

## Collateral Procedures

CBIC the surety accepts two different types of collateral: Cash or Irrevocable Letters of Credit.

- **Cash:** We accept either a Cashier's Check or a Money Order. If you send this by mail, please use certified mail, return receipt requested, as we cannot be responsible for lost or misplaced checks without a signed return receipt.
- **Irrevocable Letters of Credit:** Before we accept any letters of credit from a bank, we must first approve the bank (size and financial stability) and the letter of credit wording (see the attached example).

After deciding which type of collateral you are going to use, you must also complete our "Collateral Receipt and Agreement" form and if collateral is in the form of cash, a "W-9" tax form.

### **Completing the Collateral Receipt and Agreement Form:**

Fill in the date at the top of the front page. For "Principal", fill in the complete, legal name of the company or individual, exactly as it appears on the bond.

On the last page, fill in the name(s) of the person(s) and/or company who are providing the collateral. **Only** the collateral provider should sign here. If more than one person and/or company signs the Agreement, CBIC may have to consider that the collateral is owned jointly by everyone who signs. The person or company who signs should match the person or company normally listed as the "remitter" on a cashier's check, or as the customer on the letter of credit.

Also, remember that for companies, the company name is filled in on the first line and the company officer signs where it indicates "By." Individuals should sign on the right hand side of the form after the word "Signed."

### **W-9 tax form:**

Please complete and return. This should be completed by the collateral provider.

### **Return to SPINO BONDING:**

1. Collateral: either cashier's check/money order or irrevocable letter of credit.
2. Collateral Receipt and Agreement: completed and signed.
3. W-9 tax form.
4. If applicable, a signed application or indemnity agreement.
5. If applicable, a check for the premium.

**Note:** Collateral applies to any and all of the principal's bonds. After cancellation / expiration of all bond(s), the collateral will continue to be held until the period for suing on the bond(s) has either expired, all bond(s) have been released by the obligee(s), or the underwriter deems that the collateral can be released early. See the terms of the Collateral Receipt and Agreement for the exact terms governing the collateral.



**Home Office:**  
1213 Valley Street  
P.O. Box 9271  
Seattle, WA 98109-0271  
[www.courtbonds.com](http://www.courtbonds.com)  
(800) 395-CBIC  
(800) 395-7053 FAX

**Format of Letter of Credit**

Letterhead of national bank or member bank of Federal Reserve System

Name of Beneficiary: Contractors Bonding and Insurance Company

Ref: Irrevocable Clean Letter of Credit No. \_\_\_\_\_

**Gentlemen:**

At the request of , \_\_\_\_\_  
we have established our clean irrevocable credit no. \_\_\_\_\_ in your favor as stated below:

**Amount:** \_\_\_\_\_

**Expiring on:** \_\_\_\_\_  
(no less than one year from date of issuance)

If we receive here at our office on or before the expiry hereof, your sight draft on us, mentioning our reference number, for all or part of this credit, we will promptly honor the draft. It is a condition of this letter of credit that it will be automatically extended for periods of one year from the then relevant expiry date unless thirty (30) days prior to that relevant expiry date the issuer by written notice to the beneficiary elects not to extend this letter of credit. Except as stated herein, this undertaking is not subject to any conditions or qualifications whatsoever. Should you have any occasion to communicate with us regarding this credit, kindly direct your communications to the attention of \_\_\_\_\_.

**Very truly yours,**



COLLATERAL RECEIPT AND AGREEMENT

Home Office: 1213 Valley Street P.O. Box 9271 Seattle, WA 98109-0271 For the CBIC branch nearest you, call toll-free: (888) 283-2242 (888) 293-2242 FAX

This agreement granting a security interest in certain property is made this \_\_\_ day of January, \_\_\_ by the undersigned (herein called Debtor) in favor of Contractors Bonding and Insurance Company (which does business in California as CBIC Bonding and Insurance Company) (herein called Secured Party or Surety). UNLESS NOTED OTHERWISE IN PARAGRAPH N BELOW, THIS AGREEMENT IS GIVEN TO SECURE ALL BONDING (PAST, PRESENT, AND FUTURE) FOR PRINCIPAL(S).

PRINCIPAL(S): \_\_\_\_\_

DATE OF INDEMNITY AGREEMENT: \_\_\_\_\_

Description of Security: (check and complete as appropriate)

- 1. Cash in the amount of \$ \_\_\_\_\_
2. Irrevocable Letter of Credit No. \_\_\_\_\_ Dated \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ issued by \_\_\_\_\_ (Bank).
3. Certificate of Deposit (or similar instrument entitled \_\_\_\_\_) purchased in Secured Party's name, dated \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ from \_\_\_\_\_ (Bank).
4. A Deed of Trust or mortgage in certain real property dated: \_\_\_\_\_ and attached hereto as Exhibit A.
5. Stocks, Bonds or other securities described further in paragraph 7, including (i) all documents, instruments and other property in the possession of Secured Party in which the Debtor now has or hereafter acquires any right and (ii) all distributions with respect to and all proceeds of the property described in clause (i) including, without limitations, Stock Distributions.
6. Miscellaneous personal property described further in paragraph 7, which is primarily located in \_\_\_\_\_ (State).
7. Further description:

WHEREAS, in consideration of execution of the Bond(s) herein defined, or pursuant to Debtor's obligations to Secured Party under the Indemnity Agreement, or for other good and sufficient consideration, the Debtor has given to Secured Party the Security described herein,

NOW, THEREFORE, Debtor hereby represents, covenants and agrees with Secured Party as follows:

A. Definitions:

Affiliate: A person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with any Principal(s) named herein, any Indemnitor, or any Debtor.

Bond: Any obligation, or undertaking of guaranty or suretyship, express or implied, pursuant to which Secured Party is or may be made liable for any obligation of Principal (including but not limited to debts, defaults, actions, or failures to act), whether or not Principal is also liable.

Debtor: Any signator to this Agreement and any other person or entity providing the Security.

Given: Executed, granted, delivered, assigned, pledged, conveyed or otherwise provided in whatever way appropriate to the Security.

