chairman

Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224
www.larkspurcb.com

APPLICATION FOR DESIGN REVIEW & REVIEW FEE

Applicant Information

Owner Name: _____
Mailing Address: _____

Phone Number: _____
Email: _____

Project Information

Designer/Architect: _____
Mailing Address: _____

Phone Number: _____
Property Address/Lot #: _____

Fees:

Design Review: **\$ 700.00** (Payable to Larkspur Community Association)

*Design Review Fee is payable when preliminary design is submitted.

Gross Residential Floor Area*: _____ SQ FT.

GRFA Definition: Area shall mean the total floor area, measured from the outside of exterior walls including, but not limited to, habitable attic space, closets, service areas, hallways, interior walls and stairwells, but excluding spaces below grade, porches, decks, and the first four hundred (400) square feet of garage area. _____

Applicant certifies by his/her signature that he/she is the owner or owner's representative for the property described herein, that he/she has a copy of the Larkspur Protective Covenants and Design Review Guidelines and agrees to be bound by their terms and conditions, that all the information contained in this Application or Attachments hereto are true and correct.

Applicant must submit a signed Construction Regulation Acknowledgement Contract with the Larkspur Community Association Office prior to receiving a Design Review approval letter.

Applicant Signature: _____ Date: _____

Design Review Fee: _____
Date Paid: _____
Check No.: _____

Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224
www.larkspurcb.com

Property: _____

Owner: _____

PRELIMINARY REVIEW CHECKLIST

Designer/ Architect	DRC

All submitted plans must be prepared and stamped by a licensed architect or licensed engineer.

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Design Review Guidelines & Protective Covenants Acknowledgement form (Appendix B) signed.

--	--

Design Review Committee & Board of Directors Not Liable form (Appendix C) signed.

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Application for Design Review & Review Fee form (Appendix D) signed along with \$100 check made out to: Larkspur Community Association.

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A. Plans: (2) sets of printed drawings including all elevations at 1/8" scale, floor plans at 1/4" scale, cross section, site plan (see site plan requirements below) must be at least 1"=10'-0" shall be delivered to the DRC Chairperson. In addition, PDF formatted files of the same drawings shall be emailed to the DRC Chairperson.

B. Site Plan – 2 copies, at a scale of 1 inch equals 10 feet or larger, including:

1. Name, address and phone number of lot owner, lot identification number for **Larkspur**,
2. North Arrow
3. Boundaries of lot or lots to be built upon, with indication and labeling of required setback lines as a fine dashed line.
4. Existing topography as a solid line and proposed topography as a dashed line, with two feet contour intervals, in the area of the proposed structure or structures and extending fifty feet from all sides of the proposed structure, and also, in any area where earthwork is proposed such as along access driveways, fills, and re-graded areas. You shall note the top of slab and road height on

- elevations, and a benchmark location on site plan;
5. General features such as large rocks, existing drainage courses;
 6. Outlines of all proposed buildings and structures including decks, porches, patios, walls, building eaves, fences, storage and utility areas, enclosures, hallways, breezeways, garages, dog runs, pools, paths, walks, steps;
 7. Proposed driveways and parking areas with notation as to grade and surfacing materials.
 8. Proposed location of all underground utility connection lines including water, sewer, phone, power, and cable television.
 9. Lot Drainage Plan including culvert no longer than 20 feet and valley pan;
 10. Proposed landscaping, including the varieties and approximate sizes of plants, trees, and grass or other vegetation to be planted.
 11. Utility easements.
 12. If applicable, site plans must include information showing the lot's existing elevation and detailing the proposed changes in elevation.
 13. Snow storage area (25% of driveway area).

C. Building Plan / Elevations – 1 set (24" x 36"), 5 sets (8½" x 11"). (min. 1/8 inch = 1 foot)

1. Specification list noting exterior materials, colors and specs.
2. Roof pitches.
3. Overhang length dimensions.
4. Building height dimensions.
5. Grade elevations
6. Floor Plans – 1 set (24" x 36"), 5 sets (8½" x 11"). (min. 1/8 inch = 1 foot)
 - a) Square footage for each floor.
 - b) Dimensions adequate for planning purposes.

D. Exterior Finishes: Submit printed and electronic copies of images of all exterior materials, exterior doors, deck railings, proposed exterior lighting fixtures. In addition, the color palate shall be painted on sample boards and presented to the DRC.

1. Siding material(s)
2. Roofing Material(s)
3. Exterior Doors
4. Window Trim color
5. Deck Railing
6. Proposed Exterior Lighting fixtures

--	--

7. Color palate painted on sample boards

E. Erosion Control Plan. A statement of proposed methods of erosion and sedimentation control both during and after construction is required. It is the intent of the guidelines that adequate protection is provided to adjacent properties and the open space. As a condition of construction, prior to any disturbance on the lot, owner shall ensure silt fencing is installed at all property lines where required. Silt fence shall be in place and maintained throughout the course of construction and after, as needed to establish re-vegetation. The requirement for the installation of silt fencing along the sides of the lot may be eliminated if written approval of such is obtained from the adjoining property owner and submitted to and approved by the DRC, and/or waived by the DRC.

F. Water Mitigation Plan: All basements must have a water mitigation plan.

G. Other Information: The DRC may require submission of any other materials or information it deems necessary to enforce the provisions and achieve the purposes of these Design Guidelines.

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H. Planned construction timetable (start, finish, landscape, utility hookup).

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I. Geotechnical report (if applicable).

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J. Chimney finish specifications (cap, spark arrestor, etc.).

Design Notes:

♦Heavy fascia boards (minimum 2" x 10") are required.

- ♦Support posts and structural accent details are encouraged to be heavy in nature.
- ♦Main entrance should be prominent and entrance details are encouraged.

General Notes: ♦Copies of all plans become the property of the Larkspur Community Association.

****Attach this checklist to the preliminary review drawing package****

Date: _____

Property Information:

Property: _____

Owner: _____

Larkspur Community Association

PO Box 1872

Crested Butte, CO 81224

www.larkspurcb.com

Date Reviewed: _____

Property: _____

Owner: _____

DESIGN REVIEW CHECKLIST

DRC	Article Section
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V

GENERAL RESTRICTIONS

	1.	<u>General.</u> The DRC, in its plans and specifications review process, will specifically review every structure and building proposed to be constructed within Larkspur for compliance with these Design Guidelines. The DRC's goal shall be to encourage variation within an overall theme of interesting architecture using natural materials, colors and textures, shapes suited to solar exposure and high snowfall, and multiple levels to adapt to topography, with site design that maximizes protection of the mountain environment, views, rural quality and privacy. "Box like" appearances are discouraged.
	2.	<u>Building Siting.</u> Most building sites in Larkspur are relatively flat. The underlying goal of site planning guidelines is for all buildings, structures and site improvements to be integrated with the natural features of a site. Building form, orientation and massing should respond to natural landforms, drainage patterns, topography, vegetation, views, and sun exposure. Buildings should step rather than rely on extensive site grading. Building forms and rooflines should relate to site contours and surrounding landforms. Exposed building profiles atop ridgelines and harsh angular forms that are in contrast to natural slopes are discouraged. The location and design of buildings should minimize disturbance to existing vegetation on a site. Access should also be considered during the site planning building design process. Extensive cut and fill slopes to accommodate site access are generally not acceptable and should be avoided or minimized by effective site planning.

	3.	<u>Set Back Restrictions.</u> The following set back restrictions shall apply Larkspur:
	3A.	<u>Single Family Lots, both Essential and Otherwise</u> There shall be a 10 foot wide clear zone easement along the entire boundary of each lot or tract. Within said clear zone easement, no improvements of any nature may be constructed, except only landscaping, fencing, sidewalks and driveways. Residential structures may be constructed on that line where a platted road easement encroaches into the lot except on cul-de-sacs where structures must be a minimum of 10 feet back from the easement line. The set back for all structures and improvements from all side lot boundaries shall be 10 feet. All front setbacks shall be 20 feet. All rear lot setbacks shall be 15 feet. Rear setbacks for lots S33, S34, S35, S36, S37, S38, S39, S41, S42, S43, S44, S45, and S46 along the lake shall be 20 feet.
	3B.	<u>Essential Multi-Family Lots.</u> No residential or building structure of any kind may be constructed nearer than 10 feet from that line where a platted road easement encroaches into the lot. The setback for all structures from all side lot boundaries shall be 15 feet. All rear lot setbacks shall be 15 feet.
	3C.	<u>Recreation Parcel.</u> No building or structures of any kind may be built on that part of the parcel that is within the platted road easement. This area that is part of the parcel and that lays within the road easement may be used for parking, sidewalks, landscaping, snow storage and driveways. For all structures there shall be a 20-foot setback from all lot lines held in common with either single-family lots or open space. There shall be no setback from where the road easement line encroaches into the lot.
	3D.	<u>Association Lot.</u> There shall be a minimum 10-foot setback from all lot lines. There shall be a 10-foot setback from where the road easement line encroaches into the lot.
	3E.	<u>Utility Easements.</u> No permanent structures or buildings of any kind shall be permitted to be constructed upon any utility easements. There is no setback from the easement itself unless specifically addressed above.
	4.	<u>Minimum and Maximum Size of Dwelling Units</u> <u>Single Family Lot and Essential Family Lot.</u> The total gross residential floor area shall not be less than 800 square feet and not more than 4,000 square feet. Buildings of more than one story shall have a main floor footprint, as determined by the DRC, including

		garage, of not less than 800 square feet, excluding decks. <u>Essential Multi Family Duplex Lot.</u> The total gross residential floor area for the entire structure that includes both units shall not be more than 3600 square feet. The units do not have to be the same size. A maximum of two units can be built on the lot; however, it is permissible that only one unit be built upon receipt of permission of Gunnison County Housing Authority. The units must be attached to each other by either common walls or by stacking. Each unit must have two enclosed garages. <u>Essential Multi Family Fourplex Lots.</u> The total gross residential floor area for the entire structure shall not be more than 4400 square feet. A maximum of four units may be built on each of these lots; however, a lesser amount may be built upon receipt of said permission from the Gunnison County Housing Authority. The units on each lot do not have to be the same size; however, all the units must either be attached or stacked. Each unit must have two enclosed garages.
	5.	<u>Garages Required.</u> All structures on single family and essential single family lots shall have a minimum of two (2) enclosed attached garages. The measurements of each garage space shall be a minimum of ten (10) feet by twenty (20) feet. It is permissible, at the discretion of the DRC where lot dimensions dictate, to allow these two spaces to lie tandem, with one space in front of the other. All garages must have doors that are covered in wood or other DRC approved material.
	6.	<u>Building Location.</u> All buildings and structures shall be located within the setbacks on the lot or tract so as to minimize the impact on the natural beauty of the land. Particular attention will be paid to building location, sun direction, orientation and views from adjacent lots and roads during the design review process. All single-family dwellings shall be sited so as to be 'square' to the road easement or as 'square' to lot lines as possible. Compliance with this requirement shall be at the absolute discretion of the DRC.
	7.	<u>Primary Dwelling Unit to be Constructed First.</u> No garage shall be constructed on any residential lot prior to construction of the primary dwelling unit. Exception: On the Association Lot the permanent garage or a temporary garage structure may be constructed prior to any dwelling unit or office being built.
	8.	<u>Scale and Form.</u> Generally, residential buildings should be based upon a central rectilinear massing with simple forms added to create

		scale, and to allow for the adaptation to natural landforms. The underlying rectilinear form should have the visual impression of “growing” out of the site. This impression can be reinforced by a strong, horizontally proportioned massive base.
	9.	<u>Continuity of Construction.</u> All building and structure construction and alteration work shall be pursued diligently. Each structure shall be entirely completed within eighteen (18) months after commencement of construction.
	10.	<u>Repetitive Design and Continuous Wall Restrictions.</u>
	10A.	Monotony of design shall be avoided. Variations of detail, form and location are appropriate and desired. Designs which are essentially identical to nearby houses will not be permitted. There must be significant individual variations, making each unit unique.
	10B.	Building designs with the tendency to be parallel, repetitive or “barracks-like” buildings are discouraged. An offset of at least four (4) feet shall be provided for every twenty-five (25) feet of continuous exterior wall surface or roof plane, to break up monotonous planes.
	11.	<u>Building Height.</u> Maximum building heights of all structures including S Lots, E Lots, Essential Multi-Family Lots, the Recreation Parcel, and the Association Lot shall be Thirty (30) feet as measured by the Gunnison County’s Land Use Regulations (LUR) with the exception of Lots S9, S11, and E8 which shall have the maximum building height of Twenty-Two (22) feet.
	11A.	<u>Architectural provisions above height limit.</u> Towers, spires, cupolas, chimneys, flagpoles and similar architectural features not useable as habitable floor area may extend above the height limit at the discretion of the DRC.
	12.	<u>Exterior Materials.</u> For all housing units and garages, wood siding, vertical and horizontal with wood corner and trim boards, and stone siding (natural materials) are encouraged for the primary siding. At the discretion of the DRC, secondary siding may consist of “muted earth tone” stucco, non-reflective metal, or other material. Fascia boards shall have a minimum dimension of 2 inches thick by 10 inches wide for primary roofs. All fascia and soffit shall be wood. Secondary roofs shall have a minimum dimension of 2 inches thick by 8 inches wide. Asbestos shingle, T 111, vinyl, cinder block, poured concrete or aluminum exterior siding will not be permitted. Fiber cement planking is allowed in earth tone colors that have been pre-approved by the DRC. All exterior windows and doors shall be

		trimmed with wood. Corner boards shall be wood.
	13.	<u>Reflective Finishes.</u> Reflecting or contrasting finishes are not acceptable. All exposed materials such as flashing, wall and roof vents, metal enclosures, and other items shall be anodized or painted an approved color.
	14.	<u>Mirrored Glass.</u> Mirrored glass windows and doors are not permitted.
	15.	<u>Foundations.</u> Concrete, foam or block foundation walls may not be exposed above the finished grade.
	16.	<u>Roofs.</u> Roof massing shall consist of a primary roof and secondary roofs. A primary roof is defined as the main roof structure and all roofs that enclose a two-story structure. Secondary roofs are considered roofs that cover garages, porches or one-story living spaces. All roofs shall be designed to comply with Gunnison County loading requirements. Roofing materials consisting of fireproofed wood shingles, and non-reflective metal roofs are encouraged, other materials may be considered as an acceptable roofing material. Roofs shall be of a muted natural color theme. The Design Review Committee shall consider the impact to the neighborhood for all roof designs. If an excessively similar or dis-similar pattern of roof design occurs, the Design Review Committee in its sole discretion will have the authority to determine on a case-by-case basis if a roof material is allowed. It is also encouraged that differing roof materials be utilized between the primary and secondary roofs to help break down the mass and scale and to help distinguish between building elements and masses. Roofs with overhangs to deflect rainwater and block summer sun are encouraged. Primary roofs shall have an overhang of no less than 12" rake and 24" eave, and secondary roofs shall have an overhang of no less than 12".
	17.	<u>Chimneys.</u> No exposed reflective metal cylinder chimneys shall be permitted. Metal chimneys shall be enclosed in a casing of a material compatible with the house siding material in a manner not creating a fire hazard. Chimney material and design shall be selected to withstand high wind conditions and heavy snowfall typical of mountain weather.
	18.	<u>Vents.</u> All exposed plumbing, roof equipment, ducts and other vents and pipes shall be painted an approved color that matches the roof area nearest the vent or pipe.
	19.	<u>Doors.</u> Unpainted or primer coat painted metal doors are prohibited. Exterior doors, especially main entry doors, should be designed with great attention to detail in order to create an individual identity for

		the building. Richly detailed doors are also very characteristic of the design theme. Flush panel exterior doors are not allowed. Doors should be made of wood, glass, metal or fiberglass. Garage doors shall be finished with wood or other approved materials. Cut sheets for all proposed exterior doors and overhead doors must be submitted to the DRC for approval.
	20.	<u>Windows.</u> Window shapes must generally be of vertical or square proportion and avoid complex and attention calling shapes. Divided light windows are required. Proponents wishing to avoid obstruction of major views should consider using a grouping of windows such that a large undivided window is surrounded by smaller divided light windows.
	21.	<u>Accessory Structures.</u> Structures such as garages, porches and greenhouses shall be of similar construction materials and quality as the principal building and shall be attached to the main structure. No outbuildings are allowed. Garages may, at the discretion of the DRC, be connected to the main structure by "breezeways."
	22.	<u>Exterior Lighting.</u> All exterior lighting shall be shaded and shall be approved by the DRC for harmonious development and the prevention of lighting nuisances to other lots in Larkspur . Fixtures shall be full cutoff type and shall direct light downward. No exposed or un-shaded bulbs are allowed. Ground mounted floodlighting is prohibited. All outside lighting shall comply with these regulations in addition to those of Gunnison County in place at the time the permit is applied for. Holiday lighting is allowed from November through the end of January.
	23.	<u>Housing Numbers.</u> Each single family dwelling unit shall have a lighted house or unit number visible at night from roadway, conforming to a design and location approved by the DRC.
	24.	<u>Grading.</u> Grade changes, cut, fill and soil removal shall be minimized in site design. Cut and fill slopes should be no steeper than 4:1 (horizontal to vertical). Cut and fill slopes should have good surface drainage and must be re-vegetated with native ground covers and terraced or controlled by retaining walls to protect against erosion and sedimentation. All lots shall be finish graded to prevent ponding of water and surface drainage detrimental to adjacent properties.
	25.	<u>Retaining Walls.</u> Retaining walls may be constructed of stone or treated landscape timbers. The use of exposed concrete, cinder block and stucco will not be permitted. Retaining walls should be

