

### NOTICE OF CANCELLATION

1-5-208(1.5), 32-1-104, C.R.S.

**NOTICE IS HEREBY GIVEN** by the **Highlands Ranch Metro District No. 5**, Douglas County, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 4, 2010 is hereby canceled pursuant to section 1-5-208(1.5), C.R.S.

The following candidates are hereby declared elected:

<u>David Vasquez</u> (name)	<u>4 year term</u> (2 or 4 year term)	until May, 2014
<u>Stephen Ormiston</u> (name)	<u>4 year term</u> (2 or 4 year term)	until May, 2014

  
(Signature of the Designated Election Official)

Terry Nolan  
(DEO's Printed Name)

Contact Person for the District: Terry Nolan  
 Telephone Number of the District: 303-791-0430  
 Address of the District: 62 W. Plaza Drive, Highlands Ranch, CO 80129  
 District Facsimile Number: 303-791-0437  
 District Email: tnolan@highlandsranch.org

**HIGHLANDS RANCH METROPOLITAN DISTRICT**

**RESOLUTION NO. 09-204**

BE IT RESOLVED, that the Board hereby appoints Terry Nolan as the Designated Election Official (DEO) for the District to serve until a successor is appointed by the Board; and

BE IT FURTHER RESOLVED, that the Board hereby approves the decision of the DEO to have one precinct in the District and to establish the polling place as the District Office Building located at 62 W. Plaza Drive, Highlands Ranch, CO 80129; and

BE IT FURTHER RESOLVED, that the DEO shall, as authorized by law, cancel the election if there is not more than one candidate for each office to be filled; and

BE IT FURTHER RESOLVED, that the DEO is hereby authorized to publish and post notice of the election, to mail a voter notification card or letter, to give whatever other notice the DEO deems appropriate or is required by law and to take whatever other actions are appropriate in the conduct of the election.

Dated this 24<sup>th</sup> day of November, 2009

Ayes 7 Nays 0 Abstained 0 Absent 0

Certified by , Secretary

**BOARD OF DIRECTOR  
OATH OF OFFICE**

32-1-901, C.R.S., and  
Colorado Constitution Article 12, §9

STATE OF COLORADO

DOUGLAS  
COUNTY

HIGHLANDS RANCH METRO DISTRICT NO.5

I, David C Vasquez, will faithfully support the Constitution of the United States and of the State of Colorado, and the laws made pursuant thereto, and will faithfully perform the duties of the office of Director of the Highlands Ranch Metro District, upon which I am about to enter.

David Vasquez  
(signature of oath taker)

**IF SWORN OR AFFIRMED BEFORE A NOTARY THE FOLLOWING SHOULD BE COMPLETED.**

STATE OF COLORADO )  
COUNTY OF Douglas ) ss.

Subscribed and sworn to before me this 19 day of May, 20 10.

5/13/2014  
(notary commission expiration)

[Signature]  
(notary signature)



**BOARD OF DIRECTOR  
OATH OF OFFICE**

32-1-901, C.R.S., and  
Colorado Constitution Article 12, §9

STATE OF COLORADO

DOUGLAS  
COUNTY

HIGHLANDS RANCH METRO DISTRICT NO.5

I, Stephen C. Ormiston, will faithfully support the Constitution of the United States and of the State of Colorado, and the laws made pursuant thereto, and will faithfully perform the duties of the office of Director of the Highlands Ranch Metro District, upon which I am about to enter.

Stephen C. Ormiston  
(signature of oath taker)

**IF SWORN OR AFFIRMED BEFORE A NOTARY THE FOLLOWING SHOULD BE COMPLETED.**

STATE OF COLORADO )  
COUNTY OF Douglas ) ss.

Subscribed and sworn to before me this 24 day of May, 2010.

February 21, 2012  
(notary commission expiration)

Diana Schorege  
(notary signature)

SEAL



My Commission Expires 2-21-2012

**DECLARATIONS**

**POLICY NO. 104162504**

Travelers Casualty and Surety Company of America  
Hartford, CT 06183

(Stock Insurance Company, herein called the Company)

This Policy consists of this Declarations Form, the Common Policy Conditions, the Crime General Provisions Form and the Coverage Forms indicated as applicable.