Indemnitor: Any signator to any Indemnity Agreement (whether dated on, before, or after the date of this Agreement).

Indemnity Agreement: Any agreement (whether dated on, before, or after the date of this Agreement) wherein the signator promises, among other things, to reimburse Secured Party for Loss on any Bond executed for Principal, including, but not limited to, that Indemnity Agreement referenced herein. It also means any other agreement in connection with Bonds executed for any Principal, Indemnitor, or Debtor.

Liquidate: Taking or collecting and selling, negotiating, realizing upon or otherwise disposing of part or all of the Security in any method or form prescribed herein, or otherwise allowed by law, or appropriate to the Security being liquidated. Where appropriate, liquidate includes draws on Letters of Credit or demands for payment under an Assignment.

Loss: Any payment or expense either incurred or anticipated by Secured Party in connection with any Bond or this Agreement, including but not limited to: payment of bond proceeds or any other expense in connection with claims, potential claims, or demands; claim fees; penalties; interest; court costs; and attorney's fees (including but not limited to those incurred in defense of bond claims or pursuing any rights of indemnification or subrogation and any judgment arising from those rights).

Modification: Includes, but is not limited to, renewals, substitutions, riders, endorsements, reinstatements, replacements, increases or decreases in penal sum, continuations or extensions of Bond(s).

**Principal:** The person(s), or entity, or entities named above, or any Affiliate, or any one or combination thereof, or their successors in interest, whether alone or in joint venture with others named or not named herein, regardless of any changes in business organization or changes in name or tradename made after the date of this Agreement.

**Secured Party:** Either Contractors Bonding and Insurance Company or its California assumed name, CBIC Bonding and Insurance Company.

**Security or Collateral:** Any property, real or personal, given as collateral or security under this Agreement, any proceeds thereof, any substitution for such security accepted by Secured Party or proceeds thereof, and any additional security or proceeds thereof required by Secured Party hereafter. Proceeds shall include but not be limited to insurance proceeds from any insurance covering the Security, whether or not such insurance is required under this Agreement.

**Stock Distributions:** All substitutions and exchanges for and all distributions with respect to stock and rights relating to stock included among the Security, including but not limited to stock and cash dividends, stock splits, readjustments, reclassifications, options, and warrants.

- B. The Security given herein is to secure reimbursement of Secured Party for all Loss and to secure performance of the Indemnity Agreement; all covenants, terms and conditions of the Indemnity Agreement are incorporated herein as if fully set forth. Where applicable, all terms and conditions of Exhibit A are also incorporated herein as if fully set forth.
- C. With respect to the property given as Security:
- (1) Release of Security
    - (a) Secured Party is entitled to retain the Security until its exposure to Loss shall cease as a matter of law.
    - (b) Further, Secured Party shall release the Security only if all obligations owing to Secured Party by any Debtor, Principal or Indemnitor have been satisfied.
    - (c) Release of Security shall not excuse any obligation owing, herein or elsewhere, to Secured Party by any Debtor, Indemnitor, or Principal.
  - (2) Secured Party may Liquidate the Security at its sole option:
    - (a) At any time Secured Party (in connection with any Bond):
      - (1) Pays any Loss or expense;
      - (2) Incurs or is threatened with any liability for Loss or expense whether or not Secured Party sets a reserve for Loss;
      - (3) Pays or incurs any expense in enforcing its rights in, collecting, conserving or protecting any of the Security;
      - (4) Makes demand for additional security as provided in paragraph F(4) hereof, which demand is not complied with within 5 days;
      - (5) Is owed any premiums on any Bond;
      - (6) Deems itself insecure;
      - (7) Determines that any Principal or Indemnitor is in default of any obligation under any Indemnity Agreement;
      - (8) Determines that any Debtor is in default of any provision of this Agreement or any other collateral agreement given by Debtor;
      - (9) Discovers the falsity of any representation herein or in any other statement(s) oral or written, given or made by any Debtor, Principal, or Indemnitor; or
      - (10) Determines that Debtor is in default of any provision of any Deed of Trust given as Security.
    - (b) Where applicable, when described in paragraph J.
    - (c) By any means provided for in this Agreement or otherwise provided for by law.
  - (3) Secured Party shall have no obligation, but may at its sole Option:
    - (a) Do anything for the conservation, protection, enforcement or collection of the Security;
    - (b) Fill in all blanks in any transfers of Security, powers of attorney or other documents delivered to it in connection with Bond(s) or the Security, including this Agreement; or
    - (c) Transfer to itself all or any part of the Security as agreed herein.
- D. In the event of Liquidation of the Security by Secured Party:
- (1) Secured Party may apply, or hold for application, the proceeds of said Liquidation to repay:
    - (a) Any Loss or expense paid, incurred, or suffered by it in connection with any Bond or Indemnity Agreement;
    - (b) Any premium due from Principal with respect to any Bond; or
    - (c) Sums due to Secured Party under paragraph F(1) hereof.
  - (2) Any Security or proceeds of Security remaining after the sums referred to in the foregoing paragraph D(1) have been paid, and after the liability of Secured Party as referred to in paragraph C(1) has ceased, will be returned to Debtor or to any person legally authorized to receive them.
  - (3) Application of Security shall not release any Indemnitor, including Debtor if Debtor be an Indemnitor, of any obligation to Secured Party which is not satisfied through application of said Security.
- E. Secured Party shall not be liable for:
- (1) Depreciation, damage to, or loss of the Security unless caused by Secured Party's sole negligence;
  - (2) Any performance of or failure to perform any of the acts permitted by paragraph C(3);
  - (3) Any actions or inactions relating to the Security by persons not party to this Agreement;
  - (4) Where applicable, investment or reinvestment of the Security; or
  - (5) Where applicable, any penalties for early withdrawal or negotiation of the Security.
- F. Debtor shall, upon request of Secured Party:
- (1) Repay Secured Party all reasonable sums (including attorney fees) which Secured Party may expend or incur:
    - (a) In perfecting, enforcing, collecting, conserving, protecting or Liquidating any Security;
    - (b) In responding to any claims by third parties that they have an interest in the Security, whether or not such claims are justified;
    - (c) In transfer, registration or delivery of the Security by Secured Party or its nominee;
    - (d) In enforcing the terms of this Agreement and any Exhibits hereto; or
    - (e) Where applicable, by reason of Bank's failure or refusal to honor the Security.
  - (2) Execute all documents and instruments necessary to carry out this Agreement.
  - (3) At any time or times hereafter execute such financing statements and other instruments and perform such acts as the Secured Party may request to establish and maintain a valid and perfected Security Interest in the Security at the Debtor's expense, including costs of record searches, filing and recording.
  - (4) Deposit with Secured Party additional security satisfactory to Secured Party:
    - (a) To offset any depreciation in the total market value of the Security from the market value as of the date of this Agreement; or
    - (b) Where applicable, whenever Bank refuses or threatens to refuse to honor the Security.
- G. Substituted and Additional Security:
- (1) Secured Party may, at its sole discretion, permit Debtor to substitute other security, acceptable to Secured Party, for the Security given herein. All terms and conditions of this Agreement shall govern the substituted security.
  - (2) Secured Party may, pursuant to this Agreement, or to the Indemnity Agreement, or as a requirement for further Bond(s), require or accept additional security. Acceptance of additional security shall not release the Security given herein. All terms and conditions of this Agreement shall govern the additional security.