		constructed to a maximum of four feet in height. If a taller wall is required, two or more shorter walls should be used, if feasible, with at least four feet horizontal distance between them instead of one tall wall. Weep holes must be provided to release trapped drainage water. Walls over four feet must be engineered.
	26.	Solar Panels. Solar panels on roofs will be considered on a case-by-case basis.
	27.	Fences, Walls. The design and location of fencing and privacy walls shall be submitted and approved by the DRC prior to installation. Fences and/or walls, if approved, shall be constructed of natural or cultured stone,, and/or wood materials or faced with natural or cultured stone, and/or wood material. Other materials may be considered on a case-by-case basis.
	27A.	Privacy Fencing and Walls Subject to the approval of the DRC as to design, size and location, privacy fencing and/or walls will be permitted to screen a small portion of a yard, or to screen a patio, pool or dog run. Fences or walls of more than six (6) feet in height will not be permitted. Privacy fencing must be in harmony with the exterior design and materials of the residence.
	27B.	Perimeter Fencing and Walls On Lots S 2,3,4,5,6,7,8,9,10,17,18,19,20,21,22, Lots E3, E4, E5, E6, E7, E8 “perimeter” fencing or walls will be allowed commencing at the midpoint of the dwelling or further towards the back, out to the lot line, along the side lot line to the back lot line, along the back lot line to the side lot line, up the side lot line until it reaches the approximate same point of the dwelling opposite of where the fence or wall started. If an owner chooses to build a “perimeter” fence or wall then that fence or wall must follow the lot lines and the fence or wall will not be allowed to only fence or wall a portion of the lot lying in back of the house. Fences or walls of more than six (6) feet in height will not be permitted.
	27C.	Front Fencing No fencing will be allowed on the front (roadside) portions of the lots. Decorative walls may be approved at the discretion of the DRC.
	27D.	Landscape Walls The developer of Larkspur is allowed to install walls that are for the purpose of landscaping, utility screening and entry features. These walls must be of the same material(s) as that specified in paragraph 29 above.
	28.	Pools. Above ground pool structures shall not be allowed. The top surface of any pool must be not more than 12 inches above grade. All pool equipment shall be screened from view of neighboring lots,

		tracts or roads. All pool equipment shall be located or sound attenuated in such a manner as to not disturb the occupants of adjacent or nearby properties.
	29.	Hot Tubs. The DRC must approve the location and appearance of all outdoor hot tubs. The exterior surface area must be covered with an earth-tone color siding. The hot tub shall be covered using a hard cover consisting of a durable foam inner core and plastic covering and finished with an earth tone color.
	30.	Driveways, Parking and Storage. Each single-family residence shall have at least two parking spaces within a fully enclosed garage. In addition, each residence shall have one additional space stacked in front of, or to the side of, the garage. Curb cut, on any drive shall not exceed 20 feet. All driveways shall have a valley pan and a minimum 12" culvert extending no more than one foot in either direction from the edge of the drive. All driveways and parking areas shall be paved with an all weather hard surface such as concrete or asphalt.
	31.	Recreational Equipment. The placement of recreational equipment including, but not limited to swing sets, jungle gyms, trampolines, basketball hoops and sports nets must be approved by the DRC.
	32.	Signs. No signs of any type other than residence identification numbers shall be allowed within Larkspur . During the construction period, temporary signs identifying the name, telephone number of the construction company and lot number are allowed.
	33.	Fireplaces. Solid fuel burning devices as approved by Gunnison County will be allowed if it is determined by the DRC that operation and approval with such devices will not adversely affect any neighboring properties. Chimineas and barbecues are specifically allowed provided they are not placed on or near flammable materials.

VII. LANDSCAPING AND SCREENING

	1.	General. It is the intent of this article to improve the natural appearance of Larkspur , and to maintain such appearance and maximize the seclusion of each home site from other homesites, insofar as possible. Landscaping is encouraged but the types and treatment of plant materials are subject to approval of the DRC. The intent is to reinforce the natural setting through well-designed use of existing grade and drainage and drought tolerant native plant materials.
	4.	Landscaping Required. The landscaping of lots and tracts within Larkspur is required and must be completed in conjunction with the construction of buildings and other structures by the end of

		growing season following substantial completion of the building. In accordance with the "Plan Submission Requirements" set forth herein, all proposed landscaping must be shown on the "Site Plan" submitted to the DRC for review and approval as a condition of plan approval. Required landscaping is as follows:
	4A.	<p><u>Trees.</u> All single-family lots, essential single family and essential multi-family housing lots shall landscape as follows:</p> <ol style="list-style-type: none"> 1. Not less than 200 vertical feet of deciduous and/or conifers will be planted per lot. Of this 200', there must be three (3) conifers, each a minimum of 8' planted height. 2. Evergreens will be calculated at a 2-1 ratio for vertical feet. 3. If multi trunk trees are used then only the tallest trunk of the grouping may be counted for this section. 4. All trees must be watered through use of an automatic watering drip system. 5. The owner with that of a similar size and species will replace required trees that die within the first 5 years of planting. This requirement is waived if the owner installs more than the required number of vertical tree feet.
	4B.	<p><u>Grass.</u></p> <ol style="list-style-type: none"> 1. All residences are allowed a maximum of 500 square feet of irrigated lawn (sod or seeded grass) per lot. All lawns (sod or seeded grass) must be planted at the time of construction clean up (weather permitting). All sod or seeded grass areas must be watered through use of an automatic irrigation system. NOTE; upon a call for water, irrigation may need to be reduced or eliminated temporarily. 2. All other areas disturbed during the construction process will be reseeded with a natural low growing grass and flower seed mixture.
	4D.	<p><u>Screening.</u> Electric meters, garbage and rubbish areas, clotheslines, air conditioning equipment, pool filters, dog runs, and any other improvements where the DRC deems necessary shall be screened or enclosed from view from public roads, other lots and tracts. Screening enclosures or fences shall be of materials and colors that conform with this instrument and are harmonious with the primary buildings or structures on the lot or tract. If plantings are used for screening, they shall be of species equally effective in winter or</p>

		summer.
	VIII	<u>DRAINAGE</u>
	1.	<p><u>General.</u> There are several minor drainage ways that work their way across Larkspur. Detailed drainage analysis must be utilized in planning for drainage on individual tracts or lots. Local storm drainage must be provided for in the design of proposed improvements on any lot or tract within Larkspur.</p> <p>In the design of storm drainage improvements for any tract with Larkspur, every effort should be made to utilize existing ditches and watercourses, and to prevent soil erosion. The plans and specifications for any tract will not be approved by the DRC until adequate provision for storm drainage has been made. Any plans and specifications containing inadequate provision for storm drainage will be disapproved by the DRC.</p>
	IX	<u>DRIVEWAYS AND PARKING AREAS</u>
	1.	<u>Single Family, Essential Multi-Family, and Essential Single Family Lots.</u> Access to primary dwelling units on all lots shall be by driveways that allow easy access to the road system. When driveways are considered during the design review process, the following factors will be taken into consideration.
	1A.	Good visibility and sight distance should be obtained along the roadway together with an intersection as close as 90 degrees as possible.
	1B.	Where practical, gradients should be not greater than 4% along the driveway and no greater than 2% within 20 feet of the roadway shoulder.
	1C.	All driveways including that portion in the public road easement shall be paved in asphalt or concrete at the lot owner's expense at a minimum 16 foot width for all single family residential lots and a minimum of 20 feet width for multi family lots. All driveways must be completed prior to the refunding of escrowed moneys for landscape construction and within 10 months of residential completion.
	1D.	Paving of driveway (whether new construction or existing construction) shall be the sole expense of the lot owner or lot developer.
	1E.	Prior to installing any driveway the owner shall install a minimum 12" culvert under the planned driveway at the point where it meets the road.

	1F.	A valley pan may be required such that the driveway shall not allow drainage to the road.
	2.	<u>Driveways.</u> Lots S-1, S-10, and EM-3 must access from curved portions of the cul-de-sac and not adjoining roads.
	3.	<u>Common/Shared Driveways</u> With the permission of the Crested Butte Fire Protection District, adjacent lots may share a common driveway such as agreed to by owners of both lots through an easement stating such that is recorded prior to the time of granting a building permit for either structure. Once a common driveway easement is granted and recorded it <u>must</u> be used for access to both structures and both lots.

Date: _____

Property Information:

Property: _____

Owner: _____

Larkspur Design Review Committee Chair

Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224
www.larkspurcb.com

LARKSPUR FEES

Lot/Property Address: _____

Owner Information: _____

Fees:

Please provide the following to the offices of:

TOAD Properties
318 Elk Ave
Crested Butte, CO 81224
970-349-2585

☐ Performance Guarantee check: \$10,000*

☐ Water Tap Fee check: \$14,000*

* Checks payable to Larkspur Community Association

Contact the East River Regional Sanitation District via the Skyland Community Association regarding Sewer Tap Fees.

Phone: (970) 349-7411

Email: info@skylandco.com

Web: www.skylandonline.com

For DRC use only:

Performance Deposit: \$ _____

Date Paid: _____

Check #: _____

Water Tap Fee: \$ _____

Date Paid: _____

Check #: _____

Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224
www.larkspurcb.com

CONSTRUCTION REGULATIONS ACKNOWLEDGEMENT AND CONSTRUCTION MANAGEMENT PLAN

Property Information

Property: _____
Owner Name: _____

Phone Number: _____
Fax / E-mail: _____

Project Information

Contractor: _____
Contact: _____
Mailing Address: _____
Phone Number: _____

1. Construction Management Plan Provided to DRC by Contractor: _____ YES _____ NO
The Contractor shall submit a site management drawing to include the following:

- a. Storage for dirt/topsoil,
- b. Port a Potty location,
- c. Trash receptacle location,
- d. Parking,
- e. Silt fence,
- f. Job Trailers,
- g. Concrete washout,
- h. Material Storage.

2. Projected Building Completion Date: _____

Note: Must be eighteen (18) months after commencement of construction.

3. Projected Landscaping Completion Date: _____

4. Start to Finish Construction Duration: _____

Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224

CONSTRUCTION REGULATIONS

ARTICLE VI: CONSTRUCTION REGULATIONS

1. **Construction.** The following restrictions apply to the construction of all buildings and structures within **Larkspur**:
 - A. **Construction Trailers, Portable Field Offices and Signs.** Owners or contractors who desire to temporarily set a construction trailer, or contractor sign on a construction site must first obtain written approval from the DRC. The DRC will designate a specific location and a maximum period of use.
 - B. **Storage of Materials and Equipment.** Owners or contractors are permitted to store construction materials and equipment on an approved construction site only during the construction period. All equipment and materials shall be neatly stored or stacked, properly covered and secured. Owners or contractors will not disturb, damage, trespass or store materials or equipment on other lots, tracts, roadway, or other easements.
 - C. **Debris and Trash Removal.** Owners and contractors shall clean up all trash and debris on the construction site. Trash and debris shall be removed from the site at least once a week to the nearest solid waste disposal site or other location approved by Gunnison County. All persons are prohibited from dumping, burying or burning trash anywhere in **Larkspur**.
 - D. **Sanitary Facilities.** Each owner or contractor shall be responsible for providing adequate sanitary facilities on site for all construction workers and subcontractors.
 - E. **Parking Areas.** Construction crews or other construction personnel may park on only one side of the road adjacent to the construction site or use other lots or tracts, pre- approved in writing by the DRC, for parking purposes during construction.
 - F. **Excavated Materials.** Excess excavated materials shall be hauled from **Larkspur**, or placed in areas approved by the DRC.
 - G. **Damaged Property.** Damage to or scarring of other properties, including but not limited to other lots or tracts, roads, driveways or other improvements is not permitted. If damage occurs, the person or persons responsible will repair it promptly.
 - H. **Blasting.** If any blasting is to occur, the DRC shall approve and then be informed in writing forty-eight hours in advance to allow it to make such investigation as it deems appropriate to confirm that adequate protective measures have been taken prior to blasting.
 - I. **Conduct and Behavior.** All property owners in **Larkspur** shall be responsible for the conduct and behavior of their representatives, builders, contractors and subcontractors.

- J. Stop Work Authority.** The DRC shall at all times have the authority to stop all work on any construction site within **Larkspur**. Contractors or contractors' personnel violating any of the provisions of this instrument or the Declaration of Protective Covenants shall be just cause for stopping all work. A stop work order will be issued directly to the lot or tract owner in writing and posted at the work site.
- K. Housing.** No construction worker or lot or tract owner shall set up a temporary residence on any construction site in a trailer, motor home, or tent. All construction workers must be housed in permanent housing within or outside **Larkspur**.
- L. Pets.** Dogs and other pets owned by contractors or construction workers shall be prohibited from construction sites.
- M. Hours of Construction.** Construction is permitted from 7am-6pm Monday through Saturday and work is not permitted on Sunday.
- N. Music.** Construction workers and/or crews may only play music at a level that does not interfere with neighboring properties. The determination of acceptable levels is in the sole discretion of the DRC or its designated representatives.

Larkspur Community Association through its designated representative reserves the right to inspect the site at any time during construction without notice.

Owner and Contractor's Statement

The property owner and prime contractor acknowledge that they have:

- 1) read Article VI excerpts from the Larkspur Design Guidelines,
- 2) have had the opportunity to seek clarification on those provisions we believe require additional explanation,
- 3) agree to comply with said guidelines during the course of their Larkspur project(s), and
- 4) understand the procedure and schedule of non-compliance penalties.

We understand that compliance with the Construction Regulations is our responsibility and that we will be joint and severally liable for all actions of builders, contractors, subcontractors, and their representatives.

Signed

Signed

Print Name of Owner

Print Name of Contractor

Date _____

Date _____

(This Statement must be signed before the Final Design Review Approval letter is issued)

LARKSPUR COMMUNITY ASSOCIATION

PO Box 1872
Crested Butte, CO 81224
www.larkspurcb.com

DESIGN REVIEW APPROVAL

Approval Date: _____

Property: _____

Owner: _____

This certifies that the Larkspur Community Association Design Review Committee has approved the plans and specifications for the above property in accordance with Declaration of Protective Covenants and Design Guidelines for Larkspur.

The following conditions apply to this approval:

1. The applicant must obtain a building permit from Gunnison County.
2. A **certificate of occupancy** must be obtained for the project **within 20 months** of commencement of construction.

The Larkspur Community Association Design Review Committee gives its authorization to the Building Inspector of Gunnison County to issue a Building Permit for this project.

Larkspur Design Review Committee Chairman

Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224
www.larkspurcb.com

CHANGE REQUEST FORM

Lot/Property Address: _____

Owner Information: _____

Description of Changes Requested:

Documents Provided:

Please enclose the following:

- ☐ 1 electronic copy of the plans and elevations with the requested changes reflected on the drawings.
- ☐ Electronic copies of any images that will help describe the said changes.

For DRC use only:

Date Received: _____

Received by: Signature _____

_____ Date:

Larkspur Community Association

PO Box 1872
Crested Butte, CO 81224
www.larkspurcb.com

PERFORMANCE REFUND CHECKLIST - FINAL INSPECTION

Property: _____

Owner: _____

	LANDSCAPING ITEMS	COUNT / FOOTAGES	NOTES
A	All single family lots, essential single family and essential multi-family housing lots shall landscape as follows:		
	1. Trees Deciduous: If multi trunk trees are used then only the tallest trunk of the grouping may be counted for this section. Evergreen/Conifer: (2:1 ratio) 3 @8' min planted height	200' min	
	2. Planted Surface		
	Sod or Seeded Lawn (500sq.ft. max per lot)	800' max	
	Ground Cover		
	3. Existing Landscaping		
	Trees		
	Deciduous		
	Evergreen		
	4. Reclamation		
	All disturbed areas including neighboring lots shall be reseeded and substantially re-vegetated. (more green than brown); in addition lot shall be free of noxious weeds.		
	Landscaping Point Total		

	ADDITIONAL ITEMS	COMPLETED	NOT COMPLETED	NOTES
B	Sprinkler System Installed			
C	Driveway Surfaced			
D	Site Cleanup			
E	Finished vents, PVC pipes, etc.			
F	Light bulbs not protruding below fixtures			
G	Exterior Lights Down-lit			
H	Approved Overhangs and Eaves			
I	Spark Arrester on Chimney / Wood Stove			
J	Height as per Plans			
K	Materials and Colors as per Plans			
L	Culvert and Valley Pan as per Plans			
M	Hot Tub (if applicable) Screened and Blends with Building Color			

Date: _____

Property Information:

Property: _____

Owner: _____

Performance Deposit: _____

Contractor Information:

General Contractor: _____

Landscaping Contractor: _____

Paving Contractor: _____

Construction Started: _____

Inspected By: _____

Performance Deposit Refunded: _____

Date Refunded: _____

Comments: _____

	<u>Larkspur Design Review Checklist</u>			
1	date of submission			
2	lot # & <u>street address</u>			
3	lot owner			
4	phone #			
5	e-mail			
6	mailing address			
7	builder			
8	square foot living			
9	total square foot			
10	architect or designer			
11	proposed start & finish dates			
12	design review fee (\$100) paid?			
13	performance guarantee (\$10,000) paid?			
14	stamped by structural engineer or architect			
15	(5)-1/8" or bigger-site,elevations,floor			
16	water tap fee paid/not paid			
17	sewer tap fee paid/not paid			
18	estimated starting date			
19	estimated finish date			
18				
19	<u>Building</u>	<u>Material</u>	<u>Size</u>	<u>Color</u>
20	primary foof			
21	secondary roof			
22	primary siding - orientation			
23	secondary siding - orientation			
24	other siding - orientation			
25	corner boards			
26	window trim			
27	fascia			
28	freeze board or shadow board			
29	entry door - cut sheet			
30	secondary doors - cut sheet			
31	garage doors - cut sheet			
32	ext. columns			
33	ext. beams			
34	deck railing			
35	decking			
36	window color and clad mat.			
37	chimney chase			
38	drive way surface material			
39	25% delineated snow storage			

40	ext. lights shown on elevations			
41	existing vegetation/features			
42	proposed landscaping			
43	topo lines (2 feet contours)			
44	location of proposed utility lines			
45	color chart of all ext. finishes			
46				
47				
48				

DESIGN GUIDELINES FOR LARKSPUR

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**DESIGN GUIDELINES
FOR
LARKSPUR

ARTICLE I**

I. INTRODUCTION

A. Relationship to Protective Covenants and Other Regulations

The Design Guidelines are supplemental to restrictions and processes established in the Declaration of Protective Covenants for **Larkspur** recorded in the record of Gunnison County, Colorado. Owners of each lot are encouraged to review both documents together.

