

**HOMETOWN SERVICE UNDERTAKING/MANAGEMENT AGREEMENT**

Know all men by these presents: That: \_\_\_\_\_ of \_\_\_\_\_ State of \_\_\_\_\_ hereinafter called the Principal and Colonial Surety Company or Colonial Surety Agency, LLC or Surety Underwriting Agency, Inc., acting as agents or managing general agents for various companies thereafter called the Surety hereby enter into this service undertaking for bid and performance bonds.

Whereas, the Principal has sought or will be seeking performance bonds from the Surety.

Whereas, the Principal will in all probability be seeking further Suretyship from said Surety during the ensuing years. However, this undertaking will in no way obligate the Surety for further bonds and is intended to serve as written proof of the charges that will be made under the terms of this undertaking.

This service undertaking provides that surety will review the Principal's requests for performance bonds. The rate charged for contract bonds will be as follows: 2.5% per thousand which is computed on the contract price or bond liability whichever is greater. Any projects which are located within the five boroughs of New York City will be subject to a flat rate of 3.5% Premium is computed on the contract price or bond liability whichever is greater. The final contract price of the completed bonded contract is subject to audit by the Surety. All contract overruns will be charged at the above rates. There are no premium returns for contract underruns.

There is a refundable application fee of \$150.00. The fee is only refundable if we decline your application. If your application is approved the fee will be applied to the \$500.00 annual service undertaking fee.

Colonial has the right to decline to issue any performance bond even when it issues the bid bond. If your bid is not within the 15% of the engineer estimate or the 2<sup>nd</sup> bidder, whichever is greater, Colonial may elect to issue the performance bond and require that you provide Colonial cash collateral in 100% of the bid spread.

The contractor further agrees to participate in the Contractor Trust Program.

**ALL CHARGES ARE MINIMUM AND FULLY EARNED AND DUE UPON INVOICE OR BOND RECEIPT WHICHEVER IS RECEIVED FIRST.**

Issued this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

In witness Whereof, this instrument has been executed by the Principal.

Colonial Surety Company (Surety)

\_\_\_\_\_

Witness

\_\_\_\_\_  
(Principal's Signature)