

GIA #

INDEMNITY AGREEMENT

Execution Date:

This Indemnity Agreement (“Agreement”) is made as of the Execution Date set forth above by Indemnitors for the purpose of indemnifying Surety in connection with the Bond(s) described below.

Surety: Developers Surety and Indemnity Company and/or Indemnity Company of California and/or CorePointe Insurance Company including their successors, assigns and any other person or entity either of them procures to act as surety or co-surety on any Bond, or who executes a Bond at their request.

Surety’s Address: 17771 Cowan
Irvine, CA 92614

Indemnitor: All signatories to this Agreement, including their successors and assigns; all owners, members and affiliates of each signatory whether alone or in joint venture or partnership with others, in any combination; and all Principals, as defined below. Indemnitors further intend to bind any non-signing Principal to all obligations of this Agreement to the fullest extent that the individual signing on behalf of any Indemnitor has the ability to bind any Principal, whether or not a separate signature line for that Principal is added to this or any other agreement.

Principal:

and any Indemnitor, or other person or entity whose name was furnished to the Surety by any Indemnitor, for whom Surety issues a bond.

Bond: Any contract of Suretyship, and any authorized extensions, renewals, modifications or substitutions thereof, undertaken by Surety for Principal, whether before or after the date of this Agreement.

Loss: Any premiums not paid when due to Surety in connection with any Bond, including all renewals, extensions and premium adjustments, until Surety receives satisfactory evidence the Bond has been fully discharged or released.

Liability incurred or amounts paid in satisfaction or settlement of any or all claims, demands, damages, costs, lawsuits, legal or administrative proceedings, awards or judgments relating to Principal’s actual or alleged nonperformance of any obligation covered by a Bond.

Liability incurred or expenses paid in connection with actual or potential claims, lawsuits, demands for arbitration, awards, judgments or appeals relating to a Bond, including, without limitation, attorneys’ fees, all legal expenses, and all fees and costs for consultant, analytical, design, investigation, fund control, accounting, engineering or other services related to the investigation or defense of actual or potential claims and losses.

Monies loaned or any other financing provided by Surety to Principal.

Liability incurred or expenses paid in procuring or attempting to procure a release of liability under or exoneration of a Bond.

Liability incurred or expenses paid in recovering or attempting to recover Loss or other expenses paid or incurred in connection with this Agreement, or a Bond. Such expenses include any fee or commission charged to Surety in recovering or attempting to recover Loss. In any suit under this Agreement, Surety may recover the additional expenses and reasonable attorneys’ fees incurred in such suit.

Liability incurred or Loss caused by the failure of Principal or other Indemnitor to perform or comply with any of the covenants and conditions of this Agreement, including, without limitation, the costs and expenses of Surety in connection with the enforcement of any of Principal’s or Indemnitors’ covenants and conditions contained herein or in connection with the exercise of any remedy available to Surety.

Interest from the date Surety pays any Loss at the rate of 12% per annum or the maximum rate permitted in the jurisdiction in which this Agreement is enforced, if less.

NOW, THEREFORE, Indemnitors, jointly and severally, agree as follows:

1. CONSIDERATION. Indemnitors understand that Surety expressly requires execution and the delivery of this Agreement as partial consideration for executing and issuing Bonds and/or to refrain from cancelling Bonds. Indemnitors have a substantial, material and beneficial interest in the Principal obtaining Bonds and/or in the Surety refraining from cancelling Bonds.

2. INDEMNIFICATION. Indemnitors agree to fully and continuously indemnify Surety against any and all Loss or expenses of every kind or nature, including, without limitation, those incurred: (i) by reason of having executed or procured the execution of any Bond, (ii) by reason of the failure of any Indemnitor to perform or comply with the covenants and conditions of this Agreement, and (iii) enforcing any of the covenants and conditions of this Agreement. Also, Indemnitors agree to indemnify Surety against the fees and disbursements of counsel whether on salary, retainer or otherwise.

