



Liberty Mutual Surety  
1001 4th Avenue, Suite 1700  
Seattle, WA 98154

## BUSINESS SERVICES BOND

6665856

### KNOW ALL BY THESE PRESENTS:

That in Return for the Payment of the Premium of \$ 227.00 , American States Insurance Company organized under the laws of the State of Indiana and duly authorized to transact business as Surety ("Surety") hereby agrees to indemnify

DAVID H COSTA of \_\_\_\_\_ (hereinafter

called "Obligee") against direct loss of money or other property, from the premises of any and all subscribers (hereinafter called "Subscribers") to its services and belonging to the Subscriber, or in which the Subscriber has a pecuniary interest or for which the Subscriber is legally liable, which the Subscriber shall sustain as result of any employee dishonesty, as hereafter defined, of an Employee or Employees of the Obligee acting alone or in collusion with others, for which the Obligee is liable, in an amount not exceeding Fifty Thousand Dollars And Zero Cents

Dollars, (\$ 50,000.00 ), the limit of the bond.

WHEREAS, the term of this bond begins 12:01 A.M. standard time on 17th day September , 2009 at the address of the Obligee as indicated above and remains in full force and effect until canceled by the Surety in its entirety.

### NOW, THEREFORE, THE CONDITIONS AND LIMITATIONS OF THIS OBLIGATION ARE SUCH:

1. Loss is covered under this bond only (a) if sustained through any act or acts committed by an Employee of Obligee while this bond is in force as to such Employee, and (b) if discovered prior to the expiration or cancellation of this bond in its entirety as provided in Section 14 or from its cancellation or termination in its entirety in any other manner whichever shall happen first.
2. The most the Surety will pay for loss for any one occurrence is the applicable limit of the bond shown above.
3. The term Employee or Employees, as used in this bond, shall be deemed to mean, respectively, one or more of the natural persons (except directors or trustee, if a corporation, who are not also officers or employees thereof in some other capacity) while in the full time or part time permanent service of the Obligee in the ordinary course of the Obligee's business during the effective period of this bond, and who is/are compensated solely by the Obligee by salary or wages and over whom the Obligee has the right to govern and direct in the performance of such service within any of the states of the United States of America or within the District of Columbia, but does not mean brokers, factors, commission merchants, co-signees, contractors or any other agents or representatives of the same general character.
4. A Subscriber is any person, firm, or corporation for whom the Obligee provides services in his, her or its business capacity.

5. Employee dishonesty shall mean only the fraudulent or dishonest occurrence causing loss during the time the Employee is engaged in services on the premises of the Subscriber or Subscribers and that is punishable under the Criminal Code in the jurisdiction within which the occurrence took place, for which said Employee(s) is tried and convicted by a court of proper jurisdiction and only in an amount not to exceed the amount stated in the conviction.

6. Occurrence means all loss(es) caused by or involving one or more Employees, whether the result of a single act or a series of acts, without regard to the number of Subscribers involved.

7. Premises shall mean only the interior of the Subscriber's building or structure or any part thereof for which the Subscriber is the tenant or owner and for which the Oblige is rendering a service to the Subscriber, but shall not include driveways, parking spaces or appurtenant structures for which the Oblige is not performing a service.

8. If any natural person shall be taken into the regular service of the Oblige through merger or consolidation with some other concern, the Oblige shall give the Surety written notice thereof and shall pay an additional premium on any increase in the number of Employees covered under this bond as a result of such merger or consolidation computed pro rata from the date of such merger or consolidation to the end of the current premium period.

9. Regardless of the number of years this bond shall continue in force and the number of premiums that shall be payable or paid, the liability of the Surety under this bond shall not be cumulative in amount from year to year or from period to period. In no event shall Surety's aggregate liability for all Fraudulent or Dishonest Acts of all Employees exceed the amount stated above, whether by reason of Fraudulent or Dishonest Acts of the Oblige's Employee(s), interest, attorney's fees or any other reason whatsoever.

10. With respect to loss or losses caused by an Employee or that are chargeable to such Employee as provided in Section 5 and that occur partly under this bond and partly under other bonds or policies issued by the Surety to the Oblige or to any predecessor in interest of the Oblige and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss or losses thereunder are discovered, the total liability of the Surety under this bond and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under this bond on such loss or losses or the amount available to the Oblige under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss or losses, if the latter amount be larger.

11. The Oblige, as a condition to coverage under this bond, must transfer to the Surety all rights of recovery, to the extent that a loss is paid by the Surety against any person or organization for any loss the Oblige sustains and for which the Surety has paid or settled the claim. The Oblige must also do everything necessary to secure those rights and do nothing after loss to impair them.

12. If the Oblige shall sustain any loss or losses covered by this bond that exceed the amount or coverage provided by this bond, the Oblige shall be entitled to all recoveries (except from Suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Surety by whomsoever made) on account of such loss or losses until Oblige has been fully reimbursed for such excess, plus the actual cost of effecting the same; and any remainder and all other amount shall be applied to the reimbursement of the Surety. The Surety's right of subrogation to the Subscriber, rights against any Employee(s) or any other person shall not be inferior to the Subscriber remaining rights, if any, against such person.

