



Instructions for a company owner completing the General Indemnity Agreement IL-GIA (03-12) *

1. Fill out the top of page one with today's date and your company information
2. Read through the Indemnity Agreement, initialing the bottom right of each page as you read it
3. Check the appropriate box for your company on the bottom of Page 7
4. Print your company name on the line at the top of Page 8 where it says "PRINCIPAL / COMPANY NAME"
5. Sign below that line and print your name and title on the appropriate lines
6. Have your signature notarized
7. Sign your name on the line under "STATEMENT OF PERSONAL INDEMNITORS" and print your name and address
8. Your spouse should sign directly below your signature and also print name and address
9. The signatures should also be notarized with today's date
10. Steps 7 through 9 should be repeated for *all* owners and their spouses after they too read the Indemnity Agreement. Space for these signatures is provided at the bottom of Page 8 and on Pages 9 and 10.

*The General Indemnity Agreement must be fully and properly executed before U.S. Insurance Company can provide the Principal with a bond. Please follow these steps very carefully and exactly.



GENERAL INDEMNITY AGREEMENT

This Agreement is effective this ___ day of ___, 20__ and is made by the U.S. Insurance Company of America, 3131 Greenhead Drive, Springfield, IL 62711, hereby known as Surety and (Name) ___, (Street Address) ___, (City) ___, (State) ___ (Zip) ___, hereby known as Principal.

IN CONSIDERATION OF THE EXECUTION OF BOND(S) AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, AND IN COMPLIANCE WITH A PROMISE OF THE UNDERSIGNED MADE PRIOR THERETO, EACH OF THE UNDERSIGNED PRINCIPAL(S) AND INDEMNITOR(S) HEREBY AGREE, FOR THEMSELVES, THEIR PERSONAL REPRESENTATIVES, SUCCESSORS, AND ASSIGNS, JOINTLY AND SEVERALLY, AS FOLLOWS:

1. INDUCEMENT

Each of the Undersigned hereby affirms that the statements made and answers given to the Surety in bond application(s) are the truth and are made to induce the Surety to execute or procure the execution of any and all of the bonds described herein, and any extension, modification, or renewal thereof, addition thereto, or substitution thereof. Each of the Undersigned further affirms and understands that the bonds applied for is a credit relationship and hereby authorizes Surety to gather such credit information the Surety considers necessary and appropriate for purposes of evaluating whether such credit should be granted, extended or continued.

2. CONTINUING AGREEMENT AND TERMINATION

This is a continuing Agreement, which remains in full force and effect until terminated. This Agreement applies to all renewals, continuations, substitutions, and extensions of suretyship. This Agreement may be terminated by the Indemnitor(s) or by any one or more of them upon thirty days written notice sent by registered or certified mail to the Surety at its home office in Springfield, Illinois, but any such notice of termination shall not modify, bar, discharge, limit, affect or impair the obligations of the Undersigned with respect to Bonds which were executed prior to such termination or with respect to Bonds executed after the date of termination (1) upon the award of a contract to the Principal on a bid or proposal with respect to which the Surety has executed a bid or proposal or similar undertaking prior to such date, or (2) which the Surety has become obligated, prior to such date, to execute. Further, such notice of termination shall operate only with respect to those of the Undersigned upon whose behalf such notice of termination shall have been given.

3. PREMIUMS

The Principal(s) and Indemnitor(s) will pay to the Surety any charges for obligations and all premiums for the Bonds including the initial, renewal, and additional premiums thereon, and premiums based on overrun in contract price according to the current rate charged by Surety. All premiums are fully earned upon execution of said Bond and are non-refundable.

4. DECLINE TO EXECUTE

Unless otherwise specifically agreed to in writing, Surety may decline to execute any Bond and the Principal(s) and Indemnitor(s) agree to make no claim to the contrary. If the Surety shall execute a Bid or Proposal Bond, the Surety shall have the right to decline to execute any and all Bonds that may be required in connection with any award that may be made under the proposal for which the bid or proposal is given. Such declination shall not diminish or alter the liability that may arise by reason of having executed the Bid or Proposal Bond.