Surety may at its sole and absolute discretion pay, compromise, defend, settle, investigate, appeal or otherwise handle or resolve any claim, demand, suit, arbitration demand, judgment, award or expense arising out of or related to any Bond. Any such act or decision by the Surety is binding upon and ratified by Indemnitors and any cost, expense or payment incurred or made by the Surety shall be a Loss covered by this Agreement. An itemized statement, sworn to by any employee of the Surety, or a copy of a check or draft or other evidence of such payment or compromise, shall be prima facie evidence of the fact and amount of any Loss and the liability of Indemnitors for it under this Agreement.

Indemnitors agree to defend Surety against any lawsuit, arbitration demand, action or other proceeding brought with respect to any Bond. Upon Surety's demand Indemnitors shall retain counsel acceptable to Surety, at Indemnitors' sole cost and expense, to represent and defend Surety. Surety reserves the right, at any time, and at its sole and absolute discretion, to retain or substitute counsel to represent and defend itself regardless of whether Indemnitors tender and/or Surety initially accepts counsel for the Surety's defense. Regardless of who retains counsel, Indemnitors agree to fully indemnify Surety against all legal fees, costs and other expenses. Indemnitors' retention of counsel to defend Surety shall in no way waive, modify or otherwise affect Surety's right in its sole and absolute discretion to pay, compromise, defend, settle, investigate, appeal or otherwise handle or resolve any claim, demand, suit, arbitration demand, judgment, award or expense arising out of or related to any Bond.

If any Indemnitor desires to resist, defend or litigate a claim or demand against the Surety the Indemnitor shall give timely written notice to Surety of its intention. Surety, at its sole and absolute discretion, may require Indemnitor to immediately deposit with the Surety cash or other collateral satisfactory to the Surety in an amount which Surety deems sufficient to cover (i) the cost and expense of the claim or demand including, without limitation, recoverable interest, attorney's fees and costs through the probable date of disposition and (ii) the anticipated fees, costs and expenses which the Surety deems sufficient for its defense. Indemnitor's posting of collateral and/or retention of counsel to defend Surety shall in no way waive, modify or otherwise affect Surety's right in its sole and absolute discretion to pay, compromise, defend, settle, investigate, appeal or otherwise handle or resolve any claim, demand, suit, arbitration demand, judgment, award or expense arising out of or related to any Bond; or any other rights set forth in this Agreement. Collateral deposited pursuant to this paragraph is governed by the terms of section 3, below.

3. COLLATERAL RESERVE. If the Surety deems it necessary or expedient to protect itself from potential liability or Loss, Surety may demand a collateral reserve in a dollar amount which the Surety in its sole discretion determines is adequate. Immediately upon demand, and whether or not Surety has made any payment or incurred an actual Loss to date, Indemnitors shall deposit collateral with Surety in an amount equal to the collateral reserve demanded. The collateral shall be cash or other property which Surety, in its sole and absolute discretion, may agree to accept. In its sole discretion, the Surety may from time to time request an increase or supplement to a collateral reserve previously demanded. The Surety shall have the right to use part or all of the collateral reserve to pay or otherwise settle any Loss for which the Indemnitor would be obligated to indemnify the Surety under the terms of this Agreement. Surety shall have no obligation to invest or provide a return on the collateral reserve. If Indemnitor neglects, refuses or otherwise fails to deposit the demanded collateral reserve Surety may seek a mandatory injunction to specifically enforce Indemnitors' agreement to honor a collateral reserve demand. Surety may also seek any other available remedy at law or in equity. The Indemnitor or Indemnitors who deposited the collateral reserve shall be entitled to the return of any unused portion upon termination of the Surety's liability under the Bonds and the performance by Indemnitors of all obligations to the Surety under the terms of this Agreement. The Surety's collateral demand shall be sufficient if sent to the address last known to the Surety of the Principal and/or Indemnitors to whom it is directed, whether or not it is actually received. Posting of collateral by any Indemnitor shall in no way waive, modify or otherwise affect Surety's right in its sole and absolute discretion to pay, compromise, defend, settle, investigate, appeal or otherwise handle or resolve any claim, demand, suit, arbitration demand, judgment, award or expense arising out of or related to any Bond, as provided in this Agreement.

