

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY**  
 MADISON, WISCONSIN 53783-0001  
**NON-PROFIT DIRECTORS AND OFFICERS LIABILITY POLICY**  
**DECLARATIONS**

**POLICY NUMBER**  
05XU172703

**CUSTOMER BILLING ACCOUNT**  
018-852-003 91

**NOTICE** THIS IS A CLAIMS-MADE POLICY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

**NAMED ORGANIZATION** SAND CREEK VILLAS COMMUNITY ASSOCIATION INC

**MAILING ADDRESS** PO BOX 25696  
COLORADO SPGS, CO 80936-5696

**POLICY PERIOD** FROM 05-01-2016 TO 05-01-2017  
12:01 A.M. Standard Time at your mailing address shown above.

**FORM OF BUSINESS** CORPORATION  
**BUSINESS DESCRIPTION** Condominium Association - Residential

**LIMIT OF LIABILITY**  
Aggregate for Coverage A, B and C, including "claims expenses" \$1,000,000

**RETENTION AMOUNTS**  
Coverage A (each claim) \$1000  
Coverage B (each claim) \$1000  
Coverage C (each claim) \$1000

**RETROACTIVE DATE**  
THIS INSURANCE DOES NOT APPLY TO A "CLAIM" ARISING OUT OF A "WRONGFUL ACT" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW.

RETROACTIVE DATE (Coverages A and B): 05-01-2013  
RETROACTIVE DATE (Coverages C): 05-01-2013

**PENDING OR PRIOR LITIGATION DATE**  
PENDING OR PRIOR DATE (Coverages A and B): 05-01-2013  
PENDING OR PRIOR DATE (Coverages C): 05-01-2013

**EXTENDED REPORTING PERIOD**  
ADDITIONAL PERIOD (Number of Months) None unless added by endorsement to the policy.

**TOTAL DIRECTORS AND OFFICERS PREMIUM** \$77.00  
**TOTAL ADVANCE PREMIUM** \$125.00 MINIMUM

Forms and endorsements applying to and made part of this policy at time of issue:

IL 09 85 01 15	IL 75 26 12 05	NP 00 00 12 05
NP 00 01 12 05	NP 00 03 10 06	NP 02 28 10 06
NP 21 10 04 03	NP 21 12 04 03	NP 21 15 01 15
NP 28 02 04 03	NP 28 05 04 03	NP 71 02 12 05
NP 71 03 12 05	NP 71 04 12 05	NP 71 07 12 05

AUTHORIZED REPRESENTATIVE

*Jack Samuel*  
President

*[Signature]*  
Secretary

COUNTERSIGNED  
LICENSED RESIDENT AGENT

**AGENT** 213-306  
BOB MONROE  
3472 RESEARCH PKWY STE 103  
COLORADO SPRINGS, CO 80920-1066

**PHONE**  
719-282-6767  
719-260-7775

**PAGE** 01  
**BRANCH** UNATRE RENW  
**ENTRY DATE** 02-03-2016

POLICY NUMBER: 05XU172703

IL 09 85 01 15

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE
<p><b>SCHEDULE - PART I</b>  Terrorism Premium (Certified Acts) \$ _____</p> <p>This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):</p> <p>Additional information, if any, concerning the terrorism premium:</p>
<p><b>SCHEDULE - PART II</b>  Federal share of terrorism losses ____ % Year: 20 ____  (Refer to Paragraph B. in this endorsement.)</p> <p>Federal share of terrorism losses ____ % Year: 20 ____  (Refer to Paragraph B. in this endorsement.)</p> <p>Federal share of terrorism losses is 85% through 2015; 84% beginning January 1, 2016; 83% beginning January 1, 2017; 82% beginning January 1, 2018; 81% beginning January 1, 2019 and 80% beginning January 1, 2020.</p> <p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

**A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

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.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM  
COMMITTED OUTSIDE THE UNITED STATES**

This endorsement modifies insurance provided under the NON-PROFIT DIRECTORS AND OFFICERS LIABILITY policy:

**A.** The following exclusion is added to the **Exclusions** Section:

We will not pay for any "loss" resulting from any "claim" based upon, attributable to, or arising directly or indirectly, out of a "certified act of terrorism" or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico). However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in US dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

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

1. "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;
  - b. The act resulted in damage:
    - (1) Within the United States (including its territories and possessions and Puerto Rico); or
    - (2) Outside of the United States in the case of:
      - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
      - (b) The premises of any United States mission; and
  - c. 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.
2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".  
Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

**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 any "loss" resulting from any "claim" that is otherwise excluded under this Coverage Part.