

**THE 3-TRAILS COMMUNITY IMPROVEMENT DISTRICT**

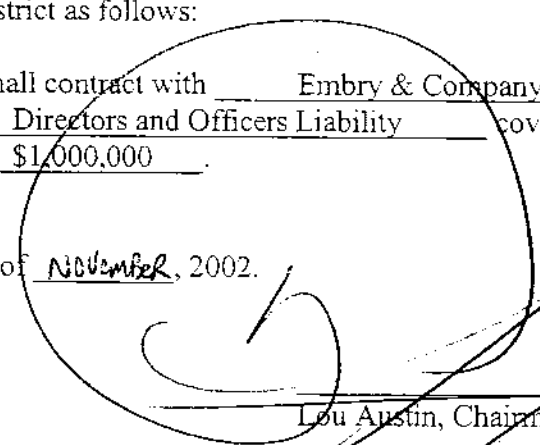
**RESOLUTION OF THE 3-TRAILS COMMUNITY IMPROVEMENT DISTRICT TO CONTRACT FOR INSURANCE COVERAGE AND AUTHORIZING THE EXECUTION OF CONTRACT BETWEEN THE DISTRICT AND EMBRY & COMPANY.**

WHEREAS, the Board of Directors of the 3-Trails Community Improvement District (the "District") desires to contract for insurance coverage with Embry & Company.


NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the 3-Trails Community Improvement District as follows:

1. The District shall contract with Embry & Company for the purpose of providing Directors and Officers Liability coverage(s) in the amount(s) not less than \$1,000,000.

Adopted this 18 day of November, 2002.

  
Lou Austin, Chairman (11/18/02)

ATTEST:

  
Craig Fischman, Secretary

**COMMERCIAL INSURANCE PROPOSAL**  
**FOR**  
**3 TRAILS COMMUNITY DEVELOPMENT**

AS PRESENTED BY:

CHARLES M. HERMAN  
KEVIN O'BRIEN  
EMBRY & COMPANY  
104 WEST 9TH STREET, 200  
KANSAS CITY, MO 64105  
816/421-5155  
816/421-1736 (FAX)  
charlesh@embryo.com  
November 13, 2002

**PUBLIC OFFICIALS / DIRECTORS & OFFICERS LIABILITY**  
Including Employment Practices Liability Coverage

**COVERAGE:** This form of insurance coverage is personal insurance protection against financial loss resulting from claims alleging executive malpractice, stemming from decisions made by the Public Officials/Board Members. A single policy covers all Public Officials/Board Members as a group and also protect the entity to the extent it must indemnify the Public Officials/Board Members in its By-Laws or Charter, or under Common or Statutory Law. In addition, this form of insurance covers defense costs and damages for claims arising from Wrongful Employment Practices such as Sexual Harassment, Discrimination and Wrongful Discharge.

**INSURER:** Royal Indemnity Insurance Company  
(A.M. Best Rating A- XV)

**LIMIT OF LIABILITY:** \$1,000,000 Per Loss/Annual Aggregate

**DEFENSE EXPENSES:** Included within the limit of liability shown above.

**DEDUCTIBLE:** \$ 0-Each Public Official/Board Member including defense costs  
\$ 5,000-Company Reimbursement including defense costs  
\$ 5,000-Entity Coverage including defense costs  
\$10,000-Employment Practices Liability including defense costs

**FORM:** Claims Made

**RETRO DATE:** Full Prior Acts (if unknown at policy inception)

**TERMS & CONDITIONS:** 1.Prior and Pending Litigation Exclusion-Any known current or prior claim is excluded.  
2.Professional E&O Exclusion-applies only to Professional services as Accountants, Lawyers, Nurses or Doctors, Architects or Engineers.

**PREMIUM:** \$5,000