- (3) Later agreements for security executed by Debtor or any other person or entity shall not abrogate this Agreement, nor release the Security given herein. Secured Party's rights under this and later agreements shall be cumulative until the Security granted hereunder is explicitly released.
- (4) If the Security herein is given in the form of cash or is at any time converted to the form of cash, held in Secured Party's Trust Account, Debtor agrees that interest earned by such cash shall be credited to and become part of the Security only from the date that Secured Party receives from Debtor all documents required by the Internal Revenue Service or any other taxing authority regarding interest on such accounts (including Form W-9 and its successors). Interest earned prior to receipt by Secured Party of such documents shall be the sole property of Secured Party. Interest which is credited to the Security shall be held by Secured Party as part of the Security unless explicitly agreed in writing otherwise. All rights of Secured Party to the Security shall apply to interest credited to the Security. All taxes on interest credited to the Security shall be the sole responsibility of Debtor.

H. Termination:

- (1) Debtor may terminate this Agreement as to future Bonds executed for Principal by sending written notice to Secured Party at its Home Office, 1213 Valley Street, Seattle, Washington 98109.
- (2) Future Bonds are all Bonds executed after the termination date, with the exceptions noted in paragraph H(3). The termination date shall be thirty (30) days after receipt by Secured Party of the written notice of termination.
- (3) Future Bonds shall not include:
  - (a) Bonds executed or Authorized prior to the termination date, and Modifications thereof;
  - (b) Bonds executed pursuant to a bid or proposal Bond which was executed or Authorized prior to the termination date, and Modifications thereof; and/or
  - (c) Any maintenance or guarantee Bond thereafter executed incidental to any other Bond which was executed prior to the termination date, and Modifications thereof.
- (4) A Bond is "Authorized" when approved for execution by Secured Party's underwriters, or promised to Principal or any third party, where, in Secured Party's sole discretion, Secured Party shall deem itself liable or potentially liable in any way for failure to execute such Bond.
- (5) The terms and conditions of this Agreement shall not be terminated by reason of the failure of Secured Party to disclose fact(s) known or learned by Secured Party about any Principal, even though such fact(s) may materially increase the risk secured herein. Debtor waives notice of such fact(s) even if Secured Party has reason to believe such fact(s) are unknown to Debtor and Secured Party has had reasonable opportunity to communicate such fact(s) to Debtor. Such fact(s) include but are not limited to fact(s) regarding claims or potential claims against Bonds or regarding Secured Party's decision to Liquidate the Collateral herein.

I. General provisions:

- (1) If any term(s) or condition(s) of this Agreement shall be found to be inapplicable to or unenforceable as to the Security given or substituted hereunder, such finding shall not alter the validity of all other terms and conditions herein.
- (2) Secured Party shall not be obliged to exhaust its recourse against the Principal on any Bond or any Indemnitor, but may resort to the Security hereunder, without recourse to such parties.
- (3) Debtor waives any and all defenses based on the taking or release of other indemnity or security or based on disability.
- (4) Secured Party's nominee shall have the same rights as Secured Party hereunder upon Secured Party's direction.
- (5) Venue for any suit on this Agreement shall be in King County, Washington and this Agreement is governed by the laws of the State of Washington.
- (6) No waiver by Secured Party of any right or remedy hereunder shall be deemed to waive any other right or remedy hereunder or elsewhere.
- (7) This Agreement inures to the benefit of the Secured Party, its successors and assigns and shall bind the heirs, personal representatives, successors and assigns of Debtor.
- (8) Debtor warrants and agrees that this Agreement and all obligations secured hereby are business and not consumer transactions and that Debtor has full power to enter into this Agreement
- (9) All of Secured Party's rights and remedies, whether evidenced hereby or by any other writing shall be cumulative and may be exercised singularly or concurrently. All obligations of Debtor herein shall at once be mature and payable without notice or demand. Unless otherwise required by law, any demand upon or notice to Debtor that Secured Party may elect to give shall be effective when deposited in the mails or delivered to a courier, express, or similar delivery service addressed to Debtor at the address shown at the end of this agreement, or transmitted by telefax or other electronic communication device to a number provided by Debtor to Secured Party. Demands or notices addressed or sent to any other address or telefax number of Debtor at which Secured Party customarily communicates with Debtor shall also be effective when deposited, delivered or transmitted as described above.
- (10) If at any time(s) by assignment or otherwise Secured Party transfers any obligations and Security therefor, such transfer shall carry with it Secured Party's powers and rights under this Agreement with respect to the obligations and the Security transferred and the transferee shall become vested with said powers and rights, whether or not they are specifically referred to in the transfer.
- (11) Words used herein shall take the singular or plural number, and such gender, as the number and gender of parties Debtor herein shall require. Headings are for convenience only and shall not affect the meaning of the terms of this Agreement.
- (12) This Agreement is intended to take effect when signed by Debtor and delivered to Secured Party.
- (13) Time is of the essence of this contract, and Debtor shall be deemed to be in default of this Agreement upon occurrence of any event set forth in paragraph C(2). Interest shall accrue, before and after judgment, on all obligations secured by this Agreement at the rate of 1.5% per month from the date of Loss. If this rate exceeds the highest rate allowed by law for transactions of this type, interest shall accrue at the highest rate allowed by such law. All interest is secured hereby.
- (14) This Agreement may not be changed or modified orally. No change or modification shall be effective unless specifically agreed to by Secured Party in writing.
- (15) If more than one Principal is named in this Agreement, or in the Indemnity Agreement, conjunctively or disjunctively, this Agreement applies in its entirety to Bonds for any and all such Principals, singly or in combination.
- (16) It is the intent of the parties to maximize the protection of Secured Party, and any ambiguities shall be construed in favor of Secured Party.
- (17) Debtor waives any counterclaim or defenses against any assignee for value.
- (18) All Debtors signing this Agreement are jointly and severally liable hereunder.