5. UNIFORM COMMERCIAL CODE

This Agreement shall constitute a Security Agreement to the Surety and also a Financing Statement, both in accordance with the provisions of the Uniform Commercial Code of every jurisdiction where such Code is in effect and may be so used by Surety without abrogating, restricting or limiting the rights of the Surety under this Agreement, under law, or in equity.

6. INDEMNITY

The Undersigned shall at all times save harmless, exonerate, indemnify and keep Surety, its successors and assigns, indemnified against any and all claims, suits, actions, debts, damages, costs, charges and expenses, and against all liability, losses and damages of any nature whatsoever, which Surety, its successors and/or assigns, shall or may at any time sustain or be put to by reason of the execution by Surety, of any and all of such Bonds, obligations, or any continuations, extensions, alterations or renewals thereof, including any new Bond(s) or obligation(s). Expenses include but are not limited to court costs and attorney's fees, including in-house attorney's fees and all legal expenses related to any items herein, at law or in equity; expenses paid or incurred in enforcing the terms of this Agreement; expenses paid or incurred in connection with claims, suits, or judgements under such Bonds; expenses paid or incurred in procuring or attempting to procure release from liability under its Bond by the Surety; investigation, accounting or engineering services; premiums on Bonds issued by Surety on behalf of the Principal; and monies advanced or loaned under this Agreement.

In order to exonerate or indemnify the Surety, the Undersigned shall upon demand of the Surety, place with the Surety, all funds required by the Surety, before the Principal's Initials _____

Surety makes any payment. Such funds shall be, at the Surety's option, money or property, or liens or security interests in property. The amount of such money or property, or the value of the property to become subject to liens or security interests, shall be determined by Surety. This provision will become valid, binding and enforceable after execution of this agreement by the Surety. The Undersigned and the Surety agree that any and all claims arising out of this agreement will be filed in Sangamon County, Illinois, and that the proper venue is Sangamon County, Illinois.

7. EXERCISE OF RIGHTS

Surety shall have the right in its sole and absolute discretion to determine whether any claims under any Bond or Bonds shall be paid, compromised, adjusted, defended, prosecuted or appealed. Surety shall have the right to incur such expenses in handling a claim as it shall deem necessary, including but not limited to the expenses for investigative, accounting, engineering and legal services. Surety shall have the foregoing rights, irrespective of the fact that the Undersigned may have assumed, or offered to assume, the defense of the Surety upon such claim,

In any claim or suit hereunder, an itemized statement of claims or losses paid or liabilities incurred or expenses paid or incurred, declared under penalty of perjury to be true and correct by an officer of Surety, or the vouchers or other evidence of disbursement by Surety, shall be prima facie evidence of the fact and extent of the liability hereunder of the Undersigned. Surety shall have the right to reimbursement of its expenses, premiums and attorney's fees, including in-house attorney's fees, costs and expenses hereunder, irrespective of whether any Bond loss payment has been made by Surety. In any suit on this Agreement, Surety may recover its expenses and attorney's fees, including in-house attorney's fees, costs and expenses incurred in suit.

At the sole and absolute discretion of Surety, upon written notice to the Principal, the Undersigned shall defend surety, at the Undersigned's sole cost and expense, and with counsel acceptable to Surety, in any suit, action or other proceeding initiated with respect to any Bond issued by Surety.

8. DEFAULT

Principal and the Undersigned shall be in default hereunder if any of the following occur:

