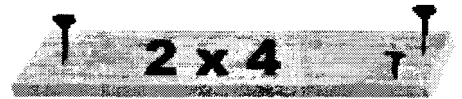




SIoux FALLS

101 South Phillips Avenue, P.O. Box 5077
Sioux Falls, SD 57117-5077

agent 1-888-854-9953



Contract Bond Application

Bonds for Contracts up to \$200,000 Single or \$400,000 Aggregate Line

INSTRUCTIONS

- 1) This Application must be fully completed to avoid any processing delays, including providing all requested FINANCIAL DATA (page 3).

We will require:

- **The last Fiscal Year End Accrual Financial Statement for the company.** (We will consider tax returns with schedules of payables and receivables, as a substitute.)
- **Current personal financial statements for the owners.** (We prefer that those statements are concurrent with the company statement. Include supporting bank and marketable securities statements for verification purposes.)

** Please discuss with the applicant(s) the use of personal credit history to facilitate the underwriting review process.

- 2) **GENERAL INDEMNITY AGREEMENT (Page 4)** — This is part of the application and must be signed on behalf of the company as Principal and the business owners and their spouses as Indemnitors. No bond can be issued without a properly completed General Indemnity Agreement.
- 3) This application is **not** intended for:
 - a) Single Contract over \$200,000 or Aggregate Line over \$400,000.
 - b) Contracts in connection with Asbestos Abatement, Completion, Subdivision, Hazardous Materials, Multi-Year, Site Improvement, Service, or Stand Alone Maintenance Contracts. (See Definitions below.)
- 4) **Already prequalified?**
Only the Contractor Data (Company Name) and Specific Bond Request Data sections (page 2) are required when applying for a bond for a prequalified contractor under this 2 x 4 Contract Bond program.

DEFINITIONS

Accrual Accounting — Recognizing revenues and expenditures as they occur, rather than when actual payment is received or made (as in the cash accounting method).

Aggregate Line — Total contract amounts left to bill for performance bonds and estimated contract amount for open bids.

Asbestos Abatement — Removal of asbestos from a structure or building.

Bid Results — Bid tabulations of all bidders for the particular project.

Completion — Surety guarantees to the lender that if the principal fails to perform, the surety will complete the project according to the plan and given time limit.

Hazardous Materials — Activities that have a long-term and gradual adverse effect on the environment.

Multi-Year Contracts — Contract obligation more than one year.

Service Contracts — Contracts that cover useful labor that does not produce a tangible commodity.

Site Improvement — Guarantees the completion of improvements in the future and/or specified time as required by the obligee/ordinance. The bond may be required as a condition of occupancy.

Stand Alone Maintenance — Provides coverage for defective workmanship or faulty materials discovered after the project has been completed and accepted, when a performance bond was not required.

Subdivision — A parcel of land divided into blocks, lots, or plats for immediate or future use or sale or for building developments.



CONTRACTOR DATA

Contract Bond Application

Type of Business: [] Partnership [] (S) Corporation [] (C) Corporation [] Sole Proprietorship [] LLC [] LLP
Date Started in Business
Company Name
Company Address
City State Zip Phone
Company Phone No. () Company Fax No. () E-mail Address
List Subsidiaries or Affiliates:

SPECIFIC BOND REQUEST DATA

If prequalification only, check here [] , and skip the rest of this section.

Anticipated Start Date Time for Completion Maintenance Period
Obligee (Who is requiring the contractor get a bond?)
Obligee Address City State Zip
Job Description
How much and what work will be subcontracted?
Is additional equipment needed to perform this job? Yes No
If Yes, Cost \$ How Financed? Leased Purchase. What are the terms?
*This Application is not intended for use in connection with Asbestos Abatement, Completion, Subdivision, Hazardous Materials, Multi-Year Contracts, Site Improvement, Service Contracts, or Stand Alone Maintenance Contracts. (See Definitions on page 1.)

Check and Complete:

(check one only)

[] Bid Bond: What is the bid date? Estimated total amount of bid: \$
Bid Bond % amount OR, if flat amount, \$

OR

[] Performance & Payment Bond [] Supply Bond [] Subcontractor Performance & Payment Bond
Contract Price \$ Contract Date (Date when contract is signed)

Next two lowest bidders (If truly negotiated, check box)
1. \$ 2. \$

Status of Prior Bid or Performance Bonds:

Bond No. Bid Awarded: Yes No Bond No. Bid Awarded: Yes No

BOND FORM DATA

(check one)

[] CNA Form [] Obligee Form (Send copy for review) [] AIA Form [] State Form (Send copy for review) [] Federal Contract #