4. TRUST FUNDS. Each Indemnitor agrees and hereby expressly declares that all funds due or which may become due under any contract or other obligation covered by a Bond, whether in the possession of the Principal or another, are trust funds for the benefit of the Surety and for payment of all persons and entities to whom the Principal incurs obligations in the performance of a bonded contract or other obligation. If the Surety discharges any obligation to such a person or entity, it shall be entitled to assert the claim of that person or entity to the trust funds. Indemnitors agree to use trust funds for the purpose of performing any contract or other obligation covered by a

bond and for no other purpose until the liability of the Surety under the Bond is completely exonerated. Each Indemnitor that comes into possession of these trust funds recognizes and assumes its role as a fiduciary with respect to their preservation and proper application. Indemnitors agree that the trust funds retain their trust character, even in the absence of segregation. If requested by Surety, Indemnitors agree to open an account or accounts with a bank or similar depository, designated by the Principal and approved by the Surety, which shall be for the deposit of the trust funds, and into which they shall deposit all monies received pursuant to the contract or contracts. Withdrawals from these accounts shall be by check or similar instrument signed by the Principal and countersigned by a representative of the Surety. Said trust or trusts shall terminate on the payment by Principal of all the contractual obligations for which the trust or trusts are created.

5. DEFAULT. Indemnitor shall be in default under this Agreement upon the occurrence of any of the following:

5.1 Any abandonment, forfeiture, breach of, or failure, refusal or inability to perform any contract or other obligation covered by a Bond;

5.2 The failure, delay, refusal or inability of the Principal to pay bills or other indebtedness incurred in, or in connection with, the performance of any contract or other obligation covered by a Bond;

5.3 The declaration by any Bond obligee that Principal is in default of the contract or other obligation covered by a Bond;

5.4 The failure by any Indemnitor to perform, or comply with, any of the terms, covenants and obligations of this Agreement.

5.5 The diversion or non-use by any Indemnitor of trust funds, loan funds, equity funds or materials intended by the bond obligee, lender, equity contributor or supplier of such funds or materials to be used for, and which are needed to perform or discharge, an obligation covered by a Bond.

5.6 Insolvency, placement of any Indemnitor or property owned or controlled by an Indemnitor in receivership, assignment for the benefit of creditors, or voluntary or involuntary filing of any insolvency or bankruptcy proceeding by or against any Indemnitor.

5.7 If the Principal is an individual: the Principal's death, unauthorized taking of funds, material or property, disappearance, incompetence, conviction of a felony or imprisonment. If the Principal is any other type of entity: any actual or threatened change to its character, identity, control, management, beneficial ownership or existence.

5.8 The failure of any Indemnitor to promptly furnish accurate, complete and up-to-date financial statements upon request of Surety, or the furnishing of a financial statement by any Indemnitor which contains any material misstatement or omission.

5.9 Any material, adverse change in the financial condition of any Indemnitor.

5.10 In the event some or all of an obligation covered by a Bond relates to the performance of a subdivision improvement agreement between any Indemnitor and a private or public entity for which one or more Bonds have been executed and delivered as improvement security, any voluntary or involuntary transfer of the property that is subject to the improvement agreement.

5.11 The filing of any suit, demand for arbitration or the commencement of any action or proceeding in connection with or related to an obligation covered by a Bond, whether or not Surety is named as a party.

5.12 Any suspension, revocation or other material, adverse change in the status of any license of Principal with any applicable licensing board or agency required to perform or discharge any obligation covered by a Bond.

Indemnitor agrees that Surety's determination there has been a default shall be conclusive.

6. REMEDIES UPON DEFAULT. In the event of any default, as described in Section 5 above, Surety, directly or through its agent or designee, in its sole and absolute discretion, is hereby authorized by Indemnitors:

6.1 To take possession of all or any part of the work under any contract or other obligation covered by a Bond and, at the expense of Indemnitors, to complete the work, arrange for the completion of the work, or consent to the completion of the work.

6.2 To take possession of Principal's and/or Indemnitor's equipment, materials, tools, plant, supplies, books and records at the site of the work or elsewhere, and to use and consume them to perform the obligations covered by a Bond;

6.3 If the subject work is being performed on real property owned by any Indemnitor, Surety may take possession of the real property. Surety may exercise this right in person or through an agent, with or without bringing any action or proceeding, or by court appointed receiver.