J. Where the Security is a Letter of Credit or other bank account, certificate, instrument, or document:

- (1) "Deemed insecure" as used in paragraph C(2)(a)(6) includes but is not limited to reasonable concerns regarding the ability of Bank to honor the Security.
- (2) For Letters of Credit, in the event that Bank elects not to renew or extend the Security, prior to the time set forth for Release of Security set forth in paragraph C(1) above, Secured Party may draw on part or all of the Security and deposit the proceeds in an interest-bearing Trust Account of its choice. The proceeds shall be deemed a substituted security as defined in paragraph G herein, and allocation of interest shall be as described in that paragraph.

K. Where the Security is real or miscellaneous personal property:

- (c) Keeping the Security continuously insured by an insurer acceptable to Secured Party against fire, theft and other foreseeable hazards, and such other hazards as may be designated at any time by Secured Party. The insurance shall be in an amount equal to the full insurable value of the Security. At Secured Party's request, such insurance will be designated as payable to Secured Party and Debtor will deliver such policies to Secured Party with proof of payment of premium. Surety shall have all rights to insurance proceeds that are given as to the Security herein with full power to collect such proceeds. Any proceeds paid to or collected by Secured Party shall be considered substituted Security and shall be subject to the terms of paragraph G herein.
- (2) Secured Party may inspect the Security at reasonable hours and for this purpose may enter the premises or enter any premises on which the Security is located.
- L. Where the Security is miscellaneous personal property, Debtor further agrees that:
  - (1) Unless Secured Party agrees in writing, Debtor shall not remove (or allow anyone else to remove) the Security from the State designated herein as its primary location.
  - (2) Debtor warrants that Debtor owns the Security free and clear of all security interests and encumbrances whatsoever. Debtor will not create or permit the existence of any lien or security interest on the Security other than that created herein.
  - (3) Debtor shall not sell or lease the Security or any interest therein without prior written approval of Secured Party.
  - (4) Any Certificate of Title now or hereafter existing on the Security will be delivered to Secured Party as legal owner for any motor vehicle and appropriately as secured party or legal owner of any other Security.
  - (5) Upon default, the debtor shall make the above-described miscellaneous personal property available to Secured Party, and shall assist Secured Party in taking possession of the same.
- M. Where the Security is real property, Secured Party and Debtor agree that any warranty of Debtor's sole ownership contained in Exhibit A is subject to only those exceptions presented to Secured Party in writing and accepted by the Secured Party in writing prior to the date of this Agreement.
- N. Special Limitations and Conditions (None, if none listed)

For good and sufficient consideration, Debtor agrees to the above provisions and authorizes Secured Party to do any and all of the acts set forth in such provisions when it deems such action to be appropriate.

DEBTOR WARRANTS THAT DEBTOR HAS READ THE ABOVE PROVISIONS AND UNDERSTANDS THAT THEY ARE LEGALLY BINDING ON DEBTOR.

**Signature of Debtor:**

Company Name (if applicable)

Individual (if applicable)

\_\_\_\_\_

Signed \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Social Security No. \_\_\_\_\_

Title: \_\_\_\_\_

Signed \_\_\_\_\_

Print Name: \_\_\_\_\_

Employer ID No.: \_\_\_\_\_

Social Security No. \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone No.: \_\_\_\_\_

Phone No.: \_\_\_\_\_

FAX No.: \_\_\_\_\_

FAX No.: \_\_\_\_\_

Contractors Bonding and Insurance Company hereby acknowledges receipt of this Agreement and the Security described herein.

Contractors Bonding and Insurance Company

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



## GENERAL INDEMNITY AGREEMENT

Home Office:  
1213 Valley Street  
P.O. Box 9271  
Seattle, WA 98109-0271

THIS AGREEMENT of Indemnity, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year), is executed by the undersigned for the purpose of indemnifying CONTRACTORS BONDING AND INSURANCE COMPANY as hereinafter mentioned in connection with any Bonds executed on behalf of: \_\_\_\_\_

or executed on behalf of any other person or entity defined as Principal herein.

### I. DEFINITIONS

The following definitions apply in this agreement:

#### **Bond**

Any Bond, undertaking or other contractual obligation executed 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) or entity(ies) set forth above, or any Affiliate, 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.

#### **Surety**

CONTRACTORS BONDING AND INSURANCE COMPANY, its reinsurers, and any other person or entity which it may procure to act as surety or co-surety on any Bond or any other person or entity who executes any Bond at its request.

#### **Contract**

Any agreement, obligation or undertaking of Principal, the performance of which is bonded or guaranteed by Surety.

#### **Affiliate**

A person or entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with any signator to this agreement.