Compliance with the design review process is not a substitute for compliance with all building permit requirements of Gunnison County, Colorado. Each Owner is responsible for obtaining all approvals, licenses and permits as may be required by Gunnison County, Colorado and any special district or other entity providing services to the Lot prior to commencement of construction.

B. Authority of Design Review Committee (DRC)

No Single-Family Residence, Multi-Family Structure, Maintenance Structure, Recreation Structure, Garage, Building or Improvement shall be commenced, constructed, erected or maintained upon any Lot, nor shall any landscaping be done, nor shall any exterior addition, change or alteration be made until the plans and specifications have been submitted to and approved in writing by the Design Review Committee, hereafter know as the **DRC** in the manner set forth in these guidelines.

C. Non-Compliance

Failure of compliance with these Guidelines and/or approved plans, the Board of Directors of **Larkspur** Community Association may levy a fine against the owner in an amount up to \$500.00 per day and/or may order the owner to comply with these Guidelines and/or approved plans. If the owner fails to pay such fine and/or make their project comply, the Board of Directors may levy a Non-Compliance Assessment in the amount of the fine, plus the cost of compliance, plus attorneys' fees and interest, and a written notice of assessment lien may be signed and recorded in accordance with the provisions of the Declaration of Protective Covenants of **Larkspur**.

II. IMAGE STATEMENT

A. LARKSPUR Philosophy

Larkspur is designed to *harmonize with neighboring properties: the Country Club subdivision to the north, the agricultural land to the east and the residential subdivision to the southeast.* A large amount of recreational open space is massed in the western portion of **Larkspur** to provide a buffer between the county road and the lots, and in the southwest to create a transition between the Lots and the agricultural land. The **Larkspur** philosophy is to provide an atmosphere of community. The objective of the Design Review Guidelines is to encourage a high standard of homes, both in terms of construction and aesthetics. **Larkspur** recognizes the need to meet the Owner's needs, tastes, and individuality. The intent of the DRC is to encourage individual expression and outline a basic set of criteria. These criteria have been established to govern ***building massing, color, and materials***, and to set standards for landscaping, in order to reduce visual impact by conforming to the existing topography, and to increase privacy of each Single-Family Residence. Building Sites defined by setbacks have been established for each Lot to protect the natural terrain, views, privacy, and the relationship between adjacent sites.

The underlying goals of these Design Review Guidelines are to protect and enhance the natural landscape, minimize the visual impact from other areas in the community and from within the community, and to maximize the long-range views from each lot.

ARTICLE II

DEFINITIONS

1. **Association Lot.** That lot designated on the plat preceded by an "A". This lot is for the purpose of maintenance, offices, garages, and one employee unit to be owned and used by **Larkspur** Community Association.
2. **Basement.** That portion of a structure as defined by the International Residential Code (IRC) and the current adopted Gunnison County Building Code.
3. **Condominium.** A building or group of buildings in which the land is owned in common by the owners of individual airspace units.
4. **Essential Single Family Lot.** Those lots designated on the plat preceded by an "E". These lots are deed restricted in their nature per Gunnison County Housing Authority

Guidelines. (When the developer is allowed by the county to change the designation of a lot, the lot will be required to conform to the requirements of lots of the new similar designation closest to the lot in question. DRC to have final authority over actual requirements to match).

5. **Essential Multi-Family Lots**. Those lots designated on the plat preceded by an “EM”. These lots are deed restricted in their nature per Gunnison County Housing Authority Guidelines. (When the developer is allowed by the county to change the designation of a lot, the lot will be required to conform to the requirements of lots of the new similar designation closest to the lot in question. DRC to have final authority over actual requirements to match).
6. **Footprint**. Building square footage outside the foundation edge of the house, including garage, excluding decks.
7. **Garage**. A fully enclosed structure or an area within a fully enclosed structure with one or more doors for parking motor vehicles. Each parking space within a garage shall be a minimum of 20 feet by 10 feet.
8. **Gross Residential Floor Area (GRFA)**. The usable interior floor space within dwelling units, excluding all exterior walls, porches, carports, garages, decks, basements, areas less than 5 feet in finished height and floor areas less than 7 feet finished width in any dimension. Square footage of stairs count on each floor minus space under the stairs that is less than 5 feet in height. In general, GRFA is defined as it is defined by Gunnison County Building Departments.
9. **Indigenous Species**. Any species of flora naturally occurring within Gunnison County, Colorado.
10. **Insubstantial**. Any building, addition, renovation of structure or any clearing of trees or vegetation which is found by the DRC chairperson or designee of **Larkspur** Community Association to be insignificant so that a full DRC review will not be required.
11. **LARKSPUR Community Association**. A Colorado nonprofit corporation, formed for the purpose of enforcing the Declaration of Protective Covenants and adopting Design Guidelines for the purposes specified in Article I hereof.
12. **LARKSPUR Design Review Committee**. (Also referred to as DRC or Committee) A group of three to five persons who shall be appointed by the Board of Directors of the **Larkspur** Community Association, responsible for the adoption, administration and enforcement of these Design Guidelines.
13. **LARKSPUR Water Committee**. A committee formed for the purpose of operating, maintaining and providing potable and non-potable water service and fire protection to all lots within **Larkspur**.

14. **Owner.** The owner of record, whether a person, firm, corporation, or partnership, of fee simple title to any tract or lot in **LARKSPUR NEIGHBORHOOD**.
15. **Plan Submission Date.** The date of hand delivery or the date of receipt as shown by a certified mail receipt, of any documentation required to be submitted to the **Larkspur** Community Association hereunder.
16. **Protective Covenants of LARKSPUR.** A separate document entitled “**Declaration of Protective Covenants, Larkspur**” which has been recorded with the Gunnison County Clerk and Recorder and runs with all lands located within **Larkspur**.
17. **Recreation Lot.** That lot designated on the plat preceded by an “R”.
18. **Screening.** Shrubs, trees, fences, or other structures utilized to hide or shield from view unsightly objects, such as garbage storage areas.
19. **Set Back.** Distance from any building wall to the property line, road easement or right-of-way line.
20. **Sewer Main.** A primary sewer collection or outfall line, at least (8) inches in diameter, which is part of the East River Regional Sanitation District central sewer system.
21. **Sewer Service Line.** A branch sewer line with a diameter less than eight (8) inches.
22. **Single Family Lot.** Those lots designated on the plat and proceeded by an “S”. (When the developer is allowed by the county to change the designation of a lot, the lot will be required to conform to the requirements of lots of the new similar designation closest to the lot in question. DRC to have final authority over actual requirements to match).
23. **Unit.** Any condominium or townhouse unit created by re-subdivision of either the Recreation Lot or any Essential Multi-Family Lots.
24. **Water Main.** A primary water distribution or transmission water line at least four (4) inches in diameter, which is part of the **Larkspur** Water District central potable or non-potable water system and used to serve water customers.
25. **Water Service Line.** A branch water line with a diameter less than four (4) inches.

ARTICLE III

REVIEW PROCESS (Appendix A)

1. **Approval of Design Review Committee Required.** No building or other structure, including but not limited to dwellings, outbuildings, swimming pools, tennis courts, parking areas, recreational equipment, fences, walls, garages, drives, flagpoles, curbs, patios or walks, shall be constructed, erected or maintained on any lot, nor shall any

addition to or alteration or change therein be made, nor shall any vegetation be altered or destroyed on any lands, nor any landscaping be performed on any tract or lot, except for minor landscaping changes to improved tracts or lots, until complete plans and specification meeting the submission requirements set forth below have been submitted to the DRC and approved by said Board prior to the commencement of such work. Compliance with the standards and procedures set forth in this document does not necessarily satisfy compliance with applicable Gunnison County building codes or regulations. An owner or his representative must consult with the Gunnison County Building Department with reference to compliance therewith.

2. Submission and Decision Procedure.

- A. **Optional Preliminary Meeting.** Persons or entities who anticipate constructing improvements on lands within **Larkspur**, whether an owner in **Larkspur** or who are contemplating becoming an owner, may submit preliminary sketches of such improvements to the DRC. Any persons or entities not record owners must have the written consent of record owner before submission of such preliminary sketches. The DRC shall never be finally committed or bound by any preliminary or informal approval or disapproval until such time as complete plans and specifications are formally submitted and approved or disapproved.
- B. **Plan Submittal and Review.** No submittal shall be considered complete until receipt of a plan meeting all plan submission requirements under Article IV below (Appendices B, C, D and E).
- C. **Submission Place and Date.** Physical plans shall be submitted by delivery, mail and/or email to the DRC chairperson or by certified mail. If hand delivered, plans shall be stamped with the date of delivery, which shall be the submission date for purposes of determining the time limit for Board action. If sent by certified mail, the date of receipt shall be the submission date. In addition, electronic copies of all files shall be emailed to the DRC chairperson.
- D. **Design Review Committee Review Meeting.** The Design Review Committee shall review all the plans and materials submitted, and may also make a site visit to ascertain plan accuracy and to obtain a visual sense of the site. The DRC shall review the plans for: 1. Compliance with the general design objectives, 2. the specific design requirements, and 3. General use requirements set forth in the Declaration of Protective Covenants.
- E. **Board Action.** The DRC chairperson will schedule a meeting with the Committee and Homeowner or designated representative within 60 days of the date of complete plan packet submission, the Design Review Committee shall, in writing, either:
 - i. Approve the items submitted, in which case the applicant may proceed with construction, subject to the provisions herein regarding performance

guarantee fee, and any other provisions of these Design Guidelines or the Declaration of Protective Covenants and subject to any requirement of Gunnison County to obtain Gunnison County approval.

- ii. Conditionally approve the items submitted, in which case the applicant must revise the items submitted to comply with the stated conditions, and file the revised items with the DRC for its approval prior to commencing construction.
- iii. Disapprove the items submitted, with written statement as to the reasons for disapproval and any suggestions as to changes that would make the designs acceptable. In this case, the applicant will be required to submit new plans and fees as requested and shall be premised on a finding that the proposed construction does not comply with general objectives and provisions of the Design Guidelines and Covenants.

3. Requirements Upon Plan Approval.

A. Performance Guarantee

- i. **For Single Family Lots, Essential Lots, and Essential Multi-Family Lots.** Upon the approval of construction plans, the lot owner shall be required to deposit funds to guarantee completion of construction, landscaping and cleanup on said lot. A deposit of \$10,000 shall be submitted to the DRC, which shall hold said deposit in a bank account of the Larkspur Community Association. If cleanup, landscaping, or project completion is judged by the DRC to be incomplete or unsatisfactory according to the approved plans and these Guidelines, the DRC is hereby authorized to use or hold the escrow funds to properly cleanup and/or landscape said lot, or make the project compliant with approved plans and these Guidelines.
- ii. **For the Recreation Parcel.** Upon approval of construction plans, the developer of this parcel shall be required to escrow funds to guarantee completion of construction, landscaping and cleanup on said lot. A deposit of up to 100% of the construction budget in the form of cash, bond, or irrevocable letter of credit shall be submitted to the DRC payable to the Larkspur Community Association. If at the end of this period, cleanup, landscaping or project completion is judged by the DRC to be incomplete or unsatisfactory according to the approved plans and these Guidelines, the DRC is hereby authorized to use or hold said deposit to properly cleanup and/or landscape said lot, or make the project compliant with approved plans and these Guidelines.

- B. **Appeal.** In the event the DRC shall disapprove any plans and specifications, the person or entity submitting such plans and specifications may appeal the matter. Appeals shall be delivered in writing to the Board of Directors within 30 days of

disapproval by the DRC. The appeal shall be placed on the agenda for the next regular or special meeting of the Board of Directors of the **Larkspur** Community Association, where a majority vote cast at said meeting shall be required to change the decision of the DRC.

- C. **Plan Changes.** Any changes to the approved plans before or during construction of a dwelling must first be submitted to the DRC for approval before starting the requested changes.
- D. **Design Review Committee and Board of Directors Not Liable.** Neither the Design Review Committee nor the Board of Directors of the **Larkspur** Community Association shall be liable in damages to any person or firm submitting any plans and specifications for approval or to any owner or owners of lands within **Larkspur**, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such plans and specifications. Any person or entity submitting plans to the Design Review Committee for approval, by so doing does agree and covenant that he or it will not bring any action or suit to recover damages against the Design Review Committee, its members as individuals, or its advisors, employees or agents. In addition, the lot owner shall fill out and deliver Appendix C to the DRC chairperson as a part of the Plan Submittal Package.
- E. **Pre-Construction Check.** At least three days prior to commencement of construction Appendix H shall be completed and delivered to the DRC chairperson.
- F. **Work in Process.** The DRC may inspect all work in process and give notice of non-compliance. The absence of such inspection and notification during construction does not constitute either approval or compliance with the Declaration of Protective Covenants or Design Guidelines.
- G. **Completed Work.**
 - i. Upon completion of any Dwelling or other improvement for which final Approval was given by the DRC, the Owner shall give written notice of completion to the DRC and provide proof of the Certificate of Occupancy for the residence.
 - ii. Within such reasonable time as the Committee may determine, but in no case exceeding twenty (20) days from receipt of such written notice of completion from the Owner or its duly authorized representative, the Committee may inspect the improvements (Appendix K). The performance deposit shall be refunded to the Owner when the DRC finds the project is in full compliance with the Design Guidelines, Protective Covenants, and the approved plans. At the discretion of the DRC, up to 50% of the performance deposit may be refunded if the DRC finds all work to be completed with the exception of established revegetation. The

remaining 50% performance deposit shall be returned when all landscaping and re-vegetation is established (return of land to a close approximation of its natural condition prior to disturbance) and the absence of noxious weeds. Re-vegetation may include neighboring lots if ground was disturbed during construction and because of the construction.

- iii. If it is found that such work was not done in strict compliance with the final plan submitted or required to be submitted for its prior approval, the DRC shall notify the Owner in writing of such non-compliance within such period, specifying in reasonable detail the particulars of non-compliance and requiring the Owner to remedy the same. The DRC may fine the proponents up to \$500 per day until non-compliance is remedied. The Board of Directors may use their discretion to use Owner's performance deposit to pay this fee.
- iv. If upon expiration of thirty (30) days from the date of such notification by the Committee, the Owner shall have failed to remedy such non-compliance, the Board of Directors shall notify the Owner, and it may take such action to remove the non-complying improvements as is provided for in the Declaration of Protective Covenants.

ARTICLE IV

PLAN SUBMISSION REQUIREMENTS

1. **Design Intent.** The DRC does not intend that one plan, elevation option or color scheme be repeated to the extent that it creates an excessively similar appearance of neighboring homes. Therefore, the DRC in its sole discretion, but subject to Owners ability to appeal to the Larkspur Board of Directors as allowed in the Protective Covenants, will have the authority to determine which design and color scheme will be used on a specific lot if an excessively similar or dissimilar pattern of design occurs.
2. **Prepared by Professionals.** All plans must be stamped by a Colorado licensed architect or licensed structural engineer.
3. **Plan Contents Requirements: Single Family Lots, Multi-Family lots & Recreation Parcel.** The lot owner must submit, as a minimum, the following:
 - A. **Design Review Requirements (Appendix F)**
 - i. **Preliminary Review Checklist.** Completed **Larkspur** Preliminary Design checklist. (Appendix E)
 - ii. **Plans.** (2) Sets of printed drawings including all elevations at 1/8" scale, floor plans at 1/4" scale, cross section, and site plan (see site plan requirements below) must be at least 1"=10'-0". In addition, pdf formatted files of the same drawings shall be emailed to the DRC Chairperson.