6.4 In the event part or all of an obligation covered by a Bond relates to performance of a subdivision improvement agreement between any Indemnitor and a private or public entity, to revert to acreage the real property which is the subject of the subdivision improvement agreement.

6.5 To file suit to enforce the provisions of this Agreement.

6.6 To make or to guarantee advances, loans or other financing in connection with an obligation covered by a Bond without any obligation or responsibility as to the application of the funds. It is expressly understood and agreed that the amount of all such advances or loans shall be conclusively presumed to be a Loss for which Indemnitors are liable irrespective of the prospects for repayment of the loan or the security provided for it.

6.7 The remedies specified above shall be in addition to all other remedies available to Surety by this Agreement, in law, equity or otherwise. Surety shall have the right to enforce one or more remedies successively or concurrently and the exercise of one remedy shall not preclude the exercise of any other.

7. ASSIGNMENT. With respect to each Bond executed by the Surety, each Indemnitor hereby assigns, transfers and conveys to the Surety, but subject to the trust herein created; (a) all monies due or which may become due the Principal or other Indemnitor under or as a result of any contract or obligation to which an Indemnitor is a party, whether or not covered by the Bond, including, but not limited to, progress payments, deferred payments, retained percentages, securities or cash posted in lieu of retention, compensation for extra work and proceeds of damage claims; (b) all right, title and interest of the Principal in and to all supplies, tools, plant, equipment and materials of every nature and description that may now or hereafter be in, on or around the site of, or related to the work under, the contract or other obligation covered by the Bond; (c) materials purchased or ordered for the performance of the contract or other obligation covered by the Bond whether in the process of construction, in transit to the site, or in storage elsewhere; (d) all right, title and interest of the Principal in and to all subcontract and other obligations, let or to be let, in connection with the contract or other obligation covered by the Bond including all surety bonds covering such subcontracts and obligations; (e) all actions, causes of action, claims and demands and offsets that the Principal or Indemnitors have or may have against any subcontractor, laborer, materialman or any person and their sureties furnishing or agreeing to furnish or supply labor, material, supplies, machinery, services, tools or other equipment on all contracts whether or not covered by the Bond; (f) all rights arising out of insurance policies of Principal related to a contract or other obligation covered by the Bond; (g) any and all undisbursed loan funds, interest reserve accounts, or deposits of any sort to which the Principal or Indemnitors may be entitled, and any and all collateral for any undertaking given by Principal or Indemnitors in connection with any obligation covered by the Bond; (h) any return premium due to any Indemnitor from Surety or any insurance carrier; and (i) all powers of direction, appointment or revocation of any trusts in which Indemnitor holds or held such powers.

The foregoing assignment shall be effective as of the date of the execution and delivery of this Agreement as to each contract or other obligation covered by Bonds executed prior to such date although nothing herein shall limit the right of the Surety to claim under any prior assignment. With respect to any Bond executed and delivered on or after the date of execution and delivery of this Agreement, the assignment shall be effective as of the effective date of the Bond. The assignment with respect to each Bond shall take effect on the date indicated, but only in the event of a default under this Agreement.

The Surety is authorized to assert and prosecute any right or claim assigned or transferred to it, or which it acquires by subrogation, in the name of the Principal or any Indemnitor and to compromise and settle any such right or claim on such terms as it considers reasonable under the circumstances.

8. SECURITY AGREEMENT. To secure the obligations under this Agreement, each Indemnitor grants to Surety a security interest in the following property, whether now owned or hereafter acquired, a) all contracts or subcontracts and all related contract rights, b) all rights under any insurance policies or surety bonds, c) all accounts, accounts receivable, or sums due under any contract, including but not limited to, contract claims and proceeds from them, d) all machinery, equipment, tools, inventory and construction materials, and e) all payment rights, commercial tort claims, chattel paper, deposit accounts, documents, farm products, fixtures, software, general intangibles, tax refunds, goods, instruments, stocks, bonds, securities, dividends, memberships, partnership interests, inventory, investment property, letter of credit rights, life insurance policies and all supporting obligations and proceeds.