### II. INDEMNITY

The undersigned:

- A. Agree to indemnify, keep indemnified, and save harmless Surety from and against any and all demands, liabilities, loss, costs, penalties, obligations, interest, damages or expenses of whatever nature or kind, as well as fees of attorneys (including both outside attorneys' fees and allocated in-house attorneys' fees) and all other expenses, including but not limited to costs and fees incurred in investigation of claims or potential claims, adjustment of claims, procuring or attempting to procure the discharge of such Bonds, or attempting to recover losses or expenses from the undersigned or third parties, whether Surety shall have paid out any such sums or any part thereof or not; and
- B. Agree to pay Surety all premiums on Bonds issued by Surety on behalf of the 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 date or annual anniversary date of such Bond until satisfactory evidence of termination of Surety's liability as a matter of law under said Bond is furnished to Surety; and
- C. Agree that in furtherance of such indemnity:
  - (1) In any claim or suit hereunder and in any and all matters arising between the undersigned and Surety, an itemized statement of the aforesaid loss and expense, sworn to by a representative 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.
  - (2) Surety shall have the right to reimbursement of its expenses, premiums, interest, consultants' fees and attorneys' fees hereunder, irrespective of whether any Bond loss payment has been made by Surety
  - (3) In any suit between any of the undersigned and Surety under this agreement or otherwise, Surety shall be entitled to recover its further expenses and attorneys' fees incurred in such suit or in collecting any judgment obtained against any of the undersigned.

### III. DEFAULT

Principal shall be in Default with respect to a Contract, and hereunder, if any of the following occur:

- A. Principal breaches, abandons, repudiates or fails to prosecute diligently the work under any Contract, whether or not justified.
- B. Any obligee declares Principal to be in default or gives the Principal a notice to cure which is not strictly complied with according to its own terms.
- C. Principal fails to pay for any labor, equipment, materials, taxes, contributions or other services or obligations when such payment is due.
- D. Principal diverts any Contract funds from any Contract to uses not in furtherance of that Contract prior to the complete discharge of Surety.
- E. Principal, or any one of the undersigned, breaches any provision of this agreement.
- F. Principal, or any one of the undersigned, becomes the subject of any agreement or proceedings of composition, insolvency, bankruptcy, receivership, trusteeship, or assignment for the benefit of creditors.
- G. Principal, or any one of the undersigned, becomes actually insolvent.
- H. Principal, or any one of the undersigned, submits to Surety, whether before or after the date of this agreement, a false written statement regarding the financial condition of the Principal and/or any one or more of the undersigned.
- I. Principal, if an individual, dies, is adjudged mentally incompetent, is convicted of a felony, becomes a fugitive from justice or disappears and cannot be located with usual methods.
- J. Principal, if a business entity, is dissolved, undergoes change of ownership, or ceases to do business. Change of ownership means addition or departure of any person or entity having a 10% or greater ownership interest in Principal.
- K. Principal loses, or fails to have and to keep in force, any licenses or other requirements of doing business in the state(s) in which Principal performs a Contract.
- L. Any claim is made against any Bond. Surety shall have the right in its sole discretion to determine when a demand, notice, request, or other communication regarding a Bond constitutes a claim against the Bond.

### IV. SURETY'S RIGHTS

- A. In the event of Default as defined above, Surety shall have the absolute right, at its sole option and sole discretion, to take any or all of the following actions at the expense of the undersigned:
  - (1) Notify any obligee in writing as Principal's attorney-in-fact that Principal is in default with respect to their Contract.
  - (2) Direct any obligee in writing (including the Federal Government on projects governed by 40 U.S.C. § 270a, et. seq.) as Principal's attorney-in-fact to make all checks payable to Principal but mail them directly to Surety.
  - (3) Take over any Contract and complete it or arrange for its completion by any means it deems appropriate, utilizing any contract funds available, either earned or to be earned, including any progress payments, deferred payments, retainages, compensation for extra work, and proceeds of damage claims.
  - (4) Appoint a successor trustee to receive and disburse all contract funds due or to become due to Principal under any Contract covered by a Bond for the purposes set forth in paragraph VI herein, and notify any obligee as Principal's attorney-in-fact that all further payments are to be sent directly to the successor trustee.
  - (5) Take possession of the Principal's equipment, materials and supplies at the site of the work or elsewhere, and utilize the same for completion of any Contract.
  - (6) Take possession of the office equipment, books and records of Principal as are necessary for completion of any Contract.
  - (7) Notify any obligee of the Surety's rights under paragraph VII following.
  - (8) Require that any obligee withhold contract funds unless and until Surety consents to their release.
  - (9) Require any obligee to make payment by joint check to Principal and any claimant.
  - (10) File an immediate suit to enforce the provisions of this agreement.
  - (11) Determine in its sole discretion whether any claims 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 fraudulent intent on the part of the Surety, the undersigned agree to be conclusively and unconditionally bound by Surety's determination.

(12) Pay its Bond(s), in full or in part.

(13) Incur such expenses in handling a claim as it shall deem necessary, including but not limited to the expense for investigative, accounting, engineering and legal services.

B. 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.

C. If it becomes necessary or advisable in the judgment of Surety to take any action described above, or to control, administer, operate, or manage any or all matters connected with the performance of any Contract for the purpose of attempting to minimize any ultimate loss to undersigned or Surety, or for the purpose of enabling Surety to discharge its obligations of suretyship, the undersigned expressly covenant and agree that such action on the part of Surety shall be entirely within its rights and remedies under the terms of this agreement.

D. The undersigned promise to promptly pay to Surety upon demand all expenses incurred in the exercise of any right of Surety under paragraph IV or elsewhere. In no event shall Surety's option to exercise the rights herein conferred be construed as mandatory upon Surety, and the undersigned agree that Surety shall not have any liability to undersigned for exercising or not exercising the rights conferred herein or elsewhere in this agreement.