Do you wish to execute this bond in your office? Yes No State of Incorporation

Name of Licensed Agent who will sign the bond for this job

OWNER DATA / INDEMNITORS

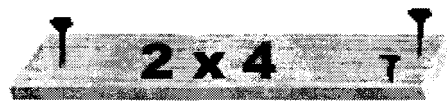
(Provide the information below on all owners, officers and/or partners of the company; use additional sheet if necessary)

Name Title % of Business Ownership Home Address City/State/Zip SS# DOB Spouse Name SS# DOB

AGENCY DATA

Agency Name Chase Carmen Hunter Date
Agency Code Agency Phone 5403719553 Agency Fax 7039975999

Any person who knowingly and with intent to defraud any insurance company or person files an application containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime under applicable law. The applicants and indemnitors certify the truth of all statements in the application and authorize the Company to verify this information and to obtain additional information from any source including obtaining a credit report.



EXPERIENCE DATA

Contract Bond Application

List the three largest contracts completed in the last five years:

Owner	Kind of Work and Location	Approximate Contract Price	Year Completed	Final Gross Profit

List the two largest jobs you presently have underway, giving the following information:

Owner or General	Kind of Work and Location	Contract Price	Amount Billed	Estimated Gross Profit	Date to be Completed

OPERATIONS DATA

Liability Insurance Company and Limits _____ Expiration Date ____ / ____ / ____

- Type of trades you perform: _____
- Territory in which you perform work (present and planned) _____
- Trades subcontracted: _____
- What percentage of an average job is Labor? _____ Material? _____ Subcontracted? _____

FINANCIAL DATA

Please submit the following:

- The last Fiscal Year End Accrual Financial Statement for the company.** (We will consider tax returns with schedules of payables and receivables, as a substitute.)
- Current personal financial statements for the owners.** (We prefer that those statements are concurrent with the company statement. Include supporting bank and marketable securities statements for verification purposes.)

GENERAL DATA

Disputes, Financial Difficulties, Problems, Etc.	Company	Any officer, owner or partner
a. Failed in business or declared bankruptcy?	Yes ___ No ___	Yes ___ No ___
b. Failed to complete a job or been assessed with delay damages? ..	Yes ___ No ___	Yes ___ No ___
c. Been in claim with a Surety?	Yes ___ No ___	Yes ___ No ___
d. Been involved in any lawsuits in the last 5 years?	Yes ___ No ___	Yes ___ No ___
e. Been involved in any disputes in the last 5 years?	Yes ___ No ___	Yes ___ No ___
f. Been delinquent in payment of any taxes?	Yes ___ No ___	Yes ___ No ___
g. Do you have any corporate or personal assets held in trust or escrow accounts?	Yes ___ No ___	Yes ___ No ___
h. Are any business or personal assets restricted or pledged for any purpose (i.e. collateral for a loan, etc.)?	Yes ___ No ___	Yes ___ No ___
i. Were you bonded in the past - By whom?	Yes ___ No ___	Yes ___ No ___
j. Denied bonding in last three years?	Yes ___ No ___	Yes ___ No ___

Explain all "yes" answers fully below or attach explanation

GENERAL INDEMNITY AGREEMENT

(FT Edition 2000)

THIS AGREEMENT is made by the undersigned Principal(s) (signing below as the "Company") and Indemnitor(s), all of which are individually and collectively referred to as "Undersigned," for the continuing benefit of Surety in connection with any Bond executed on behalf of any Indemnitor or any Principal.

DEFINITIONS. The following terms shall have the following definitions in this Agreement:

Bond: Any surety bond, undertaking, or other express or implied obligation of guaranty of suretyship executed or committed to by Surety on, before or after this date, and any riders, endorsements, extensions, continuations, renewals, substitutions, increases or decreases in penal sum, reinstatements or replacements thereto.

Principal: The person(s) and entity(ies), for whom any Bond is issued or committed to by Surety, or any one or combination thereof, or their successors in interest, whether alone or in joint venture with others named herein or not named herein, and any person or entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with any party to this Agreement.

Surety: Any and all of Western Surety Company, Universal Surety of America, their respective reinsurers, and any other person or entity which may act as surety or co-surety on any Bond, or any other person or entity who executes any Bond at its request.