This Agreement constitutes a Security Agreement to the Surety and a Financing Statement in accordance with the provisions of the Uniform Commercial Code. Notwithstanding any other provisions of this Agreement, the Surety is expressly authorized to file financing statements with respect to any security interest the Surety may have, at any time in any jurisdiction, with or without an Event of Default, and whether or not such security interest is perfected or would be perfected by such filing. The filing or recording of any such document shall be solely at the option of Surety. The failure to file or properly file shall not release or discharge any of the obligations of any Indemnitor under this Agreement. Indemnitors shall promptly execute and deliver such additional documents as Surety may request to document or perfect the security interest granted under the Agreement.

In the event of default, Indemnitors agree that, in addition to granting Surety security interest in the property listed above, Surety

may prepare and record any and all documents with the appropriate authority in any jurisdiction in which any Indemnitor owns real property which are necessary, customary or required to evidence and perfect a security interest in favor of Surety in any real property owned by any Indemnitor to secure the obligations of this Agreement. Surety is further authorized to employ the rights granted in paragraph 12 of this agreement to accomplish this recording.

9. RIGHT TO INFORMATION. Indemnitors agree to furnish Surety such information as it may request from time to time concerning the financial condition of Indemnitors, the status of work under any contract or other obligation covered by a Bond, the condition of the performance of any such contract or other obligation and the payment of obligations incurred in connection with it. The Surety may at reasonable times and places and from time to time, examine and copy the books, records and accounts of any Indemnitor. The Surety may obtain information concerning the affairs and operations of any Indemnitor and any transaction between or among the Indemnitors from any banks, depositories, obligees of the Bonds, materialmen, supply houses, credit reporting agencies or other persons, each of whom are hereby expressly authorized by Indemnitor to furnish such information to the Surety.

10. DECLINATION OF SURETYSHIP. The surety may decline to execute any Bond applied for without incurring any liability whatever to any Indemnitor. If the Surety executes a Bid Bond, proposal Bond or any similar undertaking it may, nevertheless, decline to execute any and all Bonds that may be required in connection with any award made on the bid or proposal for which the bond or undertaking is given. The Principal shall have the right to procure from another surety any bonds that may be required in connection with any award under the proposal for which the bond or undertaking is given.

11. DISCHARGE FROM SURETYSHIP. Indemnitors will, at any time upon the request of the Surety, procure the discharge and exoneration of the Surety from any Bond and all liability related to it. The Surety may, at any time, take such action as it deems necessary or proper to obtain its release from any and all liability under any Bond.

12. POWER OF ATTORNEY. Each Indemnitor hereby irrevocably nominates, constitutes, appoints and designates the Surety or the Surety's designee as his/her/its attorney-in-fact with the right to exercise all of the rights assigned, transferred and set over to the Surety by this Agreement and, in his/her/its name, to execute and deliver any and all assignments, instruments and documents and to negotiate payment documents deemed necessary or desirable by the Surety (i) to vest in the Surety absolute title to any and all monies, property and rights assigned in this Agreement and (ii) to provide the protection and rights to the Surety contemplated by all of the provisions of this Agreement. Indemnitors hereby ratify and affirm all acts and actions which shall be taken and done by Surety or its designee as attorney-in-fact.

13. TERMINATION OF INDEMNITOR LIABILITY. This is a continuing Agreement which remains in full force and effect until terminated. The sole and exclusive method of terminating Indemnitor's indemnity liability shall be in strict compliance with this section. Termination by any Indemnitor shall in no way affect the obligation or liability of any other Indemnitor who has not given such notice. In order to terminate liability as to any future Bond an Indemnitor shall:

13.1 Give to Surety written notice of such termination by certified mail, return receipt requested; or via overnight delivery service, with proof of service, addressed to Surety at its current home office address, as listed on the Surety's website at the date of mailing; and

13.2 State in such notice the effective date, which shall not be less than 30 days following receipt of such notice by the Surety, of the termination of the Indemnitor's liability for any future Bond.

13.3 Following the effective date of such termination, such Indemnitor shall continue to be liable to Surety for all obligations under this Agreement with respect to: (i) any Bond executed or authorized prior to such effective date of termination, including any renewals, substitutions, extensions and modifications of the Bond; (ii) any bid or proposal Bond executed or authorized prior to such effective date of termination, any Bond executed pursuant to such a bid or proposal Bond and any renewals, substitutions, extensions and modifications of these Bonds; and (iii) any maintenance or guarantee Bond executed incidental to any other Bond executed prior to such date of termination, and any renewals, substitutions and extensions of that Bond.