- 8.1 Principal breaches, fails to perform, abandons or repudiates any Contract or is declared by any obligee to be in default on any Bond issued by Surety;
- 8.2 The breach of this Agreement by the Principal or any of the Undersigned;
- 8.3 Principal fails to pay for any labor or materials when such payment is due or diverts contract payments for use other than the payment of contract related expenses and obligations;
- 8.4 Principal fails to pay for any labor or materials from one Contract to another or to any person or entity prior to the complete discharge of Surety;
- 8.5 The voluntary or involuntary cessation or suspension of work required to be performed by Principal in connection with any Contract;
- 8.6 The filing or recording of a mechanic's or similar lien against real property or delivery or filing of a stop notice, or other claim document, to the project owner, or to a lender having a security interest in any real property by any person or entity, including, but not limited to, suppliers and employees of subcontractors, trustees of union benefit plans or other claimants authorized under applicable provisions of State or Federal laws with regard to any Contract;
- 8.7 Principal or any one of the Undersigned, becomes the subject of any agreement or proceedings of composition, insolvency, bankruptcy, receivership, trusteeship, assignment for creditors, or becomes insolvent;
- 8.8 Principal or any of the Undersigned, who are individuals, dies, is adjudged mentally incompetent, convicted of a felony, becomes a fugitive from justice or disappears and cannot be located with the usual methods;
- 8.9 The failure of the Principal or Undersigned to promptly furnish accurate, complete, and up-to-date financial statements upon the request of the Surety or the furnishing of a financial statement by Principal or any of the Undersigned which contains any material misstatement(s) or misrepresentation(s);
- 8.10 Any material adverse change in the financial condition of the Principal or any of the Undersigned;
- 8.11 The filing of any suit or the commencement of any action or proceeding by a creditor of the Principal, or any of the Undersigned including by an obligee on any Bond issued by Surety;
- 8.12 Any suspension, revocation or other material adverse change(s) in the status of any license of Principal with any applicable license board or agency.

9. REMEDIES UPON DEFAULT

In the event of a Default, as defined above, Surety at its sole and absolute discretion is authorized by the Undersigned:

- 9.1 To file suit to enforce the provisions of the Agreement;
- 9.2 To take possession of any work to be performed pursuant to any Contract, and at the expense of the Undersigned, to complete the performance required by any Contract or cause the same to be completed or to consent to the completion thereof and to take any other action which Surety may deem appropriate, including without limitation utilizing Principal's current or other subcontractors and material suppliers as Surety may elect;

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9.3 To take possession of the Undersigned's equipment, materials, supplies, books and records at the site of the work or elsewhere, and to utilize the same for completion of any Contract or for any purpose which Surety deems appropriate or necessary;

9.4 To have disbursed to Surety as attorney-in-fact of the Undersigned any construction loan proceeds allocated towards the payment of the cost of any work to be performed under any Contract;

9.5 If the work required to be performed under any Contract is upon real property owned by the Undersigned, then Surety shall also have the right to take possession of said real property;

9.6 To make or guarantee advances or loans in the Surety's sole and absolute discretion in connection with any Contract, without any obligation or responsibility as to the application thereof, it being expressly understood and agreed that the amount of all such advances or loans shall be conclusively presumed to be a loss hereunder for which the Undersigned is liable irrespective of the prospects for repayment thereof or the security therefore;

These remedies shall be in addition to any other remedies conferred upon Surety by this Agreement, by law or otherwise. Surety shall have the right to enforce one or more remedies conferred upon Surety, successfully or concurrently, and the exercise of any one remedy shall not preclude the exercise of any other.

10. ASSIGNMENT

As security for the performance of all the provisions of this Agreement, the Undersigned hereby assign, transfer, pledge and convey to the Surety all of their right, title, interest and estate in and to all real and personal property which the Undersigned now own or hereinafter acquire, including all income, receipts, increases and appreciation thereon.

Said assignment includes but is not limited to all machinery, equipment, materials, tools and plants which shall be upon the site or sites of the work or elsewhere for the purpose of any Contract, including those which are ordered, in transport or stored for any Contract; any and all sums due or which may thereafter become due under any Contract and all other sums due or to become due on all other contracts, bonded or unbonded, in which any of the Undersigned have an interest; all rights arising out of subcontracts in connection with any Contract and such subcontractor's surety bonds; all rights arising out of insurance policies, notes and account receivables, and any claims of any kind and court actions; any and all undisbursed loan funds, deposits accounts or interest reserve accounts to which the Undersigned may be entitled, and any and all collateral for the undertakings given by the Undersigned in connection with any Contract.