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

1. **NAMED INSURED:** HIGHLANDS RANCH METROPOLITAN DISTRICT #5
  
2. **MAILING ADDRESS:** 62 West Plaza Drive  
HIGHLANDS RANCH, CO 80126
  
3. **POLICY PERIOD:** From January 1, 2010 To January 1, 2013  
(12:01 A.M. Standard Time at your mailing address shown above))
  
4. **COVERAGE, LIMITS OF INSURANCE AND DEDUCTIBLE**

<u>Coverage Forms Forming Part of This Policy</u>	<u>Limit of Insurance</u>	<u>Deductible Amount</u>
Cvg Frm O - Public Emp. Dis. per Loss	\$10,000	\$500
Cvg Frm B - Forgery Alterations	Not Covered	
Cvg Frm C1 - Money & Sec on Premises	Not Covered	
Cvg Frm C2 - Money & Sec - Messenger	Not Covered	
Cvg Frm D1 - Other Property, Premises	Not Covered	
Cvg Frm D2 - Other Property, Messenger	Not Covered	
Cvg Frm F - Computer Fraud	Not Covered	

**5. ENDORSEMENTS FORMING PART OF THIS POLICY WHEN ISSUED:**

ILT-1018 09-04, IL-0228 10-89, CR-1026 10-90

**6. CANCELLATION OF PRIOR INSURANCE:**

By acceptance of this Policy, you give us notice canceling prior Policy or Bond Numbers  
The cancellation to be effective at the time this Policy becomes effective.

\_\_\_\_\_  
Countersigned By (if required)

~~Highlands Ranch Metropolitan District~~  
~~Board of Directors~~

Allen Dreher	(Chairman)	May 2010 to May 2014
Rick Owens	(Vice Chairman)	May 2010 to May 2014
Vicky Starkey	(Treasurer)	May 2008 to May 2012
Carolyn Schierholz		May 2010 to May 2014
Philip Cullen		May 2010 to May 2014
Nancy Smith		May 2008to May 2012
Amy Stuart		May 2010 to May 2012

Highlands Ranch Metropolitan District No. 5

Jeffrey F. Kappes	(Chairman)	May 2008 to May 2012
Steve Ormiston	(Vice Chairman)	May 2010 to May 2014
Terri Kershishnik	(Treasurer)	May 2008 to May 2012
John Kilrow	(Asst. Secretary)	May 2008 to May 2012
Dave Vasquez	(Asst. Secretary)	May 2010 to May 2014

## COMMON POLICY CONDITIONS

This policy is 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

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations 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:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

### 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

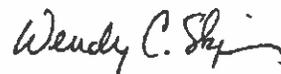
Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

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.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed by its authorized company officers at Hartford, CT.



Executive Vice President



Corporate Secretary

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## IMPORTANT NOTICE REGARDING COMPENSATION DISCLOSURE

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: [www.travelers.com/w3c/legal/Producer\\_Compensation\\_Disclosure.html](http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html)

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183.

**CRIME GENERAL PROVISIONS  
COMMERCIAL CRIME**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or 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.

Words and phrases in quotation marks are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, declarations or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Forms forming part of this policy.

**A. GENERAL EXCLUSIONS**

We will not pay for loss as specified below:

1. **Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
2. **Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
3. **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
  - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
  - b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
  - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
4. **Legal Expenses:** Expenses related to any legal action.
5. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
6. **War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

**B. GENERAL CONDITIONS**

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

- a. This insurance;
  - b. The Covered Property;
  - c. Your interest in the Covered Property; or
  - d. A claim under this insurance.
2. **Consolidation-Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
    - a. Any additional persons become "employees"; or
    - b. You acquire the use and control of any additional "premises";
 any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
    - a. Give us written notice within 30 days thereafter; and
    - b. Pay us an additional premium.
  3. **Coverage Extensions:** Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.
  4. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
  5. **Duties in the Event of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:
    - a. Notify us as soon as possible.
    - b. Submit to examination under oath at our request and give us a signed statement of your answers.
    - c. Give us a detailed, sworn proof of loss within 120 days.
    - d. Cooperate with us in the investigation and settlement of any claim.