- iii. **Exterior Finishes.** Printed and electronic copies of exterior materials, exterior doors, deck railings, proposed exterior lighting fixtures and a color palette should be submitted. (Appendix E)
- iv. **Fee.** Design Review fee, residential (S & E Lots) -- \$100.00, Recreation lot -- \$500 plus costs incurred for expertise outside the DRC.
- v. **Erosion Control Plan.** A statement of proposed methods of erosion and sedimentation control both during and after construction is required. It is the intent of the guidelines that adequate protection is provided to adjacent properties and the open space. As a condition of construction, prior to any disturbance on the lot, owner shall ensure silt fencing is installed at all property lines where required. Silt fence shall be in place and maintained throughout the course of construction and after, as needed to establish re-vegetation. The requirement for the installation of silt fencing along the sides of the lot may be eliminated if written approval of such is obtained from the adjoining property owner and submitted to and approved by the DRC, and/or waived by the DRC.
- vi. **Site Plans:** Two (2) copies, at a scale of 1 inch equals 10 feet or larger, including:
 - 1. Name, address and phone number of lot owner, lot identification number for **Larkspur**,
 - 2. North arrow;
 - 3. Boundaries of lot or lots to be built upon, with indication and labeling of required setback lines as a fine dashed line.
 - 4. Existing topography as a solid line and proposed topography as a dashed line, with two feet contour intervals, in the area of the proposed structure or structures and extending fifty feet from all sides of the proposed structure, and also, in any area where earthwork is proposed such as along access driveways, fills, and re-graded areas;
 - 5. General features such as large rocks, existing drainage courses;
 - 6. Outlines of all proposed buildings and structures including decks, porches, patios, walls, building eaves, fences, storage and utility areas, enclosures, hallways, breezeways, garages, dog runs, pools, paths, walks, steps;
 - 7. Proposed driveways and parking areas with notation as to grade and surfacing materials.
 - 8. Proposed location of all underground utility connection lines including water, sewer, phone, power, and cable television;
 - 9. Lot Drainage including culvert no longer than twenty (20) feet and valley pan;
 - 10. Proposed landscaping, including the varieties and approximate sized of plants, trees and grass or vegetation to be planted;
 - 11. Utility easements;
 - 12. If applicable, site plans must include information showing the lot's existing elevation and detailing the proposed changes in elevation;
 - 13. Snow storage area (twenty-five percent (25%) of driveway area).

- vii. **Water Mitigation Plan**: All basements must have a water mitigation plan.
- viii. **Other Information**. The DRC may require submission of any other materials or information it deems necessary to enforce the provisions and achieve the purposes of these Design Guidelines.

4. Final Approval Requirements

- A. **Plans**. (1) Set of plans stamped by a Colorado licensed Architect or Engineer consisting of ¼” scale plans for floor and cross section, 1/8” elevations, 1” = 10’ or larger site plan.
 - B. **Development Timetable**. A statement of planned starting and completion dates for dwelling and landscaping, and utility hookup. (Appendix H)
 - C. **Fees**. Paid Performance Guarantee fee and receipts for water tap fee and sewer tap fee.
 - D. **Project Information and Acknowledgement of Construction Regulations**. Both the proponents and the General Contractor sign an agreement stating that they have read and understand the Larkspur Design Guidelines and Larkspur Protective Covenants. (Appendix H)
 - E. **Construction Management Plan**. A site plan that shows locations of dumpster, parking, job trailer(s) port-a-potty, material storage including dirt, silt fence, concrete washout areas and other job site uses.
5. **Gunnison County Approval Required – Recreation Tract**. Developers of this tract may be required to obtain a Land Use Change Permit from Gunnison County, Colorado. Garland Properties, Inc. a Colorado Corporation has previously obtained a Land Use Change Permit for the entirety of **Larkspur**. As a result of said Land Use Change Permit already obtained, the general land use classification, allowable uses, the maximum number of units and gross square footage allowable upon this tract has been specified in the protective covenants of **Larkspur**. After receiving approval from the DRC, the developer of this parcel must comply with the requirements of the Gunnison County Land Use Resolution in order to obtain its approval for the final plat of such tract.

ARTICLE V

GENERAL RESTRICTIONS

- 1. **General**. The DRC, in its plans and specifications review process, will specifically review every structure and building proposed to be constructed within **Larkspur** for compliance with these Design Guidelines. The DRC’s goal shall be to encourage variation within an overall theme of interesting architecture using natural materials, colors and textures, shapes suited to solar exposure and high snowfall, and multiple levels

to adapt to topography, with site design that maximizes protection of the mountain environment, views, rural quality and privacy. “Box like” appearances are discouraged.

2. **Building Siting.** Most building sites in **Larkspur** are relatively flat. The underlying goal of site planning guidelines is for all buildings, structures and site improvements to be integrated with the natural features of a site. Building form, orientation and massing should respond to natural landforms, drainage patterns, topography, vegetation, views, and sun exposure. Buildings should step rather than rely on extensive site grading. Building forms and rooflines should relate to site contours and surrounding landforms. Exposed building profiles atop ridgelines and harsh angular forms that are in contrast to natural slopes are discouraged. The location and design of buildings should minimize disturbance to existing vegetation on a site. Access should also be considered during the site planning building design process. Extensive cut and fill slopes to accommodate site access are generally not acceptable and should be avoided or minimized by effective site planning.
3. **Set Back Restrictions.** The following set back restrictions shall apply within **Larkspur**:
 - A. **Single Family Lots, both Essential and Otherwise** There shall be a 10 foot wide clear zone easement along the entire boundary of each lot or tract. Within said clear zone easement, no improvements of any nature may be constructed, except only landscaping, fencing, sidewalks and driveways. Residential structures may be constructed on that line where a platted road easement encroaches into the lot except on cul-de-sacs where structures must be a minimum of 10 feet back from the easement line. The set back for all structures and improvements from all side lot boundaries shall be 10 feet. All front setbacks shall be 20 feet. All rear lot setbacks shall be 15 feet. Rear setbacks for lots S33, S34, S35, S36, S37, S38, S39, S41, S42, S43, S44, S45, and S46 along the lake shall be 20 feet.
 - B. **Essential Multi-Family Lots.** No residential or building structure of any kind may be constructed nearer than 10 feet from that line where a platted road easement encroaches into the lot. The setback for all structures from all side lot boundaries shall be 15 feet. All rear lot setbacks shall be 15 feet.
 - C. **Recreation Parcel.** No building or structures of any kind may be built on that part of the parcel that is within the platted road easement. This area that is part of the parcel and that lays within the road easement may be used for parking, sidewalks, landscaping, snow storage and driveways. For all structures there shall be a 20-foot setback from all lot lines held in common with either single-family lots or open space. There shall be no setback from where the road easement line encroaches into the lot.
 - D. **Association Lot.** There shall be a minimum 10-foot setback from all lot lines. There shall be a 10-foot setback from where the road easement line encroaches into the lot.

- E. **Utility Easements.** No permanent structures or buildings of any kind shall be permitted to be constructed upon any utility easements. There is no setback from the easement itself unless specifically addressed above.

4. **Minimum and Maximum Size of Dwelling Units**

Single Family Lot and Essential Family Lot. The total gross residential floor area shall not be less than 800 square feet and not more than 4,000 square feet. Buildings of more than one story shall have a main floor footprint, as determined by the DRC, including garage, of not less than 800 square feet, excluding decks.

Essential Multi Family Duplex Lot. The total gross residential floor area for the entire structure that includes both units shall not be more than 3600 square feet. The units do not have to be the same size. A maximum of two units can be built on the lot; however, it is permissible that only one unit be built upon receipt of permission of Gunnison County Housing Authority. The units must be attached to each other by either common walls or by stacking. Each unit must have two enclosed garages.

Essential Multi Family Fourplex Lots. The total gross residential floor area for the entire structure shall not be more than 4400 square feet. A maximum of four units may be built on each of these lots; however, a lesser amount may be built upon receipt of said permission from the Gunnison County Housing Authority. The units on each lot do not have to be the same size; however, all the units must either be attached or stacked. Each unit must have two enclosed garages.

5. **Garages Required.** All structures on single family and essential single family lots shall have a minimum of two (2) enclosed attached garages. The measurements of each garage space shall be a minimum of ten (10) feet by twenty (20) feet. It is permissible, at the discretion of the DRC where lot dimensions dictate, to allow these two spaces to lie tandem, with one space in front of the other. All garages must have doors that are covered in wood or other DRC approved material.
6. **Building Location.** All buildings and structures shall be located within the setbacks on the lot or tract so as to minimize the impact on the natural beauty of the land. Particular attention will be paid to building location, sun direction, orientation and views from adjacent lots and roads during the design review process. All single-family dwellings shall be sited so as to be 'square' to the road easement or as 'square' to lot lines as possible. Compliance with this requirement shall be at the absolute discretion of the DRC.
7. **Primary Dwelling Unit to be Constructed First.** No garage shall be constructed on any residential lot prior to construction of the primary dwelling unit. Exception: On the Association Lot the permanent garage or a temporary garage structure may be constructed prior to any dwelling unit or office being built.

8. **Scale and Form.** Generally, residential buildings should be based upon a central rectilinear massing with simple forms added to create scale, and to allow for the adaptation to natural landforms. The underlying rectilinear form should have the visual impression of “growing” out of the site. This impression can be reinforced by a strong, horizontally proportioned massive base.
9. **Continuity of Construction.** All building and structure construction and alteration work shall be pursued diligently. Each structure shall be entirely completed within eighteen (18) months after commencement of construction.
10. **Repetitive Design and Continuous Wall Restrictions.**
- A. Monotony of design shall be avoided. Variations of detail, form and location are appropriate and desired. Designs which are essentially identical to nearby houses will not be permitted. There must be significant individual variations, making each unit unique.
 - B. Building designs with the tendency to have parallel, repetitive or “barracks-like” buildings are discouraged. An offset of at least four (4) feet shall be provided for every twenty-five (25) feet of continuous exterior wall surface, or thirty (30) feet of continuous roof plane, to break up monotonous planes.
11. **Building Height.** Maximum building heights of all structures including S Lots, E Lots, Essential Multi-Family Lots, the Recreation Parcel, and the Association Lot shall be Thirty (30) feet as measured by the Gunnison County’s Land Use Regulations (LUR) with the exception of Lots S9, S11, and E8 which shall have the maximum building height of Twenty-Two (22) feet.
- A. **Architectural provisions above height limit.** Towers, spires, cupolas, chimneys, flagpoles and similar architectural features not useable as habitable floor area may extend above the height limit at the discretion of the DRC.
12. **Exterior Materials.** For all housing units and garages, wood siding, vertical and horizontal with wood corner and trim boards, and stone siding (natural materials) are encouraged for the primary siding. At the discretion of the DRC, secondary siding may consist of “muted earth tone” stucco, non-reflective metal, or other material. Fascia boards shall have a minimum dimension of 2 inches thick by 10 inches wide for primary roofs. All fascia and soffit shall be wood. Secondary roofs shall have a minimum dimension of 2 inches thick by 8 inches wide. Asbestos shingle, T 111, vinyl, cinder block, poured concrete or aluminum exterior siding will not be permitted. Fiber cement planking is allowed in earth tone colors that have been pre-approved by the DRC. All exterior windows and doors shall be trimmed with wood. Corner boards shall be wood.
13. **Reflective Finishes.** Reflecting or contrasting finishes are not acceptable. All exposed materials such as flashing, wall and roof vents, metal enclosures, and other items shall be anodized or painted an approved color.

- 14. Mirrored Glass.** Mirrored glass windows and doors are not permitted.
- 15. Foundations.** Concrete, foam or block foundation walls may not be exposed above the finished grade.
- 16. Roofs.** Roof massing shall consist of a primary roof and secondary roofs. A primary roof is defined as the main roof structure and all roofs that enclose a two-story structure. Secondary roofs are considered roofs that cover garages, porches or one-story living spaces. All roofs shall be designed to comply with Gunnison County loading requirements. Roofing materials consisting of fireproofed wood shingles, and non-reflective metal roofs are encouraged, other materials may be considered as an acceptable roofing material. Roofs shall be of a muted natural color theme. The Design Review Committee shall consider the impact to the neighborhood for all roof designs. If an excessively similar or dis-similar pattern of roof design occurs, the Design Review Committee in its sole discretion will have the authority to determine on a case-by-case basis if a roof material is allowed. It is also encouraged that differing roof materials be utilized between the primary and secondary roofs to help break down the mass and scale and to help distinguish between building elements and masses. Roofs with overhangs to deflect rainwater and block summer sun are encouraged. Primary roofs shall have an overhang of no less than 18" rake and 24" eave, and secondary roofs shall have an overhang of no less than 12".
- 17. Chimneys.** No exposed reflective metal cylinder chimneys shall be permitted. Metal chimneys shall be enclosed in a casing of a material compatible with the house siding material in a manner not creating a fire hazard. Chimney material and design shall be selected to withstand high wind conditions and heavy snowfall typical of mountain weather.
- 18. Vents.** All exposed plumbing, roof equipment, ducts and other vents and pipes shall be painted an approved color that matches the roof area nearest the vent or pipe.
- 19. Doors.** Unpainted or primer coat painted metal doors are prohibited. Exterior doors, especially main entry doors, should be designed with great attention to detail in order to create an individual identity for the building. Richly detailed doors are also very characteristic of the design theme. Flush panel exterior doors are not allowed. Doors should be made of wood, glass, metal or fiberglass. Garage doors shall be finished with wood or other approved materials. Cut sheets for all proposed exterior doors and overhead doors must be submitted to the DRC for approval.
- 20. Windows.** Window shapes must generally be of vertical or square proportion and avoid complex and attention calling shapes. Divided light windows are required. Proponents wishing to avoid obstruction of major views should consider using a grouping of windows such that a large undivided window is surrounded by smaller divided light windows.

- 21. Accessory Structures.** Structures such as garages, porches and greenhouses shall be of similar construction materials and quality as the principal building and shall be attached to the main structure. No outbuildings are allowed. Garages may, at the discretion of the DRC, be connected to the main structure by “breezeways.”
- 22. Exterior Lighting.** All exterior lighting shall be shaded and shall be approved by the DRC for harmonious development and the prevention of lighting nuisances to other lots in **Larkspur**. Fixtures shall be full cutoff type and shall direct light downward. No exposed or un-shaded bulbs are allowed. Ground mounted floodlighting is prohibited. All outside lighting shall comply with these regulations in addition to those of Gunnison County in place at the time the permit is applied for. Holiday lighting is allowed from November through the end of January.
- 23. Exterior Antennae.** No exterior antennae or satellite dishes shall be allowed except those which meet the following requirements:
- a. Shall be fixed with maximum 18” in diameter or diagonal measurement;
 - b. Color shall blend with building color;
 - c. Location shall be approved by the DRC.
- 24. Housing Numbers.** Each single family dwelling unit shall have a lighted house or unit number visible at night from roadway, conforming to a design and location approved by the DRC.
- 25. Grading.** Grade changes, cut, fill and soil removal shall be minimized in site design. Cut and fill slopes should be no steeper than 4:1 (horizontal to vertical). Cut and fill slopes should have good surface drainage and must be re-vegetated with native ground covers and terraced or controlled by retaining walls to protect against erosion and sedimentation. All lots shall be finish graded to prevent ponding of water and surface drainage detrimental to adjacent properties.
- 26. Retaining Walls.** Retaining walls may be constructed of stone or treated landscape timbers. The use of exposed concrete, cinder block and stucco will not be permitted. Retaining walls should be constructed to a maximum of four feet in height. If a taller wall is required, two or more shorter walls should be used, if feasible, with at least four feet horizontal distance between them instead of one tall wall. Weep holes must be provided to release trapped drainage water. Walls over four feet must be engineered.
- 27. Solar Panels.** Solar panels on roofs will be considered on a case-by-case basis.
- 28. Fences, Walls.** The design and location of fencing and privacy walls shall be submitted and approved by the DRC prior to installation. Fences and/or walls, if approved, shall be constructed of natural or cultured stone, and/or wood materials or faced with natural or cultured stone, and/or wood material. Other materials may be considered on a case-by-case basis.

- a. **Privacy Fencing and Walls** Subject to the approval of the DRC as to design, size and location, privacy fencing and/or walls will be permitted to screen a small portion of a yard, or to screen a patio, pool or dog run. Fences or walls of more than six (6) feet in height will not be permitted. Privacy fencing must be in harmony with the exterior design and materials of the residence.
 - b. **Perimeter Fencing and Walls** on Lots S 2,3,4,5,6,7,8,9,10,17,18,19,20,21,22, Lots E3, E4, E5, E6, E7, E8 “perimeter” fencing or walls will be allowed commencing at the midpoint of the dwelling or further towards the back, out to the lot line, along the side lot line to the back lot line, along the back lot line to the side lot line, up the side lot line until it reaches the approximate same point of the dwelling opposite of where the fence or wall started. If an owner chooses to build a “perimeter” fence or wall then that fence or wall must follow the lot lines and the fence or wall will not be allowed to only fence or wall a portion of the lot lying in back of the house. Fences or walls of more than six (6) feet in height will not be permitted.
 - c. **Front Fencing** No fencing will be allowed on the front (roadside) portions of the lots. Decorative walls may be approved at the discretion of the DRC.
 - d. **Landscape Walls** The developer of **Larkspur** is allowed to install walls that are for the purpose of landscaping, utility screening and entry features. These walls must be of the same material(s) as that specified in paragraph 29 above.
- 29. Pools.** Above ground pool structures shall not be allowed. The top surface of any pool must be not more than 12 inches above grade. All pool equipment shall be screened from view of neighboring lots, tracts or roads. All pool equipment shall be located or sound attenuated in such a manner as to not disturb the occupants of adjacent or nearby properties.
- 30. Hot Tubs.** The DRC must approve the location and appearance of all outdoor hot tubs. The exterior surface area must be covered with an earth-tone color siding. The hot tub shall be covered using a hard cover consisting of a durable foam inner core and plastic covering and finished with an earth tone color.
- 31. Driveways, Parking and Storage.** Each single-family residence shall have at least two parking spaces within a fully enclosed garage. In addition, each residence shall have one additional space stacked in front of, or to the side of, the garage. Curb cut, on any drive shall not exceed 20 feet. All driveways shall have a valley pan and a minimum 12” culvert extending no more than one foot in either direction from the edge of the drive. All driveways and parking areas shall be paved with an all weather hard surface such as concrete or asphalt.
- 32. Recreational Equipment.** The placement of recreational equipment including, but not limited to swing sets, jungle gyms, trampolines, basketball hoops and sports nets must be approved by the DRC.