11. RESERVES

If for any reason the Surety shall deem it necessary to set up or to increase a reserve to cover any possible liability or loss for which the Undersigned will be obligated to indemnify the Surety under the terms of this Agreement, the Undersigned agree to deposit with the Surety, immediately upon demand, a sum of money equal to such reserve, and any increase thereof as collateral security to the Surety for such liability or loss. The demand for deposit will be sufficient if sent by Registered or Certified Mail to the Undersigned at the addresses stated herein, or at the addresses of the Undersigned last known to the Surety, whether or not actually received. The Surety shall have the right to use the deposit, or any part thereof, in payment or settlement of any liability, loss or expense for which the Undersigned would be obligated to indemnify the Surety under the terms of this Agreement. Surety shall have no obligation to invest or to provide a return on the deposit. The Undersigned shall be entitled to the return of any unused portion of the deposit upon termination of the liability of the Surety on the Bonds, and the performance by the Undersigned of all obligations to the Surety under the terms of this Agreement.

12. CHANGES

The Surety is authorized and empowered, without notice to or knowledge of the Undersigned to assent to any change whatsoever in the Bond(s) or obligation(s), and/or any contract referred to in the Bond(s) or obligation(s), and/or in the general condition, plans and/or specifications accompanying said contracts, including, but not limited to, any change in the time for the completion of said contract(s) and to payments or advances thereunder before the same may be due, and to assent to or take any assignment or assignments, to execute or consent to the execution of any continuations, extensions, or renewals of the Bond(s) or obligation(s), and to execute any substitute or substitutes therefore, with the same or different conditions, provisions and obligations, and with the same or larger or smaller penalties. It is expressly understood and agreed that the Undersigned shall remain bound under the terms of this Agreement even though any such assent by the Surety does or might substantially increase the liability of the Undersigned.

13. BREACH

In the event it becomes necessary for Surety to institute a civil action in law or equity to recover damages for a breach of this Agreement or to enforce any of the terms of this Agreement the Undersigned shall be responsible for the payment of all of Surety's costs including reasonable attorney fees.

14. WAIVERS

The Undersigned hereby waive and agree not to assert the following:

14.1 Any right to claim any property, including homestead, as exempt under the constitution or law of the United States of America or of any State, States, or territory, Canada or any of its provinces, from levy, execution, attachment, sale or other method of seizure at law or in equity.

14.2 Any defense that this Agreement was executed subsequent to the date of any Bond, the Undersigned admit and covenant that any Bond issued by Surety was

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executed pursuant to the request of the Undersigned and in reliance on the promise of the Undersigned to execute and perform this Agreement, and that the Undersigned are beneficially interested in the subject of such bonds in the bond required and the continuation thereof.

14.3 Any right to require Surety to proceed against any of the Undersigned or any other person, firm or entity or to proceed against or exhaust any security held by Surety at any time or to pursue any other remedy in Surety's power. Without in any way limiting the generality of the foregoing, if property of an Undersigned is hypothecated with property of Principal or of any other party, Undersigned hereby waives any right to have the property of Principal or of such other party first applied towards the discharge of the obligations hereunder.

14.4 Any defense relating to the defense of the statute of limitations in any action hereunder or for the collection of any claim or the performance of any obligation indemnified hereby.

14.5 Any defense based upon an election of remedies by Surety, against any of them or all (including, without limitations, election by Surety to exercise its right under the power of sale set forth in any Deed of Trust given as security for the performance of the obligations hereunder), which election may destroy or otherwise impair subrogation rights of the Undersigned or the right of any Undersigned to proceed against Principal or to realize upon any security whether such destruction or impairment of subrogation results from the operation of anti-deficiency statutes or otherwise.

14.6 Any defense based upon any legal disability or other defense of any Undersigned or other person, or by reason of the cessation or limitation of the liability of Principal from any cause other than full payment of all sums payable under this Agreement.

14.8 Any defense based upon any lack of authority of the officers, directors, partners or agents acting or purporting to act on behalf of Principal or any principal of Principal of any defect in the formation of Principal or any principal of Principal.

14.9 Any defense based upon Surety's failure to disclose to any Undersigned any information concerning Principal's financial condition or any other circumstances bearing on Principal's ability to pay all sums payable under the Agreement.

14.10 Any defense based upon any statute or rule of law which provides that the obligations of a Surety must be neither larger in amount nor in any other respects more burdensome than that of a principal.