#### **V. COLLATERAL SECURITY**

If a claim or demand for performance of any obligation under any Bond is made against Surety, or if Surety deems it necessary to establish a reserve for potential claims or demands or for loss adjustment expense (including but not limited to attorneys' fees), upon demand from Surety (including the filing of a proof of claim in bankruptcy) the undersigned shall deposit with Surety cash or other property acceptable to Surety, as collateral security, in sufficient amount to protect Surety with respect to such claim(s) or potential claims and any expense or attorneys' fees. The reserve for loss may vary from time to time as Surety deems necessary to protect itself from loss and if Surety deems it necessary to increase its reserve it may make a new or further demand for increased collateral. Cash collateral equal to the reserve for loss shall be adequate. Other collateral shall be adequate if the net equity value of the collateral, as determined by Surety, is equal to 166% of the reserve for loss. In the event that suit is necessary to enforce this paragraph, the undersigned shall supply to Surety a list of the undersigned's assets and the assets of Principal and any Affiliate, indicating the address of the assets and the person(s) having custody. Surety may insist on cash security. At the same time that the undersigned provide collateral to Surety, they shall also immediately take all actions and provide all documents necessary to allow Surety to perfect its lien on and/or security interest in the collateral under all applicable law. Specific performance of this paragraph shall be a remedy available to Surety. All post-judgment procedures for executing on judgments will be available to enforce Surety's decree of specific performance, in addition to all pre-judgment procedures available by law. Collateral may be held by Surety until it has received evidence of its complete discharge from any and all such claims or potential claims even if said claims are made against Surety after collateral is deposited or are made against a different Bond, and until Surety has been fully reimbursed for all loss, expenses and attorneys' fees. All expense of Surety, including attorneys' fees, in connection with taking, administering, realizing upon or releasing collateral, whether deposited under this paragraph or as a requirement prior to execution of any Bond, shall be covered by the indemnity hereunder. The undersigned agree to indemnify, defend and hold Surety harmless from any and all liability of any type to any person, entity or governmental body resulting from the collateral provided, including but not limited to any claim under the Federal Comprehensive Environmental Response Compensation Liability Act of 1980 (CERCLA), as amended, the Federal Resource Conservation and Recovery Act (RCRA), as amended, and any other applicable federal, state or local law.

#### **VI. TRUST FUNDS**

The undersigned agree and hereby expressly declare that all funds due or to become due to Principal or its successors or assigns under any Contract covered by a Bond are trust funds, whether in the possession of the Principal or another, for the benefit and payment of all persons to whom the Principal incurs obligations in the performance of such Contract and for which the Surety would be liable under the Bond. If the Surety discharges any such obligation, it shall be entitled to assert the claim of such person to the trust funds.

#### **VII. ASSIGNMENT**

A. As security for the performance of all provisions of this agreement, including but not limited to Surety's right to payment for indemnity contained in paragraph II, the undersigned hereby pledge, grant a security interest in, assign, transfer, and convey to Surety, effective as of the date of this agreement or the date any Bond is executed by Surety, whichever is earlier, but subject to the trust herein created, the following, whether now held or after acquired:

(1) All rights in connection with any contract (whether or not bonded by Surety) held by the undersigned, including but not limited to:

- a. All subcontracts let by the undersigned, and the subcontractors' surety bonds,
- b. Any and all sums due or which may hereafter become due under any contract including but not limited to progress payments, retainages, compensation for extra work, deferred payments, and any damage claims and/or any proceeds of any damage claims in which the undersigned may have an interest,

(2) All rights arising out of insurance policies,

(3) Any and all accounts receivable, chattel paper, general intangibles, documents of title, and bills of lading held by the undersigned or in which the undersigned may have an interest,

(4) Any and all machinery, plant, equipment, and tools in which the undersigned may have an interest,

(5) Any and all materials and/or inventory in which the undersigned may have an interest.

B. The Surety is authorized to assert and prosecute any right or claim hereunder assigned, transferred or conveyed in the name of the Principal and to compromise and settle on behalf of the Principal and Surety any such right or claim on such terms as it considers reasonable under the circumstances.

C. Surety may at any time and at its option file or record this agreement or any other document executed by any or all of the undersigned, individually or jointly, as a security agreement or as part of a financing statement or as a notice of its prior interest and assignment under the provisions of the Uniform Commercial Code or any other statute, ordinance or regulation of any jurisdiction or agency, but the filing or recording of such document shall be solely at the option of Surety and the failure to do so shall not release or impair any obligations of the undersigned under this agreement. A carbon, photographic, or other reproduction of this agreement, or of any other document so filed or recorded by the Surety, is sufficient as a financing statement, security agreement, or notice of prior interest, under this agreement.

#### **VIII. POWER OF ATTORNEY**

The undersigned hereby irrevocably nominate, constitute, appoint and designate Surety or its designee as their attorney-in-fact with the right, but not the obligation, to exercise all of the rights assigned, transferred and set over to Surety by the undersigned in this agreement, and to make, execute and deliver any and all additional or other assignments, documents or papers, including but not limited to the execution of instruments referred to in Section VII and the endorsement of checks or other instruments representing payment of contract monies deemed necessary and proper by the Surety in order to give full effect, not only to the intent and meaning of the within assignment, but also to the full protection intended to be herein given to Surety under all other provisions of this agreement. The undersigned hereby ratify and affirm all acts and actions taken and done by Surety or its designee as attorney-in-fact.

#### **IX. GENERAL PROVISIONS**

A. The obligations of the undersigned hereunder are joint and several. Surety may bring separate suits hereunder against any or all of the undersigned as causes of action may accrue hereunder. Surety need not proceed first against the Principal. Release of any one or more of the undersigned shall not release the others. No action or inaction of Surety with respect to anyone other than the undersigned shall relieve the undersigned of any duties hereunder. The undersigned shall not be released from liability hereunder because of the status, condition, or situation of any other signator to this agreement or any Affiliate as defined herein.

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

C. Undersigned warrant that each of them is specifically and beneficially interested in the obtaining of each Bond.

D. Undersigned waive notice of any Default or of the making of a claim against Surety.

E. Undersigned agree to give to Surety prompt notice of any facts which might give rise to any claims or suits against Surety upon any Bond.

F. Surety may consent to any changes or alterations in a Contract, without affecting the liability hereunder of the undersigned.

G. Surety shall have every right, defense or remedy which a personal surety without compensation would have, including the right of exoneration.

