

**KNOW ALL MEN BY THESE PRESENTS:** That \_\_\_\_\_ whose address for service is \_\_\_\_\_ as Principal, and \_\_\_\_\_ as Surety, are held and firmly bound unto Bolster Corporation, (Bolster) for the benefit of Bolster's customers (Homeowners) in the penal sum of \_\_\_\_\_ for the payment of which well and truly to be made we bind ourselves, our heirs, administrators, successors and assigns, jointly and severally, firmly by these presents.

**WHEREAS,** Bolster requires that the Principal file or have on file with Bolster a blanket bond issued by an admitted surety in the above penal sum and this bond is executed and tendered in accordance therewith.

**NOW THEREFORE,** The conditions of the foregoing obligation are that if the Principal shall comply with and be subject to the provisions of The Bolster Standard Renovation Contract (Contract) performed on behalf of Homeowners through the Bolster Technology, then this obligation shall be null and void; otherwise to remain in full force and effect.

**PROVIDED HOWEVER,** This bond is issued subject to the following express conditions:

1. This bond may be cancelled by the Surety at any time by providing 30 days written notice to the Principal and Oblige. With respect to any Contracts entered into prior to the effective date of cancellation, the Surety's obligations under this bond shall continue and survive and Surety shall remain liable for losses and its obligations hereunder.
2. This bond will provide protection for valid claims or liens resulting from Contracts undertaken by the Principal through Bolster and the Bolster Technology.
3. The liability of the Surety under this Bond shall be the lesser of the Contract Price of a Project or the penal sum above. Subject to these limits, Surety's obligations under this Bond are commensurate with the obligations of Principal under the applicable Contract. "Contract Price" means the original contract price of a Project as may be increased by change orders.
4. Change orders that increase the Contract Price of a Project up to a cumulative increase of 15% of the original Contract Price are deemed automatically approved by Surety, provided that at the end of such Project (a) notice of such change is given to Surety and (b) if an increase to the penal sum hereof is required, payment is made of an incremental premium fee. Such incremental fee is to be calculated pro-rata based on the date of the change order, the last premium fee paid and the remaining duration of time before a renewal fee is due. Surety shall not be liable for change orders that increase the Contract Price of a Project in excess of 15% of the original Contract Price unless such change orders are approved by Surety.
5. Upon Homeowner's issuance of the Notice of Substantial Completion, which shall not be unreasonably withheld, the coverage under this bond will be considered reduced to 5% of the value of the Contract Price. This 5% coverage will be retained as security during the one-year warranty period. At the end of said one-year warranty, the coverage provided by this bond shall be fully released.
6. Except when Bolster-provided arbitration has been agreed to by a Homeowner and the Contractor in accordance with a Home Improvement Contract, as a condition precedent to bringing suit against the Surety or Contractor, the Homeowner must first file a claim with the Surety. No suit may be commenced by the

Homeowner until the Surety has received said claim, all supporting claim documentation and any requested additional supporting documentation and has thereafter been given 60 days to complete their investigation of the claim.

7. Regardless of the number of projects, years this bond is in force, number of premiums paid, the total aggregate liability will not exceed the penal sum of this bond or any increase or decrease riders thus attached.

8. If Bolster-provided arbitration has been agreed to by a Homeowner and the Contractor in accordance with The Bolster Standard Renovation Contract, then Surety's obligation under this Bond with respect to the applicable Project shall arise after a Bolster-approved arbitrator has ruled in Homeowner's favor pursuant to Section 3.06 of the Agreement between Bolster and Surety. Otherwise, Surety's obligation under this Bond with respect to the applicable Project shall arise after Surety approves a Homeowner submission of a Contractor default in accordance with Surety's claims management process and applicable law. Should Homeowner continue with the Project, Surety shall fund the difference between (a) the unpaid balance of the Contract Price and (b) the remaining cost to complete the Project including the cost to pay unpaid subcontractors and/or suppliers.

9. After the conditions of paragraph 8 have been met, the Surety shall have the option, subject to the penal sum above, to take one of the following actions: a) Arrange for the Contractor to perform and complete the Construction Contract; or b) Obtain bids or negotiated proposals from Bolster-qualified contractors for performance and completion of the Construction Contract; or c) Waive its right to perform and complete, and with reasonable promptness tender payment of all sums due under the Bond to the Bolster Escrow Account or such other account as may be specified by Oblige. If Surety elects option "b" above and after first seeking bids from Bolster qualified contractors there are no Bolster qualified contractors available, capable or willing to complete the project, Surety may select a contractor not qualified by Bolster to complete the Project. However, said non-qualified contractor shall be required as part of its completion contract with the Surety to utilize the Bolster Technology to manage the project.

10. All capitalized terms are subject to the definitions afforded in the Amended & Restated Surety Agreement.

11. This bond is for the term beginning \_\_\_ and ending \_\_\_, and may be extended for additional terms at the option of the surety, by continuation certificate executed by the Surety. Signed and sealed this \_\_\_ day of \_\_\_, 20\_\_\_

[Name of Principal]

\_\_\_\_\_  
Signature of officer

\_\_\_\_\_  
Printed name of officer

### Capitol Insurance Companies

\_\_\_\_\_  
Signature of attorney-in-Fact

\_\_\_\_\_  
Printed name of attorney-in-fact