14.11 Any right of subrogation, any right to enforce any remedy which Surety may have against Principal and any right to participate in, or benefit from, any security for the obligations hereunder held by Surety.

15. BOOKS AND RECORDS

Until such time as the liability of the Surety under any and all said Bond(s) or obligation(s) is terminated, the Surety shall have the right at any time to reasonable access to the books, records, and accounts of the Principal(s) and Indemnitor(s); and any bank depository, supply house, or other person, firm, or corporation when requested by the Surety. This includes but is not limited to, any information regarding the status of the work under contracts being performed by the Principal(s), the condition of the performance of such contracts, and the payment of accounts. Surety may furnish any information, which it now has or may acquire concerning the Undersigned, to other persons, firms or entities for the purpose of procuring co-suretyship or reinsurance or of advising such persons, firms, or entities as it may deem appropriate.

16. NOTICE OF EXECUTION WAIVER

Indemnitor(s) hereby waive notice of the execution of said Bond(s) or obligation(s) and of the acceptance of this Agreement. The Principal(s) and Indemnitor(s) hereby waive all notice of any default, or any other act or acts giving rise to any claim under said Bond(s) or obligation(s), as well as notice of any and all liability of the Surety under said Bond(s) or obligation(s), and any and all liabilities on their part hereunder, to the end and effect that, Principal(s) and the Indemnitor(s) shall continue to be liable hereunder, notwithstanding any notice of any kind to which they might have been or be entitled, and notwithstanding any defenses they might have been entitled to make.

17. NOTICES

In the event the Undersigned become aware of any demand, notice or proceeding which may result in liability to the Surety under the Bond(s) or obligation(s), or any renewal thereof, or any new Bond(s) or obligation(s) issued in continuation thereof, or as substitute therefore, the Undersigned shall notify the Surety immediately thereof in writing.

18. SETTLEMENTS

The Surety shall have the right to adjust, settle or compromise any claim, demand, suit or judgment upon the Bonds or obligations, unless the Principal(s) and the Indemnitor(s) shall request Surety to litigate such claim or demand, or to defend such suit, or to appeal from such judgement, and shall deposit with the Surety, at the time of such request, cash or collateral satisfactory to the Surety in kind and amount, to be used in paying any judgment or judgements rendered or that may be rendered, with interests, costs, expenses and attorney's fees, including those of Surety.

19. OTHER SURETIES

In the event the Surety procures the execution of the Bonds or obligations by other Sureties, or executes the Bonds or obligations with co-Sureties, or reinsures any

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portion of said Bonds or obligations with reinsuring Sureties, then all the terms and conditions of this Agreement shall inure to the benefit of such other Sureties, co-Sureties and reinsuring Sureties, as their interests may appear,

20. FILING OF LAWSUITS

Separate suits may be brought as causes of action accrue. The bringing of suit(s) or the recovery of judgement(s) upon any cause of action shall not prejudice or bar the bringing of other suits upon other causes of action. Any suit brought under this agreement must be filed in either State or Federal court in Sangamon County, Illinois, unless all parties to the Agreement agree that the suit be filed in another county or court.

21. FAILURE, DEFECT OR INVALIDITY

In case any of the parties mentioned in this Agreement fail to execute the same, or in case the execution hereof by any of the parties be defective or invalid for any reason, such failure, defect or invalidity shall not in any manner affect the validity of this Agreement or the liability hereunder of any of the parties executing the same, but each and every party so executing shall be and remain fully bound and liable hereunder to the same extent as if such failure, defect or invalidity had not existed. It is understood and agreed by the Principal (s) and the Indemnitor(s) that the rights, powers, and remedies given the Surety under this Agreement shall be and are in addition to, and not in lieu of, any and all other rights, powers, and remedies which the Surety may have or acquired against the Principal(s) and Indemnitor(s) or others whether by the terms of any other agreement or by operation of law or otherwise. This agreement is not valid, binding or enforceable until it is accepted and executed by Surety.