H. At any time and until such time as Surety has been furnished with conclusive evidence that its liability under any Bond is terminated and/or until such time as Surety has been indemnified as provided in paragraph II above, the Surety shall have the right to free access to all of the books, records, and accounts of the undersigned for the purpose of examining them and copying them. Time is of the essence, and Surety shall have such right of free access at any time of day and any day of the week. However, should Surety demand such access outside of the hours of 8:00 a.m. through 6:00 p.m., Monday through Friday, the undersigned may charge Surety a fee not to exceed \$10 per hour.

I. Undersigned waive all right to claim any property, including homestead, as exempt from legal process in any action hereunder.



J. If the execution hereof by any of the undersigned may be defective or invalid for any reason, such defect or invalidity shall not affect the validity hereof as to any other of the undersigned. Invalidity of any provisions hereof by reason of the law of any state or for any other reason shall not render the other provisions hereof invalid.

K. Surety shall have the right to fill in any blanks left herein and to correct any errors in filling in any blanks herein and to fill in or correct errors in any other documents required of the undersigned in connection with execution of any Bond.

L. Undersigned waive any defense that this instrument was executed subsequent to the date of any Bond, admitting and covenanting that such Bond was executed pursuant to the undersigned's request and in reliance on the undersigned's promise to execute this agreement.

M. This agreement may not be changed or modified orally. No change or modification shall be effective unless specifically agreed to by Surety in writing.

N. In the event any of the undersigned become insolvent, or in case 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 defined in paragraph II herein.

O. Repeated actions on this agreement, as breaches thereof may occur, may be maintained by Surety, its successors or assigns, without any former action operating as a bar to any subsequent action brought on this agreement for breaches hereunder.

P. Wherever used in this agreement the plural shall include the singular and the singular shall include the plural, as the circumstances require.

Q. The liability of undersigned hereunder shall not be affected by the failure of the Principal to sign any Bond or Bonds or by any claim that other indemnity or security was to have been obtained, nor by the release of any indemnity or the return or exchange of any collateral that may have been obtained, whether or not notice of said actions has been given to undersigned.

R. Neither execution by Principal, any other undersigned, or any Affiliate (1) of any application for any bond or (2) of any other agreement of indemnity on behalf of Principal, any other undersigned, or any Affiliate, nor the taking of the indemnity of any other person by Surety with regard to any Bond for Principal, any other undersigned, or any Affiliate, shall in any way be deemed to waive, diminish, or abrogate any rights of Surety under this agreement.

S. Any suit brought upon this agreement shall be brought in a court of competent jurisdiction in King County, Washington, and the undersigned consent to venue and personal jurisdiction in King County, Washington for that purpose. This agreement is governed by the laws of the state of Washington. Surety shall have the right, in its sole discretion, to waive venue and/or jurisdiction in King County, Washington. Any waiver by Surety of the venue and/or jurisdiction herein shall not waive the choice of law herein agreed to.

T. Undersigned shall not claim as a defense to undersigned's obligations hereunder that the person or entity appearing on any Bond executed by Surety is not a Principal as defined herein, where: (1) any undersigned or any representative of any undersigned gave Surety reason to believe that the person or entity appearing on Bond should be a Principal as defined herein; or (2) the differences between such Bond and Principal's name herein arose because of typographical error or good faith mistake and it is reasonably apparent that the person(s) or entity(ies) named in such Bond and the person(s) or entity(ies) named herein should be treated as one and the same. Nor shall undersigned claim as a defense to undersigned's obligations hereunder that any name set forth herein or in any Bond is not the exact legal name of the undersigned or Principal.

U. If more than one Principal is named in this agreement, conjunctively or disjunctively, this agreement applies in its entirety to Bonds for any and all such Principals, singly or in combination.

V. Neither this agreement, nor acceptance by Surety of payment for its suretyship, nor agreement to accept or acceptance at any time of other security, nor any act by undersigned, nor assent to any act of undersigned by Surety, shall in any way abridge, defer, or limit Surety's right to be subrogated to any right or remedy, nor limit or abridge any remedy which Surety might otherwise have, acquire, exercise, or enforce, nor create any liability on the part of Surety which would not exist were this agreement not executed.

W. The Principal's and the other undersigned's right to recover damages against Surety caused by Surety's fault or negligence shall not exceed \$2,000. Surety will not be liable for damages resulting from loss of profits or for incidental or consequential damages, even if advised of the possibility of such damage. This limitation will apply regardless of the form of the action, whether in contract or tort, including negligence.

X. Undersigned agree that they have a duty to review all Bonds executed by Surety for errors and omissions prior to delivery of the Bond to the obligee.

Y. The undersigned shall have no rights of indemnity against each other or each others' property until its/their obligations to Surety under this agreement have been satisfied.

Z. If the undersigned desire that a claim or demand against Surety, to which Surety has determined a meritorious defense exists, be resisted and litigated, the undersigned shall (1) give written notice to Surety to this effect, (2) simultaneously deposit with Surety cash or other collateral as defined in paragraph V herein satisfactory to Surety in an amount sufficient to cover the claim or demand and interest thereon to the probable date of disposition, and (3) either deposit simultaneously with Surety cash or other collateral as defined in paragraph V herein satisfactory to Surety in an amount sufficient to cover the expenses and fees of defense, or take over the resistance and litigation of the claim; provided, however, Surety shall have the right to be represented by separate counsel of its choice and the undersigned understand that, as agreed in paragraph II herein, they shall be obligated to indemnify Surety for attorneys' fees incurred if Surety chooses to be represented by separate counsel of its choice.

#### **X. DECLINE EXECUTION**

Unless otherwise specifically agreed in writing, Surety may decline to execute any bond for any reason, and Surety shall not be liable to the undersigned, or any other person or entity (other than an obligee on a bid or proposal Bond) where Surety declines executing any bond, including the final bond for an awarded contract upon award of the contract. If Surety executes a bid or proposal Bond and then declines to execute the final bond(s) for that bid or proposal Bond for any reason (including, but not limited to, bid spread, financial or financing or funding conditions, change in scope of the work, failure to provide information or documentation or to meet a condition imposed by Surety, unsatisfactory terms or conditions contained in the contract to be bonded or the bond form required, or change in underwriting criteria), the undersigned shall nevertheless be obligated to indemnify Surety with respect to the bid or proposal Bond.