14. GENERAL PROVISIONS.

14.1 The obligations of Indemnitors hereunder are joint and several. Surety may maintain repeated actions to enforce the terms of this Agreement as causes of action accrue or as breaches of the Agreement occur without any former action operating as a bar to any subsequent action. Any statute of limitations applicable to a Surety cause of action under this Agreement shall begin to run upon the date of the last item of Loss paid by Surety on any Bond covered by this Agreement.

14.2 Indemnitors hereby expressly waive the benefit of any statute or rule of law which gives Indemnitor the right to require Surety to first proceed against Principal 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 available to Surety before proceeding against any Indemnitor.

14.3 Indemnitors shall continue to remain bound under this Agreement even though the Surety may, from time to time and with or without notice to or knowledge of any Indemnitor, have previously accepted or released, or shall accept or release in the future, other agreements of indemnity or collateral from Indemnitors or from others in connection with the execution of the Bonds. Surety is hereby expressly authorized to settle any claim based upon this Agreement against any and all of the Indemnitors individually, and such settlement or compromise shall not affect the liability of any other Indemnitor.

14.4 Indemnitors waive notice of the execution of any Bond, default, claim against Surety, loan of funds to Principal by Surety or any other act, fact or information concerning or affecting the rights or liabilities of the Surety or the rights or liabilities of any Indemnitor. Indemnitors have established adequate means of obtaining from sources other than Surety, on a continuing basis, financial and other information pertaining to Principal's financial condition and the status of Principal's performance of the obligations covered by each Bond. Indemnitors agree to keep adequately informed of any facts, events or circumstances which might in any way affect Indemnitors' risk under this Agreement and waive notice of any such facts whether or not the Surety may have reason to believe that such facts are unknown to the Indemnitors or whether the Surety may have had a reasonable opportunity to communicate such facts to the Indemnitors.

14.5 Indemnitors agree to provide Surety prompt notice of any facts which might give rise to any claims or suits against Surety upon any Bond. Indemnitors agree that Surety may retain counsel of its choosing to defend claims or suits, whether or not any Indemnitor has engaged counsel, and that all payments to Surety's counsel and other legal expenses are a Loss.

14.6 The Surety in its sole discretion is authorized, without notice to or knowledge of any Indemnitor, to assent to any change whatsoever in any Bond and any contract or other obligation covered by a Bond, including, but not limited to, any change in the time for the completion of the contract or other obligation and for payments or advances thereunder, to assent to or to take any assignments, to execute or consent to the execution of any continuations, extensions, renewals, enlargements, modifications, changes or alterations of any Bond and to issue and/or execute any substitution of the Bond, with the same or different conditions, provisions and obligees and with the same, larger or smaller penalties. Indemnitors shall remain bound under the terms of this Agreement even though any such action or assent by the Surety does or may substantially increase their liability.

14.7 Indemnitors expressly waive any defense to their obligations under this Agreement arising from or related to an alleged failure to mitigate by the Surety or a claim that the Surety's actions materially increased the risk of loss to Indemnitors.

14.8 Surety shall have every right, defense or remedy which a personal surety without compensation would have.

14.9 Indemnitors waive any right to trial by jury in any action relating to or arising out of this Agreement, any Bond or any Indemnitor's relationship with Surety.

14.10 If any of the persons named herein as Principal or Indemnitor fails to execute this Agreement or if the execution by any of the Indemnitors is deemed defective or invalid for any reason, such failure, defect or invalidity shall not in any manner diminish or otherwise affect the obligation or liability of any other Indemnitor. Each Indemnitor expressly represents and warrants to the Surety that the signatures of all other Indemnitors are genuine. Failure of the Principal to sign any Bond shall not relieve any Indemnitor of liability under this Agreement. 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 the remainder of this Agreement shall not be void or unenforceable and shall continue in effect and be enforced as though the void or unenforceable provision or provisions were omitted.