INDEMNITY. The Undersigned:

- A. Agrees to defend, indemnify, and save harmless Surety from and against any and all demands, liabilities, costs, penalties, obligations, interest, damages and expenses of whatever nature of kind, including but not limited to attorneys' fees (including those of both outside and in-house attorneys) and costs and fees incurred in investigation of claims or potential claims, adjustment of claims, procuring or attempting to procure the discharge of Bond, or attempting to recover losses or expenses from the Undersigned or third parties, whether Surety shall have paid out any such sums; and
- B. Agrees to pay Surety all premiums on Bonds issued by Surety on behalf of any Principal, in accordance with Surety's rates in effect when each payment is due. Premiums on contract bonds are based on the contract price, without reference to the penal sum of the Bond, and shall be adjusted due to changes in the total contract price. On any Bond where Surety charges an annual premium, such annual premium shall be due upon execution of the Bond and upon the renewal or anniversary date of such Bond until satisfactory evidence of termination of Surety's liability as a matter of law under the Bond is furnished to Surety's satisfaction; and
- C. Agrees that in furtherance of such indemnity:
 - i) In any claim or suit arising out of or related to either or both any Bond and this Agreement, an itemized statement of Surety's loss and expense, sworn to by a representative of Surety, or other evidence of disbursement by Surety, shall be prima facie evidence of the fact and extent of Undersigned's liability under this Agreement.
 - ii) Surety shall have the right to defense and indemnity regardless of whether Surety has made any payment under any Bond.
 - iii) In any suit between any Undersigned or Principal and Surety under this agreement or arising out of any Bond, Surety may recover its further expenses and attorneys' fees incurred in such suit either or both defending or prosecuting such suit.

GENERAL PROVISIONS. The Undersigned further agrees as follows:

- A) If a claim or demand for performance of any obligation under any Bond is made against Surety, Undersigned, upon Surety's demand, shall immediately deposit with Surety United States legal currency, as collateral security, in an amount equal to the reserves posted by Surety with respect to such claim or demand, plus an amount equivalent to Surety's estimate of its anticipated expenses and attorneys' fees to be incurred in connection therewith. Undersigned acknowledges and agrees that Surety shall be entitled to specific performance of this paragraph.
- B) Undersigned's obligations under this Agreement are joint and several. Repeated actions under this Agreement or as otherwise permitted may be maintained by Surety without any former action operating as a bar to any subsequent action. Surety's release of any one Undersigned shall not release any other Undersigned. No action or inaction of Surety with respect to anyone other than Undersigned shall relieve the Undersigned of any obligation owned under this Agreement. Undersigned shall not be released from liability under this Agreement because of the status, condition, or situation of any party to this Agreement or any Principal.
- C) If the execution of this Agreement by any Undersigned is defective or invalid for any reason, such defect or invalidity shall not affect the validity hereof as to any other Undersigned. Should any provision of this Agreement be held invalid, the remaining provisions shall retain their full force and effect.
- D) Undersigned waives any defense that this instrument was executed subsequent to the date of any Bond and acknowledges that such Bond was executed pursuant to Undersigned's request and in reliance on Undersigned's promise to execute this Agreement. Undersigned understands and agrees that this Agreement is a continuing agreement to indemnify over an indefinite period.
- E) Undersigned has the right to review all Bonds executed by Surety for errors and omissions prior to delivery of the Bond to the obligee, and hereby waives any claim against Surety arising out of any such error or omission.
- F) Surety shall have the right in its sole discretion to decide whether any claims arising out of or related to any Bond shall be paid, compromised, defended, prosecuted or appealed regardless of whether or not suit is actually filed or commenced against Surety upon such claim. Absent Surety's intentional wrongdoing, Undersigned agrees to be conclusively bound by Surety's determination.
- G) Surety may decline to execute any Bond for any reason and shall not be liable to Undersigned, or any person or entity, as a result of such declination.
- H) Undersigned may terminate liability to Surety under this Agreement ONLY by sending written notice by registered mail of intent to terminate to Surety, in care of Western Surety Company, P.O. Box 5077, Sioux Falls, South Dakota 57117-5077. Termination will be effective twenty days after actual receipt of such notice by Surety, only for Bonds signed or committed to by Surety after the effective date.
- I) Undersigned understands and agrees that other than for the entity issuing a Bond, no other entity included within definition of the "Surety" in this Agreement assumes any obligation whatsoever with respect to either this Agreement or such Bond.
- J) A facsimile of this Agreement shall be considered an original and shall be admissible in a court of law to the same extent as an original copy.

Dated: _____, _____, _____
(Month) (Day) (Year)

Company Name (Print): _____

Signature X _____

(Person authorized to sign for the company) Name: _____ Title: _____

Indemnitors:

Signature X _____

(Indemnitor) Print Name here: _____

Signature X _____

(Spouse) Print Name here: _____

Signature X _____

(Indemnitor) Print Name here: _____

Signature X _____

(Spouse) Print Name here: _____

Fax or email back to Chase Carmen Hunter
Fax: 1-703-997-5999
Email: Chase@ChaseAgency.com
Phone: 1-888-854-9553 ext 112
4 Peace Pipe Lane
Fredericksburg, VA 22401