#### **XI. TERMINATION**

This agreement is a continuing obligation of undersigned unless terminated by written notice to Surety as hereinafter provided, and such termination as to an undersigned shall in no way affect the obligation of any other undersigned who has not given such notice. The liability of undersigned hereunder as to future Bonds of Principal shall not terminate by reason of the failure of Surety to disclose fact(s) known or learned by Surety about the Principal, even though such fact(s) materially increase the risk beyond that which undersigned might intend to assume. Surety may have reason to believe such fact(s) are unknown to undersigned, and Surety may have reasonable opportunity to communicate such facts to undersigned; and undersigned hereby waive notice of such fact(s). In order to terminate liability as to future Bonds of Principal, undersigned must:

A. Give written notice to Surety of such termination at its Home Office, 1213 Valley Street, P.O. Box 9271, Seattle, Washington 98109-0271; and

B. State in such notice the effective date (not less than thirty days after receipt thereof by Surety) of termination of such undersigned's liability for future Bonds.

After the effective date of such termination, the undersigned who has given notice of termination shall nonetheless be liable hereunder for:

A. Bonds executed or authorized prior to such date and modifications thereof;

B. Bonds executed pursuant to a bid or proposal Bond executed or authorized prior to such date, and modifications thereof; and

C. Any maintenance or guarantee Bonds thereafter executed incidental to any other Bond, which is executed prior to such date, and modifications thereof.

Modifications, as used in this paragraph, include but are not limited to renewals, substitutions, riders, endorsements, reinstatements, replacements, increases or decreases in penal sum, continuations, and extensions. A Bond is authorized when approved for execution by Surety's underwriters or promised to Principal or any third party, where in Surety's sole discretion Surety shall deem itself liable or potentially liable in any way for failure to execute such bond.

#### **XII. AUTHORIZATION TO CHECK CREDIT**

Surety and its agents are authorized to investigate the undersigned's credit (including, but not limited to, obtaining account numbers and/or account balances from financial institutions), now and at any time in the future, with any creditor, supplier, customer, financial institution, and any other person or entity. Authorization is hereby granted, now or at any time in the future, to release information to Surety and/or its agents pertaining to the undersigned's credit, including but not limited to disclosing to Surety and/or its agents, the undersigned's account numbers and/or account balances.

I HAVE READ THE ABOVE GENERAL INDEMNITY AGREEMENT, FULLY UNDERSTAND MY OBLIGATIONS HEREUNDER, AND FREELY CONSENT TO ITS TERMS.

**SIGNATURES OF THE PRINCIPAL AND OTHER INDEMNITORS**

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**Partnership/LLC Acknowledgment**

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_  
 On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year),  
 before me personally appeared \_\_\_\_\_  
 \_\_\_\_\_, to me known and  
 known to me to be the \_\_\_\_\_  
 \_\_\_\_\_  
 of the firm of \_\_\_\_\_  
 \_\_\_\_\_  
 described in and who executed the foregoing instrument, and s(he)/they  
 thereupon acknowledged to me that s(he)/they executed the same as and for  
 the act of deed of said firm.

\_\_\_\_\_  
 Notary Public  
 My commission expires: \_\_\_\_\_

**Corporate Acknowledgment**

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_  
 On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year),  
 before me personally appeared \_\_\_\_\_  
 \_\_\_\_\_, to me known,  
 who being by me duly sworn, did depose and say: that s(he)/they resided in the  
 \_\_\_\_\_  
 that s(he)/they is/are the \_\_\_\_\_  
 \_\_\_\_\_

of \_\_\_\_\_, the  
 corporation described in and which executed the foregoing instrument; that  
 s(he)/they knew the seal of said corporation; that the seal affixed to said instru-  
 ment was such corporate seal; that it was affixed by order of the Board of Direc-  
 tors of said corporation, and that s(he)/they signed his/her/their name there-  
 unto by like order.

\_\_\_\_\_  
 Notary Public  
 My commission expires: \_\_\_\_\_

**Individual Acknowledgment**

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_  
 On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year),  
 before me personally appeared \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

to me known and known to be the person(s) described in and who executed the  
 foregoing instrument, and s(he)/they thereupon duly acknowledged to me that  
 s(he)/they executed the same.

\_\_\_\_\_  
 Notary Public  
 My commission expires: \_\_\_\_\_

**Individual Acknowledgment**

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_  
 On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year),  
 before me personally appeared \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

to me known and known to be the person(s) described in and who executed the  
 foregoing instrument, and s(he)/they thereupon duly acknowledged to me that  
 s(he)/they executed the same.

\_\_\_\_\_  
 Notary Public  
 My commission expires: \_\_\_\_\_

# Request for Taxpayer Identification Number and Certification

**Give form to the  
 requester. Do NOT  
 send to the IRS.**

Please print or type

Name (If a joint account or you changed your name, see **Specific Instructions** on page 2.)

Business name, if different from above. (See **Specific Instructions** on page 2.)

Check appropriate box:  Individual/Sole proprietor  Corporation  Partnership  Other ▶

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, if you are a resident alien OR a sole proprietor, see the instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see **How To Get a TIN** on page 2.

Social security number

OR

Employer identification number

**Note:** If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

**Part II For Payees Exempt From Backup Withholding** (See the instructions on page 2.)

**Part III Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding.

**Certification instructions.**—You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

**Sign Here**

Signature ▶

Date ▶

**Purpose of Form.**—A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are an exempt payee.

**Note:** If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**What is Backup Withholding?**—Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding

include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. The IRS tells the requester that you furnished an incorrect TIN, or
3. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
4. You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or

5. You do not certify your TIN when required. See the Part III instructions on page 2 for details.

Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate **Instructions for the Requester of Form W-9**.

**Penalties**

**Failure To Furnish TIN.**—If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil Penalty for False Information With Respect to Withholding.**—If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal Penalty for Falsifying Information.**—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.**—If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.