22. ATTORNEY IN FACT

The Principal(s) and Indemnitor(s) hereby irrevocably nominate, constitute, appoint and designate the Surety as their attorney-in-fact with the right, but not the obligation, to exercise all of the rights of the Principal(s) and Indemnitor(s) assigned, transferred and set over to the Surety in this Agreement, and in the name of the Principal(s) and Indemnitor(s) to make, execute and deliver any and all additional or other assignments, documents or papers deemed necessary and proper by the Surety in order to give full effect not only to the intent and meaning of the within assignments, but also to the full protection intended to be herein given to the Surety under all other provisions of this Agreement. The Principal(s) and Indemnitor(s) hereby ratify and confirm all acts and actions taken and done by the Surety as such attorney-in-fact.

23. EXONERATION AND SUBROGATION

When Bond(s) secure the performance and fulfillment of contracts, the Undersigned, agree that the Surety has the right of exoneration and subrogation.

24. GENERAL AGREEMENTS

It is also expressly understood and agreed that:

24.1 The Surety shall have the right to fill in any blanks left herein and to correct any errors in filling in any blanks herein.

24.2 This Agreement shall not in any way be construed to require the Surety to assume suretyship on any of the aforesaid Bonds and obligations, or any continuation, extension, alteration or renewal thereof, or any new Bond(s) or Obligation(s), or to deprive the Surety of any right to withdraw from such suretyship at any time it might desire.

24.3 No continuation, extension, alteration or renewal of any such Bond(s) or Obligation(s); no waiver or defense, nor any changes of whatsoever nature, whether or not consented to by the Undersigned; nor the death of the Undersigned and whether or not the Surety has notice thereof; shall in any way relieve the Undersigned, the Undersigned's heirs, executors, administrators, successors and assigns, from any liability assumed hereunder; and the Undersigned hereby waives notice thereof.

24.4 The acceptance of security or other consideration shall not be taken as a waiver of any right or remedy which the Surety might have hereunder by statute or otherwise.

24.5 The vouchers or other evidence of payments made by the Surety under any of such Bond(s) or obligation(s) shall be prima fade evidence in establishing the liability assumed by the Undersigned hereunder, whether such payments were made wholly or incurred in the adjustment of loss, claim, or prospective loss or claim in connection with said suretyship, and whether voluntarily made or paid with or without suit or judgement being obtained against said Surety,

24.6 The Surety shall be entitled to reimbursement, and shall have the right to institute suit against the Undersigned under this Agreement for that purpose immediately upon making payments under any of such Bond(s) or obligation(s), and shall not be compelled to wait until it has exhausted its remedies or rights against the Principal, or has received any or final dividends from the legal representatives of the Principal.

24.7 The Indemnitor(s) shall have no rights of indemnity against the Principal(s) or their property until the Principal's obligations to the Surety arising under this Agreement have been satisfied in full.

25.8 Failure of the Principal(s) to sign any Bond(s) shall not relieve the Undersigned of liability under this Agreement.

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24.9 The Surety shall be entitled to exoneration, and shall have the right to institute suit against the Undersigned under this Agreement for that purpose immediately upon receiving a claim under any of such Bond(s) or Obligation(s), and shall not be compelled to wait until it has made payments under any such Bond(s) and Obligation(s).

24.10 As part of the Undersigned's obligations to exonerate and hold Surety harmless from any loss, costs or expense, the Undersigned agree to reimburse Surety, in full, for any claims adjustment costs or expenses, including actual attorney fees paid, incurred or sustained as a result of a legitimate claim being filed against such Bond(s) and Obligation(s).

24.11 If any provision or provisions of this Agreement are held to be void or unenforceable under the laws of the place governing its construction or enforcement, this Agreement shall not be void or vitiated thereby but shall continue in effect and be enforced with the same effect as though such provision or provisions were omitted.

24.12 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.

24.13 The Undersigned's obligations include but are not limited to any and all claims, suits, actions, debts, damages, costs, charges and expenses, including court costs and counsel fees of any nature whatsoever which Surety shall or may at any time sustain or be put to by reason of execution by the Surety for various bonds.