33. **Open Space and Ponds.** The open space and ponds within Larkspur are for the use and enjoyment of the residents of Larkspur and their accompanied guests. No destructive, loud or obnoxious behavior will be tolerated.
34. **Signs.** No signs of any type other than residence identification numbers shall be allowed within **Larkspur**. During the construction period, temporary signs identifying the name, telephone number of the construction company and lot number are allowed.
35. **Fireplaces.** Solid fuel burning devices as approved by Gunnison County will be allowed if it is determined by the DRC that operation and approval with such devices will not adversely affect any neighboring properties. Chimineas and barbecues are specifically allowed provided they are not placed on or near flammable materials.

ARTICLE VI

CONSTRUCTION REGULATIONS

- i. **Construction.** The following restrictions apply to the construction of all buildings and structures within **Larkspur**:
- A. **Construction Trailers, Portable Field Offices and Signs.** Owners or contractors who desire to temporarily set a construction trailer, or contractor sign on a construction site must first obtain written approval from the DRC. The DRC will designate a specific location and a maximum period of use.
- B. **Storage or Materials and Equipment.** Owners or contractors are permitted to store construction materials and equipment on an approved construction site only during the construction period. All equipment and materials shall be neatly stored or stacked, properly covered and secured. Owners or contractors will not disturb, damage, trespass or store materials or equipment on other lots, tracts, roadway, or other easements.
- C. **Debris and Trash Removal.** Owners and contractors shall clean up all trash and debris on the construction site. Trash and debris shall be removed from the site at least once a week to the nearest solid waste disposal site or other location approved by Gunnison County. All persons are prohibited from dumping, burying or burning trash anywhere in **Larkspur**.
- D. **Sanitary Facilities.** Each owner or contractor shall be responsible for providing adequate sanitary facilities on site for all construction workers and subcontractors.

- E. **Parking Areas.** Construction crews or other construction personnel may park on only one side of the road adjacent to the construction site or use other lots or tracts, pre- approved in writing by the DRC, for parking purposes during construction.
- F. **Excavated Materials.** Excess excavated materials shall be hauled from **Larkspur**, or placed in areas approved by the DRC.
- G. **Damaged Property.** Damage to or scarring of other properties, including but not limited to other lots or tracts, roads, driveways or other improvements is not permitted. If damage occurs, the person or persons responsible will repair it promptly.
- H. **Blasting.** If any blasting is to occur, the DRC shall approve and then be informed in writing forty-eight hours in advance to allow it to make such investigation as it deems appropriate to confirm that adequate protective measures have been taken prior to blasting.
- I. **Conduct and Behavior.** All property owners in **Larkspur** shall be responsible for the conduct and behavior of their representatives, builders, contractors and subcontractors.
- J. **Stop Work Authority.** The DRC shall at all times have the authority to stop all work on any construction site within **Larkspur**. Contractors or contractors' personnel violating any of the provisions of this instrument or the Declaration of Protective Covenants shall be just cause for stopping all work. A stop work order will be issued directly to the lot or tract owner in writing and posted at the work site.
- K. **Housing.** No construction worker or lot or tract owner shall set up a temporary residence on any construction site in a trailer, motor home, or tent. All construction workers must be housed in permanent housing within or outside **Larkspur**.
- L. **Pets.** Dogs and other pets owned by contractors or construction workers shall be prohibited from construction sites.
- M. **Hours of Construction.** Construction is permitted from 7am-6pm Monday through Saturday and work is not permitted on Sunday.
- N. **Music.** Construction workers and/or crews may only play music at a level that does not interfere with neighboring properties. The determination of acceptable levels is in the sole discretion of the DRC or its designated representatives.

ARTICLE VII

LANDSCAPING AND SCREENING

1. **General.** It is the intent of this article to improve the natural appearance of **Larkspur**, and to maintain such appearance and maximize the seclusion of each home site from other homesites, insofar as possible. Landscaping is encouraged but the types and treatment of plant materials are subject to approval of the DRC. The intent is to reinforce the natural setting through well-designed use of existing grade and drainage and drought tolerant native plant materials.
2. **Clearing of Trees and Vegetation.** No brush growing on any residential lot or other tract or parcel shall be felled or trimmed nor shall any natural areas be cleared or formal lawn areas planted or landscaping performed on any residential tract without the prior written approval of the DRC. Any brush cleared from any lot or tract shall be disposed of by the owner of said lot or tract in such a way that all lots, whether vacant or built upon, shall be kept free of accumulations of cut brush, logs or other materials that may constitute a fire or insect infestation hazard or render a lot unsightly. If the owner of a lot or tract violates this section, the Board of Directors of **Larkspur** Community Association may levy a fine against the owner in an amount up to \$1,000.00 and/or may order the owner to restore the lot or tract to its previous condition, as it existed before the violation. If the owner fails to pay such fine and/or restore the lot or tract, the Board of Directors may levy a Non-Compliance Assessment in the amount of the fine, plus the cost of restoration, plus attorneys' fees and interest, and a written notice of assessment lien may be signed and recorded in accordance with the provisions of the Declaration of Protective Covenants of **Larkspur**.
3. **Conservation of Landscape Material.** Owners and contractors are apprised of the fact that lots and tracts contain fragile native plants and other landscape materials that should be salvaged before and during construction, such as topsoil, rock outcroppings and native shrubs, grasses and trees. Materials that cannot be removed must be marked by flagging and protected by barriers, fencing or screening.
4. **Landscaping Required.** The landscaping of lots and tracts within **Larkspur** is required and must be completed in conjunction with the construction of buildings and other structures by the end of growing season following substantial completion of the building. In accordance with the "Plan Submission Requirements" set forth herein, all proposed landscaping must be shown on the "Site Plan" submitted to the DRC for review and approval as a condition of plan approval. Required landscaping is as follows:
 - A. **Trees.** All single-family lots, essential single family and essential multi-family housing lots shall landscape as follows:
 1. Not less than 200 vertical feet of deciduous and/or conifers will be planted per lot. Of this 200', there must be three (3) conifers, each a minimum of 8' planted height.
 2. Evergreens will be calculated at a 2-1 ratio for vertical feet.

3. If multi trunk trees are used then only the tallest trunk of the grouping may be counted for this section.
4. All trees must be watered through use of an automatic watering drip system.
5. Owner will replace required trees that die within the first 5 years of planting, with trees of similar size and species. This requirement is waived if the owner installs more than the required number of vertical tree feet, as long as the remaining trees on Owner's lot meet the minimum standards in Subsection 1 of this section.

B. Grass.

1. All residences are allowed a maximum of 800 square feet of irrigated lawn (sod or seeded grass) per lot. All lawns (sod or seeded grass) must be planted at the time of construction clean up (weather permitting). All sod or seeded grass areas must be watered through use of an automatic irrigation system. NOTE; upon a call for water, irrigation may need to be reduced or eliminated temporarily.
2. All other areas disturbed during the construction process shall be re-vegetated with low maintenance drought resistant plants and/or grasses.

C. Recreation and Maintenance Parcels. The developers must provide the DRC with a landscape plan in conjunction with proposed building plans. While there are no exact landscaping requirements for this parcel, it is expected to have a minimum of 500 vertical feet of trees. The DRC reserves the right to modify this amount.

D. Screening. Electric meters, garbage and rubbish areas, clotheslines, air conditioning equipment, pool filters, dog runs, and any other improvements where the DRC deems necessary shall be screened or enclosed from view from public roads, other lots and tracts. Screening enclosures or fences shall be of materials and colors that conform to this instrument and are harmonious with the primary buildings or structures on the lot or tract. If plantings are used for screening, they shall be of species equally effective in winter or summer.

ARTICLE VIII

DRAINAGE

1. **General.** There are several minor drainage ways that work their way across **Larkspur**. Detailed drainage analysis must be utilized in planning for drainage on individual tracts or lots. Local storm drainage must be provided for in the design of proposed improvements on any lot or tract within **Larkspur**.

In the design of storm drainage improvements for any tract with **Larkspur**, every effort should be made to utilize existing ditches and watercourses, and to prevent soil erosion. The plans and specifications for any tract will not be approved by the DRC until adequate

provision for storm drainage has been made. Any plans and specifications containing inadequate provision for storm drainage will be disapproved by the DRC.

ARTICLE IX

DRIVEWAYS AND PARKING AREAS

1. **Single Family, Essential Multi-Family, and Essential Single Family Lots.** Access to primary dwelling units on all lots shall be by driveways that allow easy access to the road system. When driveways are considered during the design review process, the following factors will be taken into consideration.
 - A. Good visibility and sight distance should be obtained along the roadway together with an intersection as close to 90 degrees as possible.
 - B. Where practical, gradients should be not greater than 4% along the driveway and no greater than 2% within 20 feet of the roadway shoulder.
 - C. All driveways including that portion in the public road easement shall be paved in asphalt or concrete at the lot owner's expense at a minimum 16 foot width for all single family residential lots and a minimum of 20 feet width for multi family lots. All driveways must be completed prior to the refunding of escrowed moneys for landscape construction and within 10 months of residential completion.
 - D. Paving of driveway (whether new construction or existing construction) shall be the sole expense of the lot owner or lot developer
 - E. Prior to installing any driveway the owner shall install a minimum 12" culvert under the planned driveway at the point where it meets the road.
 - F. A valley pan may be required such that the driveway shall not allow drainage to the road.
2. **Driveways.** Lots S-1, S-10, and EM-3 must access from curved portions of the cul-de-sac and not adjoining roads.
3. **Common/Shared Driveways** With the permission of the Crested Butte Fire Protection District, adjacent lots may share a common driveway such as agreed to by owners of both lots through an easement stating such that is recorded prior to the time of granting a building permit for either structure. Once a common driveway easement is granted and recorded it must be used for access to both structures and both lots.

ARTICLE X

POWER, PHONE, NATURAL GAS AND CABLE TELEVISION

Individual lot, tract or parcel owners are responsible for providing for the extension of private utilities to buildings or structures. Extensions should be provided for through the appropriate private utility company and their contractors. All extensions must conform completely to the rules and regulations of the private utility companies. All power, telephone, natural gas and cable television cables must be installed underground in all areas throughout **Larkspur**. Overhead lines or wires, poles or any other aboveground appurtenances, except typical junction boxes, are strictly forbidden within **Larkspur**.

These Design Guidelines are hereby adopted this _____ day of _____ 20__.

Emily Pannier, Chairman
Larkspur Design Review Committee

**LARKSPUR COMMUNITY ASSOCIATION
POLICY ON NON-OWNER PROPERTY OCCUPANCY**

The Board of Directors (Board) of Larkspur Community Association (Association) hereby adopts the following Policy on Non-Owner Property Occupancy effective as of

6/28, 2017.

I. STATEMENT OF PURPOSE:

This policy addresses and regulates non-owner property occupancy, including short term rentals, within the Larkspur Community. This policy shall accordingly apply to all such properties being used for non-owner occupancy and short term rentals, except as set forth herein. This policy is intended to protect and promote the health, safety and welfare of Owners as well as protect property values within Larkspur Community.

II. POLICY:

A. **Notification:** Owners who lease their properties for any period of time, including on a short-term basis, or allow others to use their property for no charge shall provide written notification to the Association's Property Manager of the following information:

1. Name of the Owner and physical address of Owner's property
2. Dates of occupancy
3. Number of occupants
4. Contact information of the occupants, including cell phone numbers, email addresses and mailing addresses
5. Written acknowledgement by Owner that all occupants have been provided a copy of the Association's Rules and Regulations
6. Signed document by all occupants of each occupant's agreement to abide by and comply with such Rules and Regulations
7. For occupancies by members of an Owner's family, Owner shall only be required to provide the Association with dates of occupancy and contact information of occupants, so that the Association can communicate with the occupants if necessity dictates.

For the purpose of written notification, email notification is acceptable. The Association Rules and Regulations are available on the Association website at: www.toadpropertymanagement.com.

Please send notification to Rob@toadpropertymanagement.com

B. **Occupancy Limit:** Maximum occupancy is limited to number of bedrooms multiplied by 2.5. The Board of Directors reserves the right to make exceptions on a case by case basis based only upon the make-up of the occupants, meaning number of children.

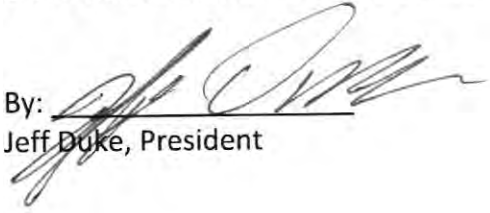
- C. Minimum Stay. There shall be no minimum stay requirements.
- D. Vehicles. All vehicles, trailers, motorcycles, RVs, off-road vehicles shall be kept in the driveway and not left on the roads or cul-de-sacs at any time.
- E. Rules and Regulations. All occupants of an Owner's property shall comply with the Association's Rules and Regulations, which shall be enforced. Owners shall be responsible for any fines as a result of Owner's occupant's violations of the Rules and Regulations.
- F. Violations of Association's Rules and Regulations. The first violation of the Association's Rules and Regulations shall result in a written warning delivered to the Owner of the property and the occupant thereof. Additional violations shall be subject to the Policy on the Imposition of Fines and Fine Schedule, attached hereto. Violations shall be cumulative over a 24-month period, meaning the procedure for assessing fines does not stop and start upon each occupancy or rental of the property. Rather, the procedure governing violations and assessing fines per the Fine Schedule shall accrue over a 24-month period, regardless of how many times an Owner has rented his or her property or permitted occupants to use his or her property free of charge.
- G. Excessive, Willful or Consistent Violations. The Association reserves the right to adopt and impose a more rigorous Fine Schedule for Owners whose occupants violate the Association's Rules and Regulations on an excessive, willful or consistent basis.

III. AMENDMENTS:

The Board of Directors reserves the right to amend this policy which shall be set forth in writing, and adopted by the Board of Directors.

APPROVED AND ADOPTED THIS 28 DAY OF June, 2017

LARKSPUR COMMUNITY ASSOCIATION, a Colorado nonprofit corporation

By: 
Jeff Duke, President

**DECLARATION OF
PROTECTIVE COVENANTS
LARKSPUR**

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DECLARATION OF PROTECTIVE COVENANTS
LARKSPUR

ARTICLE I
INTRODUCTION

This instrument contains the effective protective covenants for all lands within LARKSPUR, in Gunnison County, Colorado, which lands are more specifically described on Exhibit "A" attached hereto.

Garland Properties, Inc., Gary F. Garland and Derek Taaca, hereafter termed "Declarants" are the owners of all that real property above described within LARKSPUR.

The Declarants hereby make, declare, and establish the following limitations, restrictions, and uses upon and of all real property contained within LARKSPUR as restrictive and protective covenants running with the land, binding upon the Declarants, the Larkspur community Association, and upon all persons or entities claiming by, through, or under them and upon all future owners of all or any part of the real property with LARKSPUR so long as these restrictions remain in effect.

ARTICLE II
STATEMENT OF PURPOSE AND DECLARATION

Section 1.1 Ownership of Property. Declarant is the owner of the real property ("Property") situate in Gunnison County, Colorado, described as follows:

The Real Property, together with all improvements situate thereon, as set forth on attached Exhibit A,

Together with all water rights as set forth on attached Exhibit B.

Section 1.2 Declaration of Covenants. Declarant hereby makes, declares and establishes the following covenants, restrictions and easements which shall affect the Property. This Declaration of Protective Covenants shall run with the Property and shall be binding upon all persons and entities having any right, title or interest in and to the Property or any Lots, tracts or parcels thereof, their heirs, successors and assigns and their employees, guests and invitees and shall inure to be for the benefit of each Owner of a Lot within the Property.

Section 1.3 Common Interest Community. Declarant further declares the Property to be a Common Interest Community in accordance with the Colorado Common Interest Ownership Act. The annual average common expense liability of each Lot, exclusive of optional user fees and any insurance premiums paid by the Association, as defined below, will not exceed \$600.00 and pursuant to Colorado Revised Statutes Section 38-33.3-116, is therefore exempt from the provisions of the Colorado Common Interest Ownership Act, except only for Sections 38-33.3-105, 38-33.3-106, and 38-33.3-107. If the annual average common expense liability of each Lot, exclusive of optional user fees and any insurance premiums paid by the

Association, should ever exceed the statutory maximum amount for exemption from full conformance with the Colorado Common Interest Ownership Act, then the Association will fully conform with the provisions of the Colorado Common Interest Ownership Act.

Section 1.4 Purpose of Covenants. It is the intention of the Declarants, expressed by their execution of this instrument, that the real property above described be developed and maintained as a highly desirable rural residential, commercial, and recreational area. It is the purpose of these covenants that the present natural beauty, the natural growth and native setting and surroundings of LARKSPUR, and the property values and amenities therein shall always be protected insofar as is possible in connection with the uses and structures permitted by this instrument, and that high standards of architectural quality and landscape design be maintained.

In order to carry out these purposes and intents, the Declarants have incorporated the LARKSPUR Community Association under the laws of the State of Colorado and have delegated and assigned thereto the powers of maintaining, administering and enforcing the covenants and restrictions and governing design control within LARKSPUR, as hereafter set forth.

Garland Properties, Inc., hereby reserves the right at any time after the date of recording hereof, to include additional property within the operation of this Declaration of Protective Covenants by the platting of record in the office of the Clerk and Recorder of Gunnison County, Colorado of such additional property, which shall be denominated as either "LARKSPUR", Phase II or some other name, and by a reference to a supplemental filing or filing number, and by execution by Garland Properties, Inc. and recording thereof in the office of the Clerk and Recorder of Gunnison County, Colorado of a supplement or supplements hereto which certifies that by its dedication of the lands therein platted, it subjects the same to the full operation and effect of this Declaration of Protective Covenants as then in force as the same may have been amended and to the Design Guidelines adopted by the LARKSPUR Community Association.

