



4001 Miller Road
Wilmington, DE 19802
www.rockwoodinsurance.com

March 9, 2004

Tony Howard
Avi-8-Cando

VIA FACSIMILE: 707-725-6705/707-725-6705/775-722-2452

Re: **Aviation Community Advisory and New Development Organization, Inc.**

Dear Tony Howard:

We are in receipt of the above referenced application for Not-For-Profit Management Liability Insurance from your company. Based on the information provided, we are offering the following Limits of Liability and Deductibles:

Limit per Claim	Aggregate Limit	\$500 Deductible	\$1,000 Deductible	\$2,500 Deductible	\$5,000 Deductible	RPG Fee
\$1,000,000	\$1,000,000	N/A	\$1,142	\$1,038	\$987	\$25

If accepted, your policy will be underwritten by **Carolina Casualty Insurance Company**, an admitted carrier. Commission on our Non-Profit product is 10%

Premium Includes 3% Charge For Terrorism Risk Insurance Coverage. Please Indicate Prior To Binding By Completing The Enclosed Policyholder Disclosure Form If Coverage Is Desired. If Not, Terrorism Exclusion Will Be Attached To The Policy.

Policy Form **Carolina Casualty Insurance Co. NP 23505 8/99** with the following endorsements:

In order to proceed with the underwriting process, we need to secure the following additional information as indicated by an "X".

- Please Mail Completed Original Signed/Dated CC NFP Application. Please Note the Signature Date Must Be Within 30 Days of the Effective Date.
- Audited Financial Statements/990 Tax Return Form
- Payment of the Premium
- Please Fax Copy of Your Agency's Agent/Broker License.
- Other: Terrorism Insurance Disclosure Form Must Be Signed/Dated By Authorized Representative Either President, Chairman Of Board Of Directors, Chief Executive Director or Executive Director.
Quotation Based Upon Claim Free Loss History

Brian Sweeney
Voice: 302-765-6017 Fax: 302-764-9125

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002, that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, 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. Coverage under your policy may be affected as follows:

YOU SHOULD KNOW THAT COVERAGE THAT MAY BE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM, AS DEFINED UNDER THE ACT, IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY THE ACT. UNDER THIS FORMULA, THE UNITED STATES PAYS 90% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

UNDER FEDERAL LAW, YOU MAY SELECT OR REJECT THIS OFFER OF COVERAGE FOR ACTS OF TERRORISM, AS DEFINED IN THE ACT. IF YOU SELECT COVERAGE, YOU MUST SUBMIT THE PREMIUM REQUIRED. IF YOU REJECT COVERAGE, YOU WILL NOT BE COVERED FOR LOSSES ARISING FROM ACTS OF TERRORISM, AS DEFINED IN THE ACT.

- I hereby elect to purchase coverage, subject to the limitations of the Act, for acts of terrorism, as defined in the Act, for a premium of (see attached quote letter).
- I hereby elect to have the endorsement that excludes coverage for acts of terrorism, as defined in the Act, endorsed to my policy. I understand that I will have no coverage for losses arising from acts of terrorism, as defined in the Act, and that they are specifically excluded from my policy.

_____ Policyholder/Applicant's Signature	Aviation Community Advisory and New Development Organization, Inc. _____ Insured Name
_____ Print Name	Carolina Casualty Insurance Company _____ Insurance Company
_____ Date	621289 / 1 _____ Quote Number