

Sioux Munyon Insurance Services

10801 Redlander Way

Lakeside, CA 92040

Phone: (619) 463-2773 Fax: (619) 342-8531

**GRADING PERMIT
BOND APPLICATION**

Producer Name		Producer Phone	Producer Contact
Principal / Applicant - Name as it is to <u>appear on bond</u> (To be filed with the Obligee)			
Owner Name / Officer / Qualifying Partner		Social Security Number	
Home <u>Street</u> Address:			Phone
City		State	Zip
Business <u>Street</u> Address:			Phone
City		State	Zip
Type of Project (Commercial, Retail, Mixed-Use etc.)			
Address or Location of work:			
When will work start:		Who is performing the construction?	
How is work being financed?			
Obligee Name (Who Does Bond Run To?):		Obligee Address	
Effective Date of Bond	Bond Amount	Provide: Financial Statement of Operating Entity(If Any); Personal Financial Statements; Government Approved Bond Estimate; and Bond Form.	

This Indemnity Agreement Is Made A Part of the above Application.

EACH OF THE UNDERSIGNED HEREBY affirms that the foregoing statements made and answers given are the truth and are made to induce the Surety to execute or procure the execution of any and all of the bonds described and any extension, modification or renewal thereof, addition thereto or substitution therefor. This is an application for a bond. A bond is a credit relationship. Applicant acknowledges that credit checks will be made on both individuals and business(es) associated with this surety bond application, update or renewal or for any other legitimate business purpose. If you request, we will inform you whether any credit report was requested and, if so, the name and address of the consumer reporting agency which furnished the report. A bond is **NOT** an insurance policy. You, officers, directors, principals and other indemnitors under bond will severally and jointly be liable for payment to the Surety of any defaults under the bond.

GENERAL INDEMNITY AGREEMENT - READ CAREFULLY AND SIGN

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 Lincoln General Insurance Company, 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

(PAGE 2 MUST BE SIGNED TO COMPLETE THIS APPLICATION)

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. 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 Lincoln General Insurance Company, 4902 Eisenhower Blvd. Ste. 190 Tampa, FL 33634. 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 / Applicant / Principal / Name (Print): _____

Signature **X** _____

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

Indemnitor(s) Personal Guarantees:

Principal
Signature **X** _____

Spouse
Signature **X** _____

Print Name Here: _____

Print Name Here: _____

Social Security Number: _____

Social Security Number: _____

Address: _____

Principal
Signature **X** _____

Spouse
Signature **X** _____

Print Name Here: _____

Print Name Here: _____

Social Security Number: _____

Social Security Number: _____

Address: _____