

RESOLUTION # 513-02

On this 19th day of February, 2002, at a regular meeting of the Mitchell County Board of Supervisors, the following Resolution was presented, moved and seconded and unanimously passed.

WHEREAS, the Mitchell County Board of Supervisors has previously authorized an appeal to the Supreme Court of Iowa from the final ruling of the Mitchell County District Court in Deo Koenigs v. Mitchell County Board of Supervisors, et al., Mitchell County Equity No. EQCV014063; and

WHEREAS, counsel have agreed to the filing of a Supersedeas Bond in the amount of Ten Thousand Dollars (\$10,000.00) while the above-referenced case is on appeal; and

WHEREAS, a condition of the Supersedeas Bond to be filed with the Mitchell County District Court Clerk, Exhibit "A" attached hereto, is that Mitchell County, Iowa agree to indemnify the bonding company posting such Supersedeas Bond should proceedings in the Iowa Supreme Court result in affirmance of the Mitchell County District Court's final decision in the above-referenced case;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Chair of the Mitchell County Board of Supervisors is hereby authorized to execute Exhibit "A" attached hereto.



Chairperson
Mitchell County Board of Supervisors

ATTEST:



Lowell Tesch, Auditor

February 19, 2002
Date

COPY

P.O. Box 3967 - Peoria, IL 61612-3967 (309) 692-1000

This Agreement of Indemnity, made and entered into this 19 day of February 2002, is executed by the Undersigned for the purpose of indemnifying from all losses and costs of any kind RLI INSURANCE COMPANY, as Surety (Surety is defined hereunder), in connection with any Bond (Bond is defined hereunder) for which RLI INSURANCE COMPANY now or hereafter become Surety for any of the following as Principal (Principal is defined hereunder): Mitchell County Iowa and Heartland Insurance Risk Pool, any company which is subsidiary or affiliate to Mitchell County Iowa and Heartland Insurance Risk Pool, (whether now owned or hereafter created or acquired); any other entity or individual for whom Mitchell County Iowa and Heartland Insurance Risk Pool, request bond or bonds.

In consideration of the execution of any such Bonds for Principal and as an inducement to such execution by Surety, the Undersigned, jointly and severally, agree as follows:

1. DEFINITIONS - The following definitions apply in this Agreement:

Bond: Any contractual obligation undertaken by Surety for Principal, before or after the date of this Agreement and any renewal or extension of said obligation.

Principal: The person(s) or entity(ies) set forth above or any one of them or any combination thereof, or their successors in interest, whether alone or in joint venture with others named herein or not.

Surety: RLI INSURANCE COMPANY, an Illinois Corporation with its principal office in Peoria County, Peoria, Illinois, and any other person(s) or entity(ies) which the Surety may procure to act as Surety or as a Co-Surety on any Bond, or any other person or entity who executes a Bond at the request of Surety.

2. INDEMNITY

a. Undersigned agrees to pay to Surety upon demand:

- (i) all losses, costs, damages, attorneys' fees and expenses of whatever kind or nature which arise by reason of, or in consequence of, the execution by the Surety of any Bond on behalf of the Principal.
- (ii) an amount sufficient to discharge any claim made against Surety on any Bond. This sum may be used by Surety to pay such claim or be held by Surety as collateral security against loss on any Bond.
- (iii) any premium due for any Bond; at a rate equal to that charged by the Surety for such Bond; and for any renewal premiums until such time as adequate proof is presented to the Surety discharging it from any further liability.

b. Regarding claims against Surety:

- (i) Surety shall have the exclusive right for itself and the Undersigned to determine whether any claim or suit upon any Bond shall on the basis of liability, expