

NOTICE OF CANCELLATION

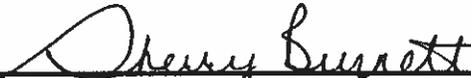
1-5-208(1.5), 32-1-104, C.R.S.

NOTICE IS HEREBY GIVEN by the Pawnee Fire Protection District, Weld 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:

Randy Chapin 4 year term until May, 2012

Darrel Knuppel 4 year term until May, 2012


(Signature of the Designated Election Official)

Sherry Burnett
(DEO's Printed Name)

Contact Person for the District: Sherry Burnett
Telephone Number of the District: 970-895-2237
Address of the District: 319 Chatoga P.O. Box 66 Grover, CO 80729
District Facsimile Number: 970-895-2237

WESTERN SURETY COMPANY - ONE OF AMERICA'S OLDEST BONDING COMPANIES



Bond No. 70888427

Western Surety Company

DISHONESTY BOND

Item 1. Name of Insured: Pawnee Fire Protection District

Principal Address 319 Chatoga Ave., Grover, CO 80729

(the "Insured")

Item 2. Bond Period: From noon on the 08 day of March, 2010, to noon on the effective date of the cancellation or termination of this Bond, standard time, at the Principal Address as to each of said dates.

Item 3. Limit of liability: \$ 5,000.00

INSURING AGREEMENT

The Underwriter, in consideration of the payment of the premium, and subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations, and other terms of this Bond, agrees to indemnify the Insured against any loss of money or other property which the Insured shall sustain or for which the Insured shall incur liability through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others, the amount of indemnity on each of such Employees being the amount stated in Item 3 of the Declarations.

GENERAL AGREEMENTS

CONSOLIDATION-MERGER

A. If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees, the Insured shall give the Underwriter written notice thereof and shall pay an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

JOINT INSURED

B. If more than one Insured is covered under this Bond, the Insured first named shall act for itself and for every other Insured for all purposes of this Bond. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 6, 7, and 12, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Section 12 shall apply to every Insured. If, prior to the cancellation or termination of this Bond in its entirety, this Bond is cancelled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within two years from the date of such cancellation or termination. The liability of the Underwriter for loss sustained by any or all of the Insured shall not exceed the amount for which the Underwriter would be liable had all such loss been sustained by any one of the Insured. Payment by the Underwriter to the Insured first named of any loss under this Bond shall fully release the Underwriter on account of such loss. If the Insured first named ceases for any reason to be covered under this Bond, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Bond.

LOSS UNDER PRIOR BOND OR POLICY

C. If the coverage of this Bond is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the Underwriter agrees that this Bond applies to loss which is discovered as provided in Section 1 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

- (1) the indemnity afforded by this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by this Bond;
- (2) such loss would have been covered under this Bond had this Bond with its agreements, limitations and conditions as of the time of such substitution been in force when the acts or defaults causing such loss were committed; and
- (3) recovery under this Bond on account of such loss shall in no event exceed the amount which would have been recoverable under this Bond in the amount for which it is written as of the time of such substitution, had this Bond been in force when such acts or defaults were committed, or the amount which would have been recoverable under such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

THE FOREGOING INSURING AGREEMENT AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

BOND PERIOD, TERRITORY, DISCOVERY

Section 1. Loss is covered under this Bond only if discovered not later than two years from the end of the Bond Period.

Subject to General Agreement C, this Bond applies only to loss sustained by the Insured through fraudulent or dishonest acts committed during the Bond Period by any of the Employees engaged in the regular service of the Insured within any of the States of the United States of America, the District of Columbia, Virgin Islands, Puerto Rico, Canal Zone or Canada or while such Employees are elsewhere for a limited period.

EXCLUSION

Section 2. This Bond does not apply to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation.

DEFINITION OF EMPLOYEE

Section 3. As used in this Bond, "Employee" means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business during the Bond Period and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. The words "while in the regular service of the Insured" shall include the first 30 days thereafter; subject, however, to Sections 12 and 13.

LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES

Section 4. If a loss is alleged to have been caused by the fraud or dishonesty of any one or more of the Employees and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of this Bond, subject to the provisions of Section 2 of this Bond, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said Employees, and provided, further, that the aggregate liability of the Underwriter for any such loss shall not exceed the amount stated in Item 3 of the Declarations.

OWNERSHIP OF MONEY OR OTHER PROPERTY

Section 5. The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable.

PRIOR FRAUD, DISHONESTY OR CANCELLATION

Section 6. The coverage of this Bond shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of this Bond, any fidelity insurance in favor of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been cancelled as to any of such Employees by reason of the giving of written notice of cancellation by the insurer issuing such fidelity insurance, whether the Underwriter or not, and if such Employees shall not have been reinstated under the coverage of such fidelity insurance or superseding fidelity insurance, the Underwriter shall not be liable on account of such Employees unless the Underwriter shall agree in writing to include such Employees within the coverage of this Bond.

LOSS-NOTICE-PROOF-ACTION AGAINST UNDERWRITER

Section 7. Upon knowledge or discovery of loss under this Bond, the Insured shall: (a) give notice thereof as soon as practicable to the Underwriter or any of its authorized agents, and (b) file detailed proof of loss, duly sworn to, with the Underwriter within four months after the discovery of loss.

Upon the Underwriter's request, the Insured shall produce for the Underwriter's examination all pertinent records, at such reasonable times and places as the Underwriter shall designate, and shall cooperate with the Underwriter in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Underwriter unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Bond, nor until ninety days after the required proofs of loss have been filed with the Underwriter, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice or loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Bond, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

RECOVERIES

Section 8. If the Insured shall sustain any loss covered by this Bond which exceeds the amount of indemnity provided by this Bond, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Underwriter) by whomsoever made, on account of such loss under this Bond until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Underwriter.

LIMIT OF LIABILITY

Section 9. Regardless of the number of years this Bond shall continue in force and the number of premiums which shall be payable or paid, the limit of liability stated in Item 3 of the Declarations shall not be cumulative from year to year or period to period.

LIMIT OF LIABILITY UNDER THIS BOND AND PRIOR INSURANCE

Section 10. With respect to loss caused by any Employee or which is chargeable to any Employee as provided in Section 4 and which occurs partly during the Bond Period and partly during the period of other bonds or policies issued by the Underwriter to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Underwriter under this Bond and under such other bonds or policies shall not exceed, in the aggregate, the amount stated in Item 3 of the Declarations or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

OTHER INSURANCE

Section 11. If there is available to the Insured any other insurance or indemnity covering any loss covered by this Bond, the Underwriter shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity.

CANCELLATION AS TO ANY EMPLOYEE

Section 12. This Bond shall be deemed cancelled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee; or (b) at noon, standard time as aforesaid, upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Underwriter of notice as aforesaid to the Insured at the address shown in this Bond shall be sufficient proof of notice. Delivery of such written notice by the Underwriter shall be equivalent to mailing.

CANCELLATION OF BOND

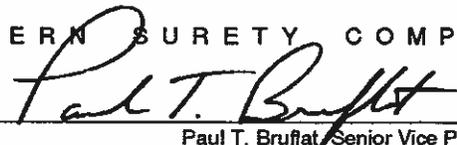
Section 13. This Bond may be cancelled by the Insured by mailing to the Underwriter written notice stating when thereafter the cancellation shall be effective. This Bond may be cancelled by the Underwriter by mailing to the Insured at the address shown in this Bond written notice stating when, not less than fifteen days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice either by the Insured or by the Underwriter shall be equivalent to mailing.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Underwriter cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

Dated this 09 day of March, 2010.

WESTERN SURETY COMPANY

By



Paul T. Bruffat, Senior Vice President



Western Surety Company

RIDER

It is hereby mutually agreed and understood by and between the Insured and Western Surety Company, that instead of as originally written:

The definition of Employee found in Section 3 of the bond be amended to read as follows:

The coverage on all officers, employees, and members, except the President, Vice President, Treasurer and Two (2) Board Members, is hereby excluded.

No further changes other than above.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limits or conditions of the bond, except as hereinabove set forth.

This Rider becomes effective on the 8th day of March, 2010, at twelve and one minute o'clock a.m., standard time.

Attached to and forming part of bond No. 70888427 issued by WESTERN SURETY COMPANY of Sioux Falls, South Dakota, to Pawnee Fire Portection District

Signed this 9th day of March, 2010.

WESTERN SURETY COMPANY
By Paul T. Bruflat
Paul T. Bruflat, Senior Vice President