ARTICLE III DEFINITIONS

As used herein, the following words and terms shall have the following meaning:

- 1. Association** LARKSPUR Community Association, a Colorado non-profit corporation, has been formed for the purpose of enforcing these covenants and adopting and enforcing Design Guidelines and for the implementation hereof. This entity may also be referred to as the LARKPSRUR Homeowners Association.
- 2. Association Lot** That lot designated on the plat preceded by an "A". This lot is for the purpose of maintenance, offices, garages, and one employee unit to be owned and used by Larkspur Community Association.
- 3. Basement** That portion of the structure primarily sub-grade as defined by the Uniform Building Code.
- 4. Gunnison County** The Board of County Commissioners, Gunnison County, Colorado.

5. Design Review Board (DRB) A committee of up to five (5) members appointed by the Board of Directors of the Association responsible for carrying out the duties, responsibilities, and enforcement of the Design guidelines.

6. Design Guidelines A separate document entitled LARKSPUR, Design Guidelines, which contains specific requirements and restrictions for building design and location, building materials, minimum and maximum square footage and other requirements which may, from time to time, be amended, modified, or changed by the Board of Directors of the LARKSPUR Community Association.

7. East River Regional Sanitation District (ERRSD) The entity supplying sanitary sewer service to LARKSPUR.

8. Essential Single Family Lot A lot designated on the recorded plat of LARKSPUR by the letter “E” followed by the lot number, which can be used solely for residential purposes and upon which not more than one residential building containing not more than one primary dwelling unit, together with not less than one attached two-car garage may be constructed. These lots are deed restricted and are subject to rules and restrictions imposed and enforced by Gunnison County.

9. Essential Multi Family Lot A lot designated on the recorded plat of LARKSPUR by the letter “EM” followed by the lot number, which can be used solely for residential purposes and upon which not more than one residential building containing not more than four primary dwelling units (4-plex lots), and one residential building containing not more than two primary dwelling units (duplex lots), together with not less than two attached two-car garage for each unit may be constructed. These lots are deed restricted and are subject to rules and restrictions imposed and enforced by Gunnison County.

10. Garland Properties, Inc., a Colorado Corporation, formed for the specific purpose of planning, subdividing, and developing LARKSPUR, and other properties. Until such time as the LARKSPUR Community Association is officially formed, Garland Properties, Inc. will be responsible for development of all roads, utilities, utility easements, open space, and recreation amenities within the boundaries of LARKSPUR.

11. General Use Requirements Guidelines stating allowed or prohibited uses, as set forth in Article VI of this document.

10. Gross Residential Floor Area (GRFA) The usable interior floor space within dwelling units, excluding all exterior walls, porches, carports, garages, decks, basements, areas less than 5 feet in finished height and floor areas less than 7 feet finished width in any dimension. Square footage of stairs count on each floor minus space under the stairs that is less than 5 feet in height.

11. LARKSPUR All lands included within the boundaries of LARKSPUR, Gunnison County, Colorado, as shown on the plat thereof bearing Reception No. _____ in the office of the Gunnison County Clerk and Recorder.

12. LARKSPUR Water Association (LWA) A sub-committee of the LARKSPUR Community Association that is responsible for supplying, administering and treatment of potable, non potable, and water for fire protection water to the Association, and lands outside of Larkspur pursuant to Article XIII, paragraph 3 of these Protective Covenants.

13. Maintenance Lot Lot number shall be preceded by an “A”. A tract designated on the recorded plat of LARKSPUR as “Maintenance” and which shall be used for offices, enclosed storage, repair, and maintenance of all equipment and supplies of the LARKSPUR Community Association. A maximum of one employee residence unit is also allowed on this lot.

14. Open Space All that area within LARKSPUR designated on the recorded plat of LARKSPUR as “Open Space”. All Open Space areas shall either remain in their natural condition or may be improved by the LARKSPUR Community Association as park, underground utility and recreation areas. All Open Space areas shall be available for use by all residents of the LARKSPUR Community Association and their guests and invitees in accordance with the rules and regulations of said Association.

15. Open Space Restrictions Limitations on the use of Open Space areas and guidelines for management of these areas, as set forth in Article VIII of this document.

16. Operation and Maintenance Requirements Requirements covering post-design factors and activities, such as construction, site maintenance, garbage and trash removal, recreational activity restrictions, and environmental performance requirements, as set forth in Article VII of this document.

17. Owner The owner of record of a fee simple title to any tract, or unit in LARKSPUR.

18. Parks Any areas designated on the final plat of LARKPUR as “public parks” shall be open for use of the general public in addition to those residing in LARKSPUR.

19. Recreation Lot A lot designated on the recorded plat of LARKSPUR by the words “Recreation Tract” preceded by an “R” followed by the tract number, which can be used for recreational purposes including tennis facilities, both indoor and outdoor, clubhouse, health club, swimming center, bathrooms and showers, climbing wall, batting cages, golf practice area, basketball courts, pro shops, parking, food and bar service, and accompanying offices and services. One employee residence may also be built on this lot. Said tract may be resubdivided by the owner thereof into a maximum of three units without obtaining the consent of the LARKSPUR Community Association or the owner of any lot, tract, or unit within LARKSPUR, upon compliance with the terms and conditions of the Gunnison County Land Use Resolution in effect upon the date of such resubdivision.

20. Single Family Lot A lot designated on the recorded plat of LARKSPUR by the letter “S” followed by the lot number, which can be used solely for residential purposes and upon which not more than one residential building containing not more than one primary dwelling unit, together with not less than one attached two-car garage may be constructed.

21. Tap Fees Those fees paid to either the East River Regional Sanitation District or the Larkspur Water Association for providing sewer and water services respectively.

22. Tracts or Lots Those tracts or lots designated on the recorded final plat of LARKSPUR, as either single family lots, multi-family lots, maintenance, or recreational lots.

23. Unit Any condominium or townhouse unit created by resubdivision of either the Recreation Lot or any Essential Multi-Family Lots.

ARTICLE IV LARKSPUR COMMUNITY ASSOCIATION

1. Formation and Purpose The LARKSPUR Community Association has been formed for the purposes of promoting the health, safety, welfare and tranquility of the residents of said real property. In connection therewith, LARKSPUR Community Association is charged with the responsibility for enforcement of the Declaration of Protective Covenants for LARKSPUR and all Design Guidelines adopted pursuant to authority granted under this Declaration of Protective Covenants for LARKSPUR, and shall have all rights necessary or incidental to the accomplishment of its expressed or implied purposes.

2. Membership Every person or entity who is a record Owner of a fee or undivided fee interest in any lot, tract or unit within LARKSPUR, shall automatically be a member of the LARKSPUR Community Association; provided, however, that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from record ownership of any property subject to the Declaration of Protective Covenants for LARKSPUR.

3. Voting Rights For purposes of voting, the Association shall have one class of voting membership, which shall consist of all record owners of a fee or undivided fee interest in any lot, tract, or unit which is subject to this Declaration of Protective Covenants who have paid all duly authorized assessments of the Association.

Members shall be entitled to vote as follows:

- 1 vote per each single family lot.
- 1 vote per each essential single family lot.
- 1 vote per each recreation tract, plus one additional vote for each condominium unit thereon for which a certificate of occupancy has been issued.
- 1 vote per each unit in essential multi family units for which a certificate of occupancy has been issued.

4. Powers The Board of Directors of LARKSPUR Community Association shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts in exercise thereof consistent with the purposes and objects of the Association, as set forth in its Articles of Incorporation, its Bylaws, and the Declaration of Protective Covenants for LARKSPUR. Subject only to the limitations on the exercise of such powers and duties as are expressly set forth in its Articles of Incorporation, its Bylaws and the Declaration of Protective

Covenants for LARKSPUR, the Association's powers and duties shall include, but not necessarily be limited to:

- a. Exercising all powers, duties and authority vested in or delegated to the Association and not reserved to the membership of the Association by other provisions of its Articles of Incorporation, its Bylaws, or the Declaration of Protective Covenants for LARKSPUR.
- b. Enforcing the Declaration of Protective Covenants for LARKSPUR, and adopting and enforcing the Design Guidelines.
- c. Imposing a reasonable Non-Compliance Assessment for violation of the Declaration of Protective Covenants and Design Guidelines adopted by the Association.
- d. Authority to approve or disapprove any and all types of construction within LARKSPUR; this authority may be delegated to the Design Review Committee.
- e. Fixing, levying, collecting and enforcing all assessments, as provided for herein;
- f. Entering upon any property, without liability, to any Owner for trespass, damage or otherwise, for the purpose of maintaining or repairing the property in the manner required by the Declaration of Protective Covenants if the Owner thereof, after reasonable notice, and an opportunity to correct the non-compliance, fails to maintain and repair the property as required by the Declaration of Protective Covenants and the Design Guidelines.
- g. Commencement and maintenance, in its own name, on its own behalf, or in the name and on behalf of any Owner or Owners who consent thereto, of suits and actions to restrain and enjoin any breach or threatened breach of the Declaration of Protective Covenants, or the Design Guidelines, and enforcement by mandatory injunction or otherwise, of all of the provisions of the Declaration of Protective Covenants or the Design Guidelines.
- h. Preventing the maintenance of nuisance and impairment of the attractiveness and value of property within LARKSPUR; and
- i. Exercising any and all powers granted to the Association by the Colorado statutes governing the formation and operation of non-profit corporations.

5. Composition of Board of Directors The Board of Directors of LARKSPUR Community Association shall consist of five members, each of whom shall be entitled to vote on all matters submitted to the Board for resolution.

6. Design Guidelines The Association, acting through its Board of Directors, and subject to the provisions of the Declaration of Protective Covenants, may adopt Design Guidelines consistent with the expressed or implied purposes of the Declaration of Protective Covenants and the Association, which govern, but need not necessarily be limited to: use of real property within LARKSPUR, general conduct of Owners, members of their immediate family, and their guests and invitees, pet control, noxious, offensive or dangerous activity; nuisances; property maintenance; services; financial matters; enforcement of the Declaration of Protective Covenants; building and landscaping control and design and construction matters as set forth in Article VI.

Prior to the amendment or repeal of any existing Design Guidelines, the Board shall give

notice of the proposed action to all Owners and provide to those Owners an opportunity to submit view or otherwise participate informally in conferences relative to the proposed actions. Notice of the proposed action shall be published once a week for two successive weeks in any newspaper of general circulation within Gunnison County, Colorado. In lieu of the publication requirement, the Board may direct notice be given by posting in no less than three (3) prominent places within LARKSPUR. Any such notice shall state the time, place and nature of the proceedings, which shall not be held less than five (5) days after the last publication is given, or, if appropriate, twenty (20) days after posting, the authority under which the action is proposed, and either the terms or substance of the proposed Design Guidelines, amendment thereof, or a description of the subjects and issues involved. At the time and place specified in the notice, the Association shall hold a public hearing at which it shall afford interested persons an opportunity to submit written data, views, or arguments and to present the same orally unless the Board deems it unnecessary. The Board shall consider the submissions prior to taking any action. In the event the Board acts as initially proposed, the action taken shall become effective immediately thereafter. In the event of any material revisions made by the Board to the proposed actions subsequent to the giving of notice to Owners, as provided hereinafter, as a result of Owner comment or otherwise, the proposed actions, as revised, shall become effective immediately after the Board votes to adopt same and gives notice to each owner of such revisions, in the manner provided above.

Temporary or emergency amendments to the Design Guidelines may be adopted without compliance with the foregoing procedures, without notice, where no less than three of the five members of the Board find that immediate adoption of such Design Guidelines or amendments thereto is imperatively necessary for the preservation of Owner health, safety and welfare, and compliance with the procedures set forth above would be contrary to Owner interest. Notice of such findings and a statement of the reasons for the action shall be promptly given to each Owner together with the terms and substance of the temporary or emergency Design Guidelines or a description of the subjects and issues involved. Any temporary or emergency Design Guidelines or amendments thereto shall become effective upon adoption by the Board or on such a later date as is set forth in the temporary or emergency Design Guidelines or amendments thereto and shall be in full force and effect from that date for a period not to exceed three months, unless during that time the temporary or emergency Design Guidelines so adopted are made permanent by compliance with the provisions contained herein relating to the adoption of Design Guidelines other than temporary or emergency Design Guidelines.

The Design Guidelines adopted hereunder shall be certified by the Secretary or Assistant Secretary of the Association, and shall be on file in the office of the Association and available for inspection by any owner, prospective owner, or mortgagee of any property within LARKSPUR, during normal business hours. Said Design Guidelines shall have the same force and effect as if the same were set forth in and made a part of these Protective Covenants, without the necessity of amending these Protective Covenants.

7. Assessments The Association, acting through its Board of Directors, is further charged with the responsibility of, and is granted the authority for enacting, adopting and enforcing assessments of the following classifications, including amendments or supplements thereof:

- a. Association Dues Assessment An Association Dues Assessment, based upon a budget developed by the Association Board, will be levied upon all Owners subject to this

assessment for the purpose of generating sufficient revenues to pay and discharge anticipated operational and maintenance expense. In developing the budget, the Board of Directors shall take into consideration all expenses which are reasonably foreseeable, and which are deemed to be necessary, prudent and desirable, for the purpose of performing the Association's duties and obligations under the Covenants and such Design Guidelines as may be adopted by the Association. Those expenses, which are deemed to be necessary, prudent and desirable may include, but not necessarily be limited to: (1) real property taxes on any property owned by the Association; (2) reasonable insurance coverage, including liability insurance for directors, agents and employees of the Association; (3) legal, accounting and audit fees; (4) salaries and utility costs for security; (5) capital projects of a general Owner benefit and reserves therefore; (6) office salaries; (7) payroll taxes and workmen's compensation; (8) contract labor; (9) office rent, utilities, supplies, postage and expenses; (10) printing; (11) directors' reimbursable expenses; (12) reasonable directors' fees; (13) design committee expenses; and (14) a reasonable reserve for contingencies. All essential lots and/or essential units shall be charged an initial assessment fee equal to fifty (50) percent of that assessment all non-essential lots and units. Any general assessment, special assessment, or any other assessed charge for all essential housing lots and units shall be subject to an annual assessment increase limitation equal to 3% of the prior year's general annual assessment for the essential housing lot or unit.

- b. Non-Compliance Assessment Should any Owner cause or allow to be caused any violation of the Declaration of Protective Covenants or any Design Guidelines adopted under the power and authority granted herein, and allow such violation to continue after written notice to such owner and the expiration of a reasonable time in which to comply, as set forth in the written notice, a Non-Compliance Assessment may be levied by the Board against such Owner. The amount of any such assessment may include: (1) costs incurred by the Association in attempting to secure compliance, including reasonable attorney's fees; and (2) non-compliance penalties in such amounts as may from time to time be established by the Association's Board of Directors.
- c. Emergency Assessments In addition to the specific assessments provided for herein, the Association, acting through the concurrence of at least four of the five members of the Board, may adopt, levy and enforce such emergency assessments as may be deemed necessary for the preservation and protection of the property subject to the Declaration of Protective Covenants.

The Association Dues Assessment shall be levied on an annual basis, but may be supplemented from time to time by the Board if necessitated by inadequate working capital, and all other assessments provided for herein shall be levied from time to time when and as determined by the Board of Directors of the Association in accordance with the Declaration of Protective Covenants, and the Association's Article of Incorporation, its Bylaws, and its Design Guidelines.

Written notice of all assessments and amended or supplemental assessments shall be sent to every Owner subject thereto as soon as the amounts are determined, which notice shall specify due dates and available payment options, as determined in the sole discretion of the Board of Directors of the Association. If an assessment is not paid when due, then such assessment shall become delinquent and shall, together with interest

thereon and cost of collection thereof, including reasonable attorney's fees, become a continuing perpetual lien on the real property to which the assessment relates, which shall, except as hereinafter provided, bind such property in the hands of the then Owner, his heirs, personal representatives, successors and assigns. In addition to such lien rights, it shall be the personal obligation of the then Owner or Owners (jointly or severally) to pay any such assessment and such personal obligation shall continue even though the Owner's interest in the lot or unit shall be transferred.

All sums assessed to any Owner pursuant hereto, together with interest thereon at a rate not to exceed eighteen percent (18%) per annum, shall be secured by a lien on the Owner's real property in favor of the Association upon recordation of the notice of assessments as herein provided. Such lien shall be superior to all other liens and encumbrances on such real property except for: (1) valid tax and special assessment liens on the real property in favor of any governmental assessing authority; (2) a lien for all sums unpaid to any first mortgagee with a prior duly recorded lien, including all unpaid obligatory advances to be made pursuant to such mortgage, and all amounts advanced pursuant to such mortgage and secured by the lien thereof in accordance with the terms of such instrument; and (3) labor or materialman's liens, to the extent permitted by law. All other lienors acquiring liens on any real property subject to this Declaration shall be deemed to consent that such liens shall be inferior to future liens for assessments as provided herein, whether or not such consent be specifically set forth in the instrument creating such lien.