13. This bond shall be deemed canceled as to any future acts of any Employee of the Obligee immediately upon discovery by the Obligee, or by any partner or officer thereof not in collusion with such Employee(s), of any possible fraudulent or dishonest act on the part of the Employee, or at 12:01 A.M. standard time at the Obligee's address upon the effective date specified in a written notice mailed by Surety to the Obligee. Such date shall not be less than fifteen (15) days after the date of mailing. The mailing by Surety of notice, as aforesaid, to the Obligee at its principal office shall be sufficient proof of notice. For purposes of this Section 13, discovery shall include that time at which the Obligee in the exercise of reasonable care, should have discovered such possible fraudulent or dishonest act. For purposes of this Section 13, Obligee shall include officer or partners of Obligee or Employee of Obligee who has supervisory authority over other Employee(s).

14. This bond shall be deemed canceled as to any Employee or in its entirety at 12:01 A.M. standard time at the mailing address of the Obligee, upon the effective date specified in a written notice upon the Obligee or sent to the Obligee by first class United States Mail to the last address supplied to the Surety in its files. Such date shall not be less than ten (10) days after such service, or if sent by mail, not less than fifteen (15) days from the date of mailing. The Mailing by the Surety of notice as aforesaid to the Obligee shall be conclusive proof of receipt of notice. In the event of cancellation Surety shall have no obligation after the effective date of cancellation, except for claims made in accordance with item 16 below.

15. Obligee hereby warrants that neither the Obligee nor any Employee has committed any fraudulent or dishonest act in the service of any Subscriber, or otherwise. In absence of prior written agreement by Surety, Surety shall have no liability whatsoever if the Obligee or any Employee(s), prior to the issuance of this bond committed any fraudulent or dishonest act which the Obligee (or any partner or officer of Obligee not in collusion with such Employee(s)) had, or in the exercise of reasonable care should have had, knowledge. If prior to the issuance of this bond, any bond or insurance issued in favor of any predecessor in interest of Obligee covering Obligee or any Employee(s) shall have been canceled as to the Obligee or said Employee(s) by reason of: (a) the discovery of any fraudulent or dishonest act on the part of Obligee or said Employee or (b) the giving of written notice of cancellation as to Obligee or said Employee by any such surety or insurer whether Surety or not, and if Obligee or said Employee shall not have been reinstated under this coverage of any such bond or insurance, the Surety shall not be liable under this bond. For purposes of this Section 15 only, a fraudulent or dishonest act is defined as any such act punishable as a crime under the law of the jurisdiction in which the act occurred, whether or not a conviction was obtained therefore.

16. The Surety shall be given written notice at Surety's home office in Seattle, Washington as soon as possible, and in no event later than fifteen (15) days after the discovery of any fraudulent or dishonest act on the part of any Employee by the Obligee, or by any partner or officer thereof not in collusion with such Employee. Within four (4) months after such discovery, the Obligee shall file with Surety affirmative proof of loss, itemized and duly sworn to, and shall upon request of Surety render every assistance, not pecuniary, to facilitate the investigation and adjustment of any loss. No suit to recover on account of loss under this bond shall be brought before expiration of two (2) months from the filing of proof as aforesaid on account of such loss, nor after the expiration of twelve (12) months from the discovery as aforesaid of the fraudulent or dishonest act causing such loss.

17. If any limitation in this bond for cancellation, termination, giving notice, filing claim or bringing suit is prohibited or made void by any law or decision controlling the construction of this bond, such limitation shall be deemed to be amended so as to be equal to the minimum limitation permitted by law.

18. This bond does not apply:

(a) To the defense of any legal proceeding brought against the Oblige or Subscriber, or to fees, costs or expenses incurred or paid by the Oblige or Subscriber in prosecuting or defending any legal proceeding whether or not such proceedings result or would result in a loss to the Oblige or Subscriber covered by this bond;

(b) To potential income, including but not limited to interest and dividends, not realized by Oblige or Subscriber because of a loss covered under this bond;

(c) To damages of any type for which the Oblige or Subscriber is legally liable, except direct compensatory damages arising from a loss covered under this bond; and

(d) To costs, fees and other expenses incurred by the Oblige or Subscriber in establishing the existence of or the amount of loss covered under this bond.

19. This bond shall inure to the benefit of the named Oblige only and no other person shall have any rights under this bond. The right of the Oblige under this bond may NOT be transferred to any other person without the Surety's prior written consent.

Signed and Dated August 19, 2009

AMERICAN STATES INSURANCE  
COMPANY



T. Mikolajewski

Tim Mikolajewski, Vice-President

1001 4th Avenue, Suite 1700, Seattle, WA  
98154

(Surety address)

1-888-844-2663

(Phone)

**THIS BOND HAS AN EMPLOYEE CONVICTION REQUIREMENT TO ESTABLISH ANY LOSS OR CLAIM.**