**6. Joint Insured:**

- a. If more than one Insured is named in the Declarations, the first named insured will act for itself and for every other insured for all purposes of this insurance. If the first named insured ceases to be covered, then the next named insured will become the first named insured.
- b. If any insured or partner or officer of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every insured.
- c. An "employee" of any insured is considered to be an "employee" of every insured.
- d. If this insurance or any of its coverages is cancelled or terminated as to any insured, loss sustained by that insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one insured than the amount we would pay if all the loss had been sustained by one insured.

**7. Legal Action Against Us:** You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance; and
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

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

**9. Loss Covered Under More Than One Coverage of This Insurance:** If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss;
- b. The sum of the limits of insurance applicable to those coverages.

**10. Loss Sustained During Prior Insurance**

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:

(1) This insurance became effective at the time of cancellation or termination of the prior insurance; and

(2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

(1) This insurance as of its effective date; or

(2) The prior insurance had it remained in effect.

**11. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate:** If any loss is covered:

a. Partly by this insurance; and

b. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

**12. Non-Cumulation of Limit of Insurance:** Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

**13. Other Insurance:** This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

**14. Ownership of Property; Interests Covered:** The property covered under this insurance is limited to property:

a. That you own or hold; or

b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

**15. Policy Period:**

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

**16. Records:** You must keep records of all Covered Property so we can verify the amount of any loss.

**17. Recoveries:**

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

- (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
- (2) Then to us, until we are reimbursed for the settlement made;
- (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

- b. Recoveries do not include any recovery:

- (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (2) Of original "securities" after duplicates of them have been issued.

**18. Territory:** This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone, or Canada.

**19. Transfer of Your Rights of Recovery Against Others to Us:** You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**20. Valuation - Settlements:**

- a. Subject to the applicable Limit of Insurance provision we will pay for:

- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
  - (a) At face value in the "money" issued by that country; or
  - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

- (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

- (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
  - i. Value of the "securities" at the close of business on the day the loss was discovered; or
  - ii. Limit of Insurance.

- (3) Loss of, or loss from damage to, "property other than money and securities" or loss from damage to the "premises" for not more than the:

- (a) Actual cash value of the property on the day the loss was discovered;
- (b) Cost of repairing the property or "premises"; or
- (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

- b. We may, at our option, pay for loss of, or loss from damage to, property other than "money":
  - (1) In the "money" of the country in which the loss occurred; or
  - (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- c. Any property that we pay for or replace becomes our property.

**C. GENERAL DEFINITIONS**

**1. "Employee" means:**

- a. Any natural person:
  - (1) While in your service (and for 30 days after termination of service); and
  - (2) Whom you compensate directly by salary, wages or commissions; and
  - (3) Whom you have the right to direct and control while performing services for you; or
- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

**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. "Property Other Than Money and Securities" means any tangible property other than "money" and "securities" that has intrinsic value but does**

not include any property listed in any Crime Coverage Form as Property Not Covered.

**4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other 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".



Executive Vice President



Corporate Secretary

**PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM**  
(COVERAGE FORM O-PER LOSS)

**A. COVERAGE**

We will pay loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "securities", and "property other than money and securities".
2. **Covered Cause of Loss:** "Employee dishonesty".
3. **Coverage Extension**

**Employees Temporarily Outside Coverage Territory:** We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

**B. LIMIT OF INSURANCE**

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

**C. DEDUCTIBLE**

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.
2. You must:
  - a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.
  - b. Upon our request, give us a statement describing the loss.