To evidence a lien for sums assessed pursuant hereto, the Association shall prepare a written notice of assessment lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, a description of the real property to which said assessment relates, and the name of the record Owner of that real property. Such a notice shall be signed on behalf of the Association and shall be recorded in the office of the Clerk and Recorder of Gunnison County, Colorado. No notice of assessment shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure sale of the property by the Association in the same manner in which mortgages on real property may be foreclosed in Colorado, or in any other manner now or hereafter permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of assessment lien and a release thereof, and all reasonable attorney's fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments, including interest, against the real property which shall become due during the period of foreclosure, which amounts may be claimed in any proceeding for collection and included within the bid at any foreclosure sale without the necessity of filing additional notices of assessment. The Association is expressly authorized to bid at any foreclosure sale or other legal sale, and to acquire, hold, convey, lease, rent, encumber, use, and otherwise deal with any real property so acquired, in the same manner as an Owner. A further notice stating the satisfaction and release of any such lien shall be executed on behalf of the Association and properly recorded in the real property records of Gunnison County, Colorado upon payment of all sums secured by a lien which has been made the subject of a recorded notice of assessment.

Any encumbrancer holding a lien on real property subject hereto may pay, but shall not be required to pay, any amount necessary to release such lien. All rights of such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any encumbrancer of real property any unpaid assessment or other default remaining unpaid or uncured for longer than sixty (60) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance.

The amount of any assessment provided for herein against any real property subject hereto shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation, together with costs and reasonable attorney's fees, may be maintained by the Association without foreclosing or waiving the lien securing payment of same. No Owner may avoid or diminish such real property or personal obligations by waiver of the use and enjoyment of any of his real property or by abandonment of his real property.

Upon receipt of written request from any Owner, mortgagee, prospective mortgagee, or prospective purchaser of real property subject hereto, the Association shall furnish a written statement of account relating to said real property and setting forth: (1) the amount and nature of any delinquent assessments; and (2) the amount of any advanced payments made, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request shall be complied within thirty (30) days after receipt of same, all unpaid Association Dues Assessments which become due prior to the date of such request and which are attributable to said real property shall be subordinate to the rights of the person requesting such statement. A reasonable service fee in any amount necessary to reimburse the Association for its expense, as determined from time to time by the Board, shall be paid for furnishing the statement of account.

Subject to the provisions contained within the preceding paragraph, a purchaser of real property subject hereto, except for any first mortgagee who comes into possession of any real property subject hereto pursuant to the remedies provided in its mortgage, or becomes an Owner of any real property subject hereto pursuant to foreclosure of its mortgage or by the taking of a deed in lieu thereof, shall be jointly and severally liable with his seller for all unpaid assessments against said real property so acquired which were incurred prior to the time of the grant or conveyance, without the prejudice to the purchaser's right to recover from his seller the amount paid by the purchaser for such assessment.

In addition to the penalties imposed above for failure to pay assessments imposed by the Association when due and owing, the Board may suspend voting rights of any Owner failing to pay such assessment when due and owing, may preclude participation in any meetings of the Association, its Board of Directors or its Design Review Committees by the Owner failing to pay such assessment when due and owing, or members of his immediate family.

ARTICLE V DESIGN REVIEW AND APPROVAL

1. Design Review Committee The Design Review Committee shall consist of a group of five persons, who may also be members of the Board of Directors of the LARKSPUR Community Association, or who shall be appointed by the Board of Directors for terms not to exceed five years. The Design Review Committee shall have and exercise all of the powers, duties and responsibilities set forth in this instrument, and shall enforce the provisions of this covenant.

2. Conduct of Business The Design Review Committee shall meet at the convenience of its members or may conduct its business by mail or telephone as often as necessary to transact its business. If the Design Review Committee consists of appointees members shall, at all times, be responsible to the Board of Directors of the LARKSPUR Community Association.

3. Design Guidelines The LARKSPUR Community Association will adopt and publish a document entitled "LARKSPUR, Design Guidelines". Said Design Guidelines will be based upon the content of this instrument, however, the content of the Design Guidelines will be more specific and detailed than this instrument. In the event of any conflict between this instrument and the Design Guidelines, the provisions of this instrument shall govern.

The Design Guidelines will cover, without limitation, the following areas of interest:

- Improvements on single family lots.
- Improvements on essential single family lots.
- Improvements on recreational tracts.
- Improvements on maintenance tracts.
- Improvements on essential multi family lots.
- Setbacks and easements.
- Clearing of trees and vegetation.
- Screening and landscaping.
- Drainage.
- Grading.
- Driveways.
- Parking.
- Open space and parks.
- Construction Rules.

ARTICLE VI GENERAL USE REQUIREMENTS AND RESTRICTIONS

1. Land Use No lands within LARKSPUR shall ever be occupied or used by or for any structure or purpose or in any manner which is contrary to the land use indicated on the final plat recorded in the office of the Gunnison County Clerk and Recorder on August , 2006 and defined herein. All lots and tracts within LARKSPUR shall be designated as one of the following uses on the final plat as recorded with Gunnison County. Said lots and tracts shall

only be used in the manner specified herein, subject to the provisions of this instrument and other regulations which may from time to time be adopted by the LARKSPUR Community Association. **Prior to construction, an application must be made to Gunnison County for a building permit, and if applicable, for a Land Use Change. That residential building permit must comply with all applicable building and other codes, resolutions, ordinances, and regulations adopted and amended by Gunnison County and must also comply with any applicable energy and resource conservation standards required at that time by Gunnison County. Applicants for any building permit must also secure a Gunnison County Reclamation Permit, which may involve control of noxious weeds, subject to approval by the Gunnison County Public Works Department, and/or approval by the Gunnison Basin Weed Specialist. Any changes to the erosion control and grading/drainage standards included in Larkspur Design Guidelines requires prior written approval by Gunnison County.** Allowable land uses for the lots and tracts within LARKSPUR are:

- A. **Single Family Lot** Those lots designated on the plat and proceeded by an "S". One residential building containing one primary dwelling unit. Not less than one double car attached garage with doors is required for each single family lot. More than two garages are allowed. No detached outbuildings are allowed.
- B. **Essential Single Family Lot** Those lots designated on the plat preceded by an "E". One residential unit containing one primary dwelling unit. These lots are deed restricted in their nature per Gunnison County Housing Authority Guidelines. Not less than one double car attached garage with doors is required for each essential Single Family Lot. No detached outbuildings are allowed.
- C. **Essential Multi-Family Lot** Those lots designated on the plat preceded by an "EM". These lots are deed restricted in their nature per Gunnison County Housing Authority Guidelines. Not less than one double car attached garage with doors is required for each dwelling unit built on these lots. No detached outbuildings are allowed. No unit built on any of these lots may be long term or short term rented.
- D. **Recreation Lot** The Recreational Lot shall have permitted uses of tennis facilities, both indoor and outdoor, clubhouse, health club, swimming center, bathrooms and showers, climbing wall, batting cages, golf practice area, basketball courts, pro shops, parking, food and bar service, and accompanying offices and services. There shall be allowed one employee residence unit per Recreational lot. This unit shall be for the use of persons employed within the boundaries of LARKSPUR. Ownership of, and development on, the parcel designated as "Recreation Parcel" (Lot No.R-1) on the within plat shall be by a third party, unrelated to the owners of lots in LARKSPUR. The lot owners of other lots and the Homeowners Association shall NOT be burdened with the construction, operation or maintenance of the recreational and other facilities on said parcel nor of the costs related thereto. This lot can be re-subdivided into a maximum of three condominium units provided one of the units is an employee housing unit. If no employee unit is included then only two condominium units are allowed. No townhomes are allowed.

E. Association Lot That lot designated on the plat preceded by an “A”. This lot is for the purpose of maintenance, offices, garages, and one employee unit to be owned and used by Larkspur Community Association.

2. Basements Each structure will be allowed to have a basement. Square footage of any basement that is proposed to be ‘built out’ as part of the original building permit application shall be included in the total residential square footage allowed under these covenants. Any basement that is originally proposed as ‘unfinished’ shall not be included in the total square footage for purposes of the original building permit application and calculating overall total square footage.

3. Building Height No building within LARKSPUR may exceed 30 feet in height. The maximum height of houses on E8, S9 and S11 is twenty-two (22) feet.

4. Building Size The total GRFA or all single family lots, essential or otherwise shall not be less than 800 square feet and not more than 4000 square feet. Buildings of more than one story shall have a main floor footprint, as determined by the Design Review Committee, including garage, of not less than 800 square feet. The maximum GRFA for the entire structure on the essential duplex lot shall be 3600 square feet. The maximum GRFA for the structure on each essential fourplex lot shall be 4400 square feet. The maximum total square footage of all structures on the Association/Maintenance Lot shall be 8000 feet. The maximum size of all structures on the Recreation Lot shall be 39,000 square feet.

5. Resubdivision No single family lot or essential single family lot shall ever be resubdivided into smaller tracts or lots. The Recreation Lot may be further subdivided into a maximum of three units in accordance with the procedures set forth in this instrument and the Gunnison County Land Use Resolution. The essential multi-family lots and recreational lot may only be re-subdivided and condominiumized after the actual units are constructed.

6. Mining, Drilling, or Quarrying No mining, quarrying, tunneling, excavating, or drilling for any substances within the earth, including oil, gas minerals, gravel, sand, rock, or earth, or geothermal resources shall ever be permitted within LARKSPUR except as required for soils and geology investigation required by this instrument, or during construction of approved improvements.

7. Nuisance No unsightly objects, activities or noises shall be erected or permitted on any lot or tract, and nothing shall be done or permitted which may be or become an annoyance or nuisance to other residents.

8. Signs No signs, including without limitation, advertising signs, “for sale” signs, or billboards shall be erected or permitted on any lot or tract in LARKSPUR. Signs reasonably required within a Recreational Tract must be approved by the Design Review Committee prior to installation. Exception: The developer of Larkspur is permitted to place any sign it deems necessary, even “for sale” signs for a period of 4 years from filing of these covenants. Installation of signs requires compliance with Gunnison County Land Use Resolution and may require a Gunnison County Sign Permit, pursuant to LUR Section 13-109: Signs.

9. Animals No animals or poultry shall be kept in LARKSPUR except ordinary household pets (normally maintained within a dwelling) belonging to a property owner or resident. The LARKSPUR Community Association may require any owner or resident to remove any animals that are in violation of this provision. All dogs must be kept in a dog run area, on a leash or chain, or under direct control of a person at all times. Not more than two domestic household pets shall be permitted per dwelling unit. The owner of any pet shall at all times be personally liable and responsible and liable for all actions of any pet and any damage caused by that pet. No pet shall create a nuisance or noise problem within LARKSPUR. The owner of any pet shall be personally responsible for the clean up of any excrement left by any such pet left within LARKSPUR.

10. Water Wells There shall be no water wells drilled or placed on any lot or tract within LARKSPUR, excepting as may be required by the LARKSPUR Community Association or the LARKSPUR Water Association. All units or structures requiring non-potable or yard water must connect to the central nonpotable water system supplying LARKSPUR.

11. Sewage Disposal There shall be no individual septic or cesspool type sewage systems constructed within LARKSPUR. All units or structures requiring sewage disposal must connect to the central sanitary sewer system supplying LARKSPUR, or any successor area-wide sewage treatment facility.

12. Utility Lines All water, sewer, gas, power, telephone, and cable television main, secondary, and service lines and cables installed within LARKSPUR must be buried underground and may not be carried on overhead poles or above the surface of the ground. No permanent improvements may be constructed upon any easements shown upon the recorded plat of LARKSPUR, except with the prior written consent of the LARKSPUR Community Association.

13. Tanks No aboveground tanks of any kind shall be erected, placed or permitted within LARKSPUR. Any tank installed within LARKSPUR, including tanks for the storage of gasoline, propane, oil and water shall be completely buried in accordance with applicable building codes.

14. Firearms No firearms, bows and arrows, crossbows, or other weapons or explosives of any kind or character may be discharged or utilized except in conjunction with construction approved by the Design Review Committee.

15. Vehicular Storage No trailer, house trailer, mobile home, tent, truck, camper, boat, raft, motorcycle, snowmobile, motor home or other vehicle or vehicle type object shall be kept, placed or maintained upon any lot for longer than 48 hours except within a garage, nor shall the same be parked on any roads within LARKSPUR. The provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained during and used exclusively in connection with the construction of any work or improvement permitted under the Declaration of Protective Covenants or Design Guidelines.

- 16. Temporary Structures** No accessory structure, teepee, or building shall be constructed, placed, or maintained upon any lot or tract prior to the construction of the main structure thereon; provided, however, that the provisions of this paragraph shall not apply to the association lot and other temporary construction shelters or facilities maintained only during and used exclusively in connection with the construction of the main structure of the residence.
- 17. Recreational Vehicles** No trailer, automobile, truck or other vehicle or boat shall be constructed, reconstructed, repaired or stored except in an enclosed garage.
- 18. Clotheslines** Outside clotheslines or other outside clothes drying or airing facilities shall be maintained exclusively within a fenced service yard designed in accordance with the Design Guidelines and shall not be visible from neighboring property or roads.
- 19. Mailboxes** All mailboxes and newspaper receptacles shall conform to such criterion as is formulated by the Design Guidelines, and the location of mailboxes shall be as specified by the Design Review Committee.
- 20. Fireplaces** No open fireplaces either indoor or outdoor are allowed in LARKSPUR. Solid fuel burning devices as approved by Gunnison County are limited to one per residence and will be allowed only if it is determined by the Design Review Committee that operation and approval with such devices will not adversely affect any neighboring properties. Chimineas and barbecues are specifically allowed provided they are not placed on or near flammable materials. EXCEPTION: Fires are allowed on the island of LARKSPUR Lake.
- 21. Exterior Fires** There shall be no exterior fires whatsoever except barbecue and chimenea fires contained within receptacle therefore.
- 22. Exterior Antenna** No exterior antenna of any type shall be permitted with the exception being satellite dishes less than 18 inches in diameter.
- 23. Camping** Camping shall be prohibited anywhere within LARKSPUR. EXEPTION: Owners may cookout and camp on the island in LARKSPUR Lake provided such activity is for a period of less than 24 hours.
- 24. Garage Doors** All garages must have doors which shall remain closed except when required to be open for entry or exit of vehicles or persons.
- 25. Unsightly Growth** All Owners will be required to mow, cut, prune, clear, and remove from their land any unsightly brush, weeds, or other unsightly growth and further, to remove from their land any growth infected with noxious weeds or insects or contagious plant diseases, and to remove any trash which may collect or accumulate on their lots.
- 26. Solicitors** Solicitors, peddlers, hawkers, itinerant merchants, and transient vendors of merchandise, shall not enter any lot or tract for the purpose of conducting their business, without prior request or invitation by the Owner of same or without written permission of DRB.

27. Larkspur Lake and Pond The Larkspur Lake and entry Pond are for the exclusive and beneficial use of Larkspur owners. Guests of owners may fish and otherwise use the Land and Pond only when accompanied by that Owner giving permission. No motorized watercraft are allowed on either the Lake or Pond. Boats may be used on the Lake as long as they are removed from the lakeshore at the end of each day's use. Fishing in the Lake is catch and release only. Only artificial flies may be used in the Lake, no lures or bait of any kind are allowed. The Pond near the entry of Larkspur is for children's fishing. Bait may be used in the Pond. Owners and their accompanied guests may keep no more than two fish daily out of the Pond and not more than 10 fish in any one season out of the Pond. Swimming is allowed in Larkspur Lake. All activities are done at the sole risk of the Owner. Declarants reserve the right, for themselves, their immediate families and accompanied guests, the right to fish the Lake and Pond regardless of their membership status in the Association.

28. Exterior Lighting All exterior lighting shall be shaded and shall be approved by the Design Review Committee for harmonious development and the prevention of lighting nuisances to other lots in LARKSPUR. Fixtures shall be full cutoff type and only shall direct light downward. No exposed or unshaded bulbs are allowed. All floodlights shall be connected to a timer or to a motion detection device. All outside lighting shall comply with these regulations in addition to those of Gunnison County in place at the time the permit is applied for. Ground mounted floodlighting is prohibited.

29. Driveways and Parking Access to primary dwelling units on all lots shall be by driveways that allow easy access to the road system. Where practical, gradients should be not greater than 4% along the driveway and no greater than 2% within 20 feet of the roadway shoulder. All driveways including that portion in the public road easement shall be paved in asphalt or concrete at the lot owner's expense at a minimum 16 foot width for all single family residential lots and a minimum of 20 feet width for multi family lots. Parking is only allowed on the roadways within Larkspur in the case of special events approved by the Association or during initial construction of the structure. Paving of driveway (whether new construction or existing construction) shall be the sole expense of the lot owner or lot developer. Lots S-1, S-10, and EM-3 must access from curved portions of the cul-de-sac and not adjoining roads. Adjacent lots may share a common driveway such as agreed to by owners of both lots through an easement stating such that is recorded prior to the time of granting a building permit for either structure. Once a common driveway easement is granted and recorded it must be used for access to both structures and both lots.

ARTICLE VII OPERATION AND MAINTENANCE REQUIREMENTS

1. Roads, Streets and Fire Hydrants The Association, for and on behalf of the Owners of the Lots within LARKSPUR, shall be responsible for the proper maintenance of all roads and drives within Larkspur, including the resurfacing, grading, drainage and snow removal thereof from roads and around fire hydrants, and including any construction after the initial construction by the Declarant.

2. Rubbish, Trash and Garbage Rubbish, garbage or other waste shall be kept and disposed of in a sanitary container. All containers or other equipment for the storage or disposal of garbage, trash, rubbish or other refuse shall be kept in a sanitary condition and shall be kept inside a building or an enclosed and screened structure. No trash, litter or junk shall be permitted to remain exposed upon the premises and visible from public roads or adjoining or nearby premises, except at such times as the same is being collected by the appropriate refuse collection company. Individual trash containers should be bear proof. Trash containers shall only be placed for pickup ON THE MORNING of pickup and must be removed from the pickup point by 6:00 p.m. on the day of pickup. Placement of containers for pickup the night before pickup is expressly prohibited. All rubbish and trash shall be removed from all lots and tracts in LARKSPUR and shall not be allowed to accumulate and shall not be burned or disposed of anywhere within LARKSPUR.