14.11 If a claim is filed by Surety in a bankruptcy case of any Indemnitor, Indemnitors acknowledge and agree that the Surety's claim is not contingent as that term is used in Section 502(e)(1)(B) of the Bankruptcy Code because the Surety's rights under paragraphs 11 and 3 entitle the Surety to unconditional payment and are immediately enforceable against Indemnitor.

14.12 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.

14.13 Indemnitors waive, so far as their respective obligations under this Agreement are concerned, all rights to claim any of their property, including their respective homesteads, as exempt from levy, execution or sale or other legal process under the laws of any state, territory or possession of the United States.

14.14 As used in this Agreement, 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, joint ventures, corporations, associations and other entities.

14.15 Indemnitors expressly waive their right to create any asset protection trust until Surety has been fully discharged from liability on all Bonds and all obligations owed to Surety by any Indemnitor under this Agreement have been fully satisfied. Any statute

of limitations upon fraudulent transfer claims applicable in any jurisdiction which permits the creation of self-settled asset protection trusts is waived by Indemnitor in any claim or suit brought by Surety. Any transfer by Indemnitors of property to an asset protection trust after the date of this Agreement is de facto and conclusively acknowledged to be a fraudulent transfer as to Surety, avoidable at the election of Surety without any proof other than the date and fact of the transfer.

14.16 If any proceeding is brought against the Surety relating to or arising out of a Bond in which the Surety desires to join any Indemnitor by reason of the undertakings in this Agreement, Indemnitor agrees that he/she/it will, upon written notice of the Surety to do so, voluntarily appear in such proceedings and accept service of process and other papers either personally or by an attorney of the Indemnitor's choice. Moreover, for the adjudication of all matters arising under this Agreement, Indemnitors consent to jurisdiction and venue of any court or tribunal (including arbitration and mediation) in any forum in which 1) a Bond is written by Surety or 2) a proceeding is brought against the Surety relating to a Bond. With respect to any action brought by the Surety on this Agreement in a jurisdiction in which one or more of the Indemnitors reside, are domiciled, are doing business or are found, each of the Indemnitors not in the jurisdiction hereby designates each of the Indemnitors in such jurisdiction as his/her/its agent to receive on his/her/its behalf service of process in such action, and consents to jurisdiction and venue in that jurisdiction.

14.17 All rights and remedies of the Surety under this Agreement shall be cumulative and the exercise of or failure to exercise any right or remedy at any time shall not be an election of remedy or a waiver of any other right or remedy. Failure of the Surety to pursue any remedy against one or more of the Indemnitors shall not release or waive any right against any other of the Indemnitors.

14.18 The obligations of Indemnitors under this Agreement shall be in addition to, and shall not limit or in any way affect, the obligations of Indemnitors under any other existing or future indemnities or guarantees unless said other indemnities or guarantees are expressly modified or revoked in writing.

14.19 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original hereof and all of which, taken together, shall constitute one and the same instrument. Furthermore, the Parties agree that a photocopy of this Agreement or one transmitted electronically or by telefacsimile may be treated for all purposes as an original.

14.20 Each Indemnitor agrees that any indebtedness owed him/her/it by another other Indemnitor, whenever or however said indebtedness arises, is hereby subordinated to the indebtedness of Indemnitor to Surety, until all obligations to the Surety under this Agreement have been satisfied in full.

14.21 This Agreement represents the entire integrated agreement between the Surety and Indemnitors with respect to the matters herein, and supersedes all prior negotiations, representations or agreements, except as referenced or modified herein. No Indemnitor is relying upon any promise or representation by any other party not contained in this Agreement.

EACH INDEMNITOR WHOSE SIGNATURE IS PLACED BELOW REPRESENTS TO THE SURETY THAT THEY HAVE CAREFULLY READ THIS ENTIRE AGREEMENT AND THAT THERE ARE NO OTHER AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY REDUCE OR MODIFY THE OBLIGATIONS SET FORTH HEREIN.

IN WITNESS WHEREOF, the Indemnitors, intending to be legally bound hereby, have executed this Agreement effective as of the Execution Date first above written.

INDEMNITOR:

INDEMNITOR:

ALL SIGNATURES MUST BE ACKNOWLEDGED BY A NOTARY PUBLIC