**D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS:** In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss or damages as specified below:
  - a. **Employee Cancelled Under Prior Insurance:** loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
  - b. **Inventory Shortages:** loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (1) An inventory computation; or
    - (2) A profit and loss computation.
  - c. **Bonded Employee:** loss caused by any "employee" required by law to be individually bonded.

d. **Treasurer or Tax Collector:** loss caused by a treasurer or tax collector by whatever name known.

e. **Damages:** damages for which you are legally liable as a result of:

- (1) the deprivation or violation of the civil rights of any person by an "employee"; or
- (2) the tortious conduct of an "employee", except conversion of property of other parties held by you in any capacity.

**2. Additional Conditions:****a. Cancellation As To Any Employee:**

This insurance is cancelled as to any "employee":

(1) Immediately upon discovery by you or any official or employee authorized to manage, govern or control your employees, of any dishonest act committed by that "employee" whether before or after becoming employed by you.

(2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

b. **Sole Benefit:** This insurance is for your sole benefit. No legal proceeding of any kind to recover on account of loss under this coverage may be brought by anyone other than you.

c. **Indemnification:** We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against loss through dishonest acts of persons who serve under them, subject to the Limit of Insurance.

**3. Additional Definitions**

a. **"Employee Dishonesty"** in paragraph A.2. means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

(1) Cause you to sustain loss; and also

(2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:

(a) The "employee"; or

(b) Any person or organization intended by the "employee" to receive that benefit.

b. **"Occurrence"** means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**COLORADO CHANGES**

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- BUSINESSOWNERS POLICY
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph 2. of the CANCELLATION Common Policy Condition is replaced by the following:

- 2. If this policy has been in effect for less than 60 days, 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.

B. The following is added to the CANCELLATION Common Policy Condition:

- 7. Cancellation of Policies in Effect for 60 days or More
  - a. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issue, we may cancel this policy by mailing through first-class mail to the first Named Insured written notice of cancellation:
    - (1) Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
    - (2) At least 45 days before the effective date of cancellation if we cancel for any other reason.

We may only cancel this policy based on one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) A false statement knowingly made by the insured on the application for insurance; or
- (3) A substantial change in the exposure or risk

other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

C. The following is added and supersedes any other provision to the contrary:

**NONRENEWAL**

If we decide not to renew this policy, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the non-renewal at least 45 days before the expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

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

D. The following Condition is added:

**INCREASE IN PREMIUM OR DECREASE IN COVERAGE**

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

- 1. Nonpayment of premium;
- 2. A false statement knowingly made by the insured on the application for insurance; or

3. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such

change.

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

**ISSUED BY:** Travelers Casualty and Surety Company of America

**POLICY NO:** 104162504

**ISSUED TO:** HIGHLANDS RANCH METROPOLITAN DISTRICT #5

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INCLUDE SPECIFIED NON-COMPENSATED OFFICERS AS EMPLOYEES**

This endorsement applies to the CRIME GENERAL PROVISIONS and all Crime Coverage Forms forming part of the Policy.

**A. SCHEDULE**

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**Names or Titles of Non-Compensated Officers**

**B. PROVISIONS**

"Employee" also includes your non-compensated officers shown in the SCHEDULE.



## **IMPORTANT DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE**

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of covered losses caused by certain acts of international terrorism. We are providing you with this notice to inform you of the key features of the Act, and to let you know what effect, if any, the Act will have on your premium.

Under the Act, insurers are required to provide coverage for certain losses caused by international acts of terrorism as defined in the Act. The Act further provides that the Federal Government will pay a share of such losses. Specifically, the Federal Government will pay 90% of the amount of covered losses caused by certain acts of terrorism which is in excess of an insurer's statutorily established deductible for that year. The Act also caps the amount of terrorism-related losses for which the Federal Government or an insurer can be responsible at \$100,000,000,000.00, provided that the insurer has met its deductible.

Please note that passage of the Act does not result in any change in coverage under the attached policy or bond (or the policy or bond being quoted). Please also note that no separate additional premium charge has been made for the terrorism coverage required by the Act. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium, and is no more than one percent of your premium.