3. Damaged Structures Any dwelling unit or other structure damaged by weather, fire, flood, vandalism or in any other manner, shall be completely repaired, reconstructed or completely removed within a reasonable time frame as determined by the Design Review Board depending on the extent of the damage. In the event the structure or building is removed, the site must be cleaned of rubble, stabilized and landscaped to prevent erosion and to eliminate any unsightly appearance.

4. Failure to Maintain In the event the owner of any lot, tract, or structure within LARKSPUR shall fail to maintain his property or structure in a satisfactory manner, the Board of Directors of the LARKSPUR Community Association shall have the right, through its agents or employees, to enter upon said property and to repair, maintain and restore the property or structures to an acceptable condition. All costs incurred as a result of such action shall be borne by the owner of the lot, tract or structure, or shall become a lien on the property, in the same manner as is herein specified for non-payment of assessments.

5. Recreation Restrictions

- a. Cross country or any other form of skiing is prohibited in the travel lanes of any road or street owned, operated, or maintained by the LARKSPUR Community Association. Cross country skiing may be allowed in all open space, subject to certain restrictions and limitations that may, from time to time, be imposed by the Board of Directors of the LARKSPUR Community Association.
- b. The use of snowmobiles or other mechanized over-the-snow vehicles anywhere within LARKSPUR is prohibited, except as may be authorized by the Board of Directors of the LARKSPUR Metropolitan District for the purpose of cutting and packing cross-country ski trails, or used for other special events.
- c. No impediments shall be allowed on any of the open space or recreation easements that will interfere with the ski, bicycling and pedestrian easement.

6. Landscaping, Weed Management and Control All lots and all landscaping thereon shall be maintained so as to be in compliance as set forth in Exhibit C, and as it may be amended. Landscaping shall be maintained by the Larkspur Community Association in a visually pleasing manner so as to not create a visible blight or nuisance.

7. Fencing In compliance with Colorado's 'Fence Out' requirements, the Larkspur Community Association shall maintain all existing and future fences on the perimeter of Larkspur separating lands of Larkspur from those adjoining properties.

8. Landscaping and Common Areas The Association shall be responsible for maintenance of all landscaping, landscaping features, open space, and other common areas within Larkspur.

ARTICLE VIII RESTRICTIONS ON OPEN SPACE

1. Improvements No improvements of any kind or nature shall be constructed or allowed to remain on any land designated on the recorded plat of LARKSPUR as Open Space except lakes and ponds, bridle paths, fences, trails, park facilities, water systems or similar improvements for the benefit of or use of all lot owners or residents of LARKSPUR. Any improvements to be made upon Open Space shall first be approved by the LARKSPUR Community Association, and shall conform and harmonize in appearance, siting and cost with the overall development scheme of LARKSPUR.

2. Landscaping No brush existing on any Open Space shall be felled or trimmed, no natural areas shall be cleared, nor shall any vegetation, rocks or soil be damaged or removed, nor any landscaping performed on any Open Space area unless first approved in writing by the Design Review Committee.

3. Temporary Building No temporary house, teepee, house trailer, travel trailer, recreation vehicle, horse trailer, tent, or other temporary or movable structure shall be placed, erected, or allowed to remain on any lot, tract or Open Space area without the written permission of the DRB.

4. Ownership, Operation and Maintenance All Open Space shall be owned, operated and maintained by the LARKSPUR Community Association. However, it is the intention of this instrument that all Open Space shall remain as such and shall at all times remain under the ownership of the Association and be available for use by the residents of LARKSPUR and their

ARTICLE IX RESTRICTIONS ON SINGLE FAMILY LOTS

1. Construction of a residence, or related improvements, on Lots S3,S4,S5,S6,S7,S8,S10, and S22, must commence on or before a date which is not later than three years following the date of recording of the deeds in connection with the closing of the purchase and sale of each of said lots. If such construction is not timely commenced on any of said lots, Declarant shall have the right to repurchase such lot for a price equal to the purchase price paid by such lot owner, not adjusted for tax proration or other similar items, plus an amount equal to three percent (3%) per annum of such purchase price, not compounded. Such right to repurchase shall be prior to any liens that may be placed on such lot either at the time of the closing of the purchase and sale of

such lot or subsequent thereto. If the Declarant elects to exercise such right to repurchase any of said lots, it must furnish written notice of its intention to repurchase delivered to such lot owner not later than 90 days following the end of said three year period and by recording such notice in the office of the Gunnison County Clerk and Recorder. If the lot owner cannot be located, developer shall mail a copy thereof to the lot owner at his last known address. If such notice is not timely given, said lot shall no longer be subject to said right of repurchase. If the Declarant elects to repurchase said lot, it shall obtain a commitment for a policy of title insurance within 15 days following the date such notice of intention is recorded. If such commitment discloses any liens on such lot the amount of which is in excess of the amount of said repurchase price, developer shall notify the lot owner and the lien holder who shall have 30 days to make arrangements to release such lien. If satisfactory arrangements are not made within said 30 days period to satisfy any such lien at the closing, the Declarant shall deposit the amount of such purchase price with the title insurance company which issued the commitment with instructions to disburse the same to the lot owner and lien holder(s), as is appropriate, when it is satisfied that the title has been transferred to the Declarant free of all liens and encumbrances.

There shall be included in each of the deeds from the developer to the lot owners the following language relating to the provisions described above:

The within conveyance is subject to the provisions of Article IX, Section 1 of the Covenants relating to the requirement that the lot owner must commence construction of a residence, or related improvements, on the lot on or before a date which is not later than three years following the date of recording of the deeds in connection with the closing of the purchase and sale of said lot. The within conveyance is also subject to the provisions of Article IX, Section 2 of the Covenants relating to the restriction on resale of said lot until a date which is not earlier than three years following the date of recording of the deed in connection with the closing of the purchase and sale of said lot.

2. Lots S1,S2, S3,S4,S5,S6,S7,S8,S9 S10,,S11,S17,S18,S19,S21, and S22 may not be sold following their purchase from the developer until a date which is not earlier than three years following the date of recording of the deeds in connection with the original closing of the purchase and sale of each of said lots. The within restriction shall not be construed to prohibit a sale to the immediate members of the lot owner's family, to an entity owned by the lot owner or a transfer pursuant to an estate proceeding upon the death of the lot owner.

There shall be included in each of the deeds from the developer to the lot owners the following language relating to the provisions described above:

The within conveyance is subject to the provisions of Article IX, Section 2 of the Covenants relating to the restriction on resale of said lot until a date which is not earlier than three years following the original date of recording of the deed in connection with the closing of the purchase and sale of said lot.

**ARTICLE X
ASSOCIATION/MAINTENANCE PARCEL**

- 1. Restrictions on Resale** The Association Lot (Maintenance Lot) and/or any buildings constructed upon this lot including any employee unit may not be sold to any third party or entity by the LARKSPUR Community Association.
- 2. Exemption** This Association Lot shall not be charged or pay LARKPUR Community Association dues or be subject to Community Association assessments or liens.

**ARTICLE XI
TRAIL EASEMENT**

- 1. Dedication of Trail Easement** A 10 foot wide permanent easement, and a five foot wide permanent easement have been dedicated on the plat along the western, southern and eastern boundaries of LARKSPUR. Such easements shall be used for walking or pedestrian use, horseback riding use, bicycling use and cross-country skiing use to access public lands or any dedicated public trail connecting LARKSPUR to other lands. Such easement and the dedication thereof shall become immediately effective at the time of filing of the Plat of LARKSPUR. Such easement shall be limited strictly to the use as set forth above and may not be used by motor vehicles or automobiles nor the parking thereof.

**ARTICLE XII
UTILITY EASEMENTS**

- 1.** All utility easements within LARKSPUR are for the benefit of all utility companies having installed utilities in such easements.
- 2.** All utility and other easements labeled on the LARKSPUR plat as “Limited Easements” are for future use and assignment by the Declarants and are the sole property of Declarants.
- 3.** Declarants reserve the right to assign and use both general and “limited” easements in the future for the purpose of extension and/or installation of utilities that will connect into the existing general utility easements within LARKSPUR. Said use and/or assignment by Declarants will be made without any compensation to LARKSPUR homeowners, LARKSPUR Homeowners Association or any other entity other than those made at the by direction of Declarants.

**ARTICLE XIII
WATER ASSOCIATION**

- 1.** The LARKSPUR Water Association (“LWA”) is a sub-committee of the Larkspur Community Association that is responsible for supplying water, both potable and non-potable, and for fire protection to all lands and dwellings within LARKSPUR and those other units that are constructed on the Association/Maintenance and Recreation Parcels. The LWA may also be

required to serve lands outside the original Larkspur pursuant to paragraph 3 immediately below.

2. The LWA committee shall be appointed by the Board of the LARKSPUR Community Association. Board members may serve on both boards and will be appointed for a period of 2 years.
3. Declarants, without compensation to LWA, reserve the right to expand the water systems, both potable, non-potable, and fire protection to lands other than those designated in the original LARKSPUR plat. Expansion of the LARKSPUR water systems can take place upon happening of all of the following:
 - a. Declarants supply to the LWA new amounts of water, both legally and physically, in excess of those specified in Exhibit B.
 - b. Declarants pay all costs of any necessary upgrades to the LWA system that are needed or caused by said expansion.
 - c. That any new users pursuant to the expansion pay the same fees and charges as those owners/users are being charged at the time of expansion. Any changes in fees and other charges made after any expansion will apply to all the users, both original and new under the expansion.
4. Prior to final approval of any construction plans the applicant for said construction shall pay a tap fee to the LWA. Said tap fee shall initially be \$14,000 and may be increased or decreased in the future by the Board of Directors of the Larkspur. Said tap fee and any adjustments made thereto shall be collected and immediately distributed as follows:
 - a. The first \$10,000 shall be paid to Declarants.
 - b. The remaining amounts shall be retained by the LWA and used for operation and maintenance of the system or in any other manner deemed appropriate by the board of the LWA.
5. The LWA may also charge a monthly, quarterly or yearly fee for the supplying of water for potable, non-potable or fire protection uses. The fees for this service can be changed, with notice, by the Board of the LWA. Any owner that fails to pay these fees when due is subject to assessment and collection.

ARTICLE XIV INCLUSION OF ADDITIONAL LANDS

1. Declarants reserve the right to expand the Association and lands of LARKSPUR to include lands other than those specified on the original plat of LARKSPUR.
2. Any inclusion or addition of land will be made without compensation to and can be made without the permission of LARKSPUR Association or any other entity originally associated with LARKSPUR, provided that such inclusion or addition will not result in any additional expense to those lands or owners in the original LARKSPUR.

ARTICLE XV DOWNZONING

Any of the essential duplex or essential multi-family lots may be downzoned. This downzoning, i.e., authorization to build less than two units on the duplex lot and less than four units on either of the fourplex lots, can be done at the sole discretion of the Gunnison County Housing Authority, and without permission of, or compensation to, the LARKSPUR Community Association.

ARTICLE XVI RESTRICTIONS ON ESSENTIAL (AFFORDABLE) LOTS

This article affects, applies to, and restricts all building and structures on all Essential Single Family Lots, essential Duplex lots, and Essential Multi-Family lots which are identified as “E” lots on the Plat of LARKSPUR. There are certain restrictions placed on these lots by these Protective Covenants and also by Gunnison County. Gunnison County has certain covenants, guidelines and qualification restrictions as to who can own these lots and the buildings upon them. There are additional restrictions including, but not limited to, regarding resale, caps on appreciation, limitations on income and property owned by original buyers and potential buyers of resale. PRIOR TO PURCHASING one of the lots, the office of the Gunnison County Housing Authority should be contacted.

ARTICLE XVII SANITARY SEWER SERVICE

- 1. ERRSD.** “ERRSD” shall mean the East River Regional Sanitation District. ERRSD has agreed to provide Larkspur with sewage collection and treatment services pursuant to its Rules and Regulations and this instrument.
- 2. Collection Lines.** “Collection lines” are all lines and facilities lying within Larkspur and between Larkspur and ERRSD’s sewer mains, and shall have the same meaning as used in Section 2.10.2 of ERRSD’s Rules and Regulations.
- 3. Obligations.** By purchasing property in Larkspur, owners agree to undertake certain duties, responsibilities and suffer certain assessments related to ERRSD’s provision of service to Larkspur.
- 4. Rules and Regulations.** The Larkspur Community Association and its members acknowledge that their inclusion into ERRSD will obligate them to abide by ERRSD’s Rules and Regulations as they presently exist or may be modified in the future.
- 5. Operations and Maintenance.** The Larkspur Community Association and its members acknowledge that ERRSD shall not be responsible for the operation, maintenance, or replacement of Collection Lines and facilities owned by the Larkspur Community Association and that the Larkspur Community Association shall bear the full responsibility for the operation,

maintenance, and replacement of the Collection Lines necessary to provide service to Larkspur. The Larkspur Community Association shall own all Collection Lines that serve Larkspur and be solely responsible for the collection, transportation, and delivery of sewage to ERRSD's system. These covenants require that the Larkspur Community Association establishes an annual budget sufficient to pay for the operation, maintenance, and replacement of the Collection Lines, make assessments annually to fund such budget, and annually to perform the work and expend the assessments raised for operating, maintaining, and replacing the Collection Lines. In the event that ERRSD determines, in its sole discretions, that the Larkspur Community Association has failed in any year to perform its obligation to operate, maintain, or replace the Collection Lines in the manner provided in ERRSD's regulations, ERRSD may, but has no obligation to, effect acts to operate, maintain, or repair Collection Lines within Larkspur and that ERRSD shall have the right to collect the full costs of such acts from property owners within Larkspur under ERRSD's authority to collect rates, tolls, fees and charges pursuant to C.R.S. § 32-1-1001.

6. Easements and Rights of Way. All Larkspur property owners shall permit ERRSD or its agents to enter upon their properties to operate, maintain, and replace any Collection Lines connected to the ERRSD system.

ARTICLE XVIII ENFORCEMENT, DURATION AND AMENDMENT

1. Right of Enforcement The Declaration of Protective Covenants and the restrictions, covenants and conditions contained herein are for the benefit of the Owners, jointly and severally, and for the benefit of the Association and may be enforced by an action for damages, whether actual, punitive, or both, suit for injunction, mandatory or prohibitive or such other appropriate legal remedy as may be available, including reasonable attorneys' fees and costs incurred therein, instituted by one or more Owners, the Association, the Design Review Committee, LARKSPUR Water Association, Gunnison County, Colorado, individually or any combination thereof; provided, however, that prior to the commencement of any enforcement proceedings by an Owner, that Owner shall advise the Association Board in writing of the claimed violation, and the Board shall thereafter have a period of thirty (30) days in which to attempt to compel compliance or commence enforcement proceedings in its name. In the event the Association Board fails or refuses to act to remedy the claimed violations within the time period above specified, then and only then may an Owner, separately, and at his sole cost and expense, attempt to enforce the Declaration of Protective Covenants. No action shall be brought or maintained against the Board or members thereof in the event the Board elects to take no action with respect to alleged violations of the Declaration of Protective Covenants for LARKSPUR.

2. Covenants to Run With Land All of the articles contained within this instrument shall be a burden on the title to all of the lands within the boundaries of LARKSPUR, and the benefits thereof shall be guaranteed to the owners of all the lands within LARKSPUR, and the benefits and burdens of all said covenants shall run with the title to all of the lands in LARKSPUR.

3. Terms of Covenants All of the articles contained in this instrument shall continue for a period of at least thirty (30) years from the date of adoption. At the end of the thirty (30) year period, the Board of Directors of the LARKSPUR Community Association shall have the right to renew the term of this instrument for an additional thirty (30) years or to adopt a new or revised set of covenants. This renewal is subject to approval by Gunnison County.

4. Amendment The conditions, restrictions, stipulations, agreements and covenants herein contained, as well as the recorded plat of LARKSPUR, and any supplemental plats as specified in Article II hereof, shall not be waived, abandoned, terminated or amended except by an instrument setting forth the written consent of the then Owners of seventy-five percent of the lots and tracts within the subdivision and with the written consent of Gunnison County, which instrument shall be duly executed, acknowledged and recorded in Gunnison County, Colorado. Amendment of certain portions of the Design Guidelines for Larkspur may require the permission of Gunnison County. These include, but are not limited to, those provisions relating to parking, erosion control, drainage standards, and the Weed Management Plan. The declarants reserve the right to amend these covenants any time within one year of initial filing.

5. Severability Should any part or parts of these covenants be declared invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining articles, parts, or clauses, which shall remain in full force and effect.

6. Adoption Clause IN WITNESS WHEREOF, the foregoing Declaration of Protective Covenants, LARKSPUR, are hereby duly adopted, and shall continue for the original term.

IN WITNESS WHEREOF, the Declarant has executed this Declaration of Protective Covenants the day and year first above written.

GARLAND PROPERTIES, INC.
a Colorado Corporation

By: _____
Gary F. Garland, President

STATE OF COLORADO)
) ss.
County of _____)

The above and foregoing Declaration of Protective Covenants was acknowledged before me this _____ day of _____, 2006, by Gary F. Garland as President of Garland Properties, Inc., a Colorado Corporation.

Witness my hand and official seal.
My commission expires: _____

Notary Public