24.14 The validity of this agreement shall not be impaired by, the Surety shall incur no liability on account of, and the Indemnitors need not be notified of:

- a) The Surety furnishing the Bond renewals thereof.
- b) Either the Surety's failure or its refusal to furnish the Bond.
- c) Either the Surety's consent or its failure to consent to changes in either the terms, provisions, the obligation of the Bond, or the obligation secured by the Bond.
- d) Either the taking, failing to take, or releasing of security, collateral, assignment, and the like as pertains to the Bond.
- e) The release by the Surety of any of the Indemnitors.
- f) Information which may come to the attention of the Surety which either affects or might affect either its rights and liabilities, those of the Indemnitors, or any one of them.

24.15 The obligations of the Undersigned hereunder are joint and several. Surety may bring separate suits hereunder against any of the Undersigned as causes of action may accrue hereunder. Surety need not proceed first against the Principal.

24.16 Undersigned shall, on request to Surety, procure the discharge of Surety from any Bond, and all liability by reason thereof.

24.17 Undersigned waive notice of any Default, the making of a claim against Surety, or Surety's loaning funds to Principal.

24.18 Surety may consent to any changes or alterations in any Contract or Bond, without affecting the liability hereunder of the Undersigned, including but not limited to, riders extending the time of completion, or increase or decrease in the penal sum of the Bond. The Undersigned hereby agree to pay any additional premium resulting from said changes or alterations, without giving notice thereof to the Undersigned.

24.19 This Agreement may not be changed or modified orally. No change or modification shall be effective unless specifically agreed in writing by an officer of Surety.

24.20 In the event any of the Undersigned shall fail to execute this Agreement or become insolvent, or in the event any of the Undersigned who execute this Agreement, shall not be bound for any reason, the other Undersigned shall, nevertheless, be bound hereunder for the full amount of the liability as aforesaid.

24.21 This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

25. COOPERATION

In the event any proceeding is brought against the Surety in which the Surety desires to join the Undersigned by reason of the undertakings in this Agreement, each of the Undersigned agree that they will, upon written notice of the Surety to do so, voluntarily appear in such proceedings and accept service of the proceedings and/or accept service of process and other papers either personally or by an attorney of the Undersigned's choice. In the event any of the Undersigned fails upon such notice from the Surety so to appear, the Undersigned hereby designates the Secretary of the State or territory in which such proceedings are pending as their agent for the service of process in any such proceedings.

26. MODIFICATIONS

The rights and remedies afforded to the Surety by the terms of this Agreement may not be waived or modified orally and no written change or modification shall be effective until signed by an officer of the Surety.

Principal's Initials _____

27. CONSTRUCTION

The Undersigned agree that their liability under this Agreement shall be construed as the liability of a compensated Surety in the same manner as the liability of the Surety on the Bond(s) is construed, and that this Agreement shall be liberally construed to accomplish the purposes of protecting, exonerating and indemnifying the Surety from any loss or liability.

28. DEFINITIONS

The following words, terms and phrases are defined as follows:

SURETY shall mean the U.S. Insurance Company of America, their affiliates, subsidiaries, reinsurers, and/or any other person or entity which the Surety may procure to act as a Surety or as a Co-Surety on any Bond, or any other person or entity who executes a bond at the request of the Surety.

BOND shall mean any contract of suretyship, indemnity or guaranty including their continuations, extensions, alterations, renewals or substitutions.

UNDERSIGNED shall mean any individual(s), partnerships, association(s), corporation(s) or any other entities including the principal(s) and indemnitor(s) who execute this Agreement.

PRINCIPAL shall mean one or more Undersigned or any partnership, association, corporation or other legal entity in which the Undersigned has a substantial, material and/or beneficial interest to the extent that the partnership, association, corporation or other legal entity would be considered a subsidiary, associated or affiliated company of Undersigned who, alone or with other Undersigned(s), have secured, or may secure the performance and fulfillment of obligations by Bond(s) (whether or not required to do so by statute, ordinance, contract, order of court, rule of court, or otherwise), executed, provided, or procured by Surety.

INDEMNITOR shall mean any individual(s), partnership(s), association(s), corporation(s) or any other entity(ies) who execute this agreement thereby obligating them to reimburse repay or otherwise make the Surety whole from any losses or claims asserted against Surety or its bond(s), obligation(s), continuation(s), extension(s), alteration(s) , or renewal(s) , including any new Bond(s) or obligation(s).

CONTRACT shall mean and include all documents containing general and special conditions, specifications and drawings.

29. WAIVER OF NOTICE

The Undersigned agree that the Surety need not give us, or any of us, notice of any act, fact or information coming to the notice or knowledge of the Surety concerning or affecting its rights or liabilities under any such Bond or its rights or liabilities hereunder, notice of all such being hereby expressly waived.

30. PHRASEOLOGY

As used in this Agreement the words in the singular include the plural and words in the plural include the singular. The masculine pronoun shall be read as feminine or neuter as circumstances require. The word "person" shall mean and include individuals, partnerships, corporations and associations,

31. FAIR CREDIT REPORTING ACT NOTICE

This complies with the Fair Credit Reporting Act Notice (Public Law 91-508) and any similar state law. As a part of the Surety's underwriting procedures, routine inquiries may be made which will provide information concerning the character, general reputation, personal characteristics and mode of living. Upon request, additional information as to the nature and scope of the report, if one is made, will be provided.

32. WARRANT

The Undersigned, whether or not the Principal(s) on the Bond(s) expressly state and warrant that each of them have a substantial, material and/or beneficial interest in the performance and fulfillment of obligation(s) secured or to be secured by Bond(s) on behalf of the Principal(s) and understand that the Surety has executed, provided or procured Bond(s) on behalf of Principal(s) or will consider requests for Surety to execute, provide or procure Bond(s) on behalf of Principal(s) and/or the Principal(s) may be the sole obligor Principal on the Bond(s) or the Principal(s) may be a member of a partnership or joint venture, which is the obligor Principal on the Bond(s).

THE PRINCIPAL IS A (MARK ONE):

- SOLE PROPRIETORSHIP** - The owner must sign as principal AND the owner and spouse must sign individually.
- PARTNERSHIP**- One authorized partner must sign for principal AND all partners and their spouses must sign individually.
- CORPORATION** - The President must sign for principal AND all stockholders of the corporation owning 20% or more and their spouses must sign individually.
- LLC** - The managing member must sign on behalf of the LLC AND all managers/members and their spouses must sign individually.

Principal's Initials _____

be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. Signature _____ (Seal)

3) _____
Signature Print Name Address

Spouse's Signature Print Name Address

NOTARY ACKNOWLEDGEMENT

State of _____

County of _____

On this _____ day of _____, 20____, personally appeared _____ and _____, personally known to me, or who proved to me based on satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. Signature _____ (Seal)

4) _____
Signature Print Name Address

Spouse's Signature Print Name Address

NOTARY ACKNOWLEDGEMENT

State of _____

County of _____

On this _____ day of _____, 20____, personally appeared _____ and _____, personally known to me, or who proved to me based on satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. Signature _____ (Seal)

5) _____
Signature Print Name Address

Spouse's Signature Print Name Address

NOTARY ACKNOWLEDGEMENT

State of _____

County of _____

On this _____ day of _____, 20____, personally appeared _____ and _____, personally known to me, or who proved to me based on satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

capacity, and that that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. Signature _____ (Seal)

6) _____
Signature Print Name Address

Spouse's Signature Print Name Address

NOTARY ACKNOWLEDGEMENT

State of _____

County of _____

On this _____ day of _____, 20____, personally appeared _____ and _____, personally known to me, or who proved to me based on satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. Signature _____ (Seal)

7) _____
Signature Print Name Address

Spouse's Signature Print Name Address

NOTARY ACKNOWLEDGEMENT

State of _____

County of _____

On this _____ day of _____, 20____, personally appeared _____ and _____, personally known to me, or who proved to me based on satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. Signature _____ (Seal)

RELATED ENTITY (name/address) _____

Related Entity's Signature Print Name Address

NOTARY ACKNOWLEDGEMENT

State of _____

County of _____

On this _____ day of _____, 20____, personally appeared _____ personally known to me, or who proved to me based on satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal. Signature _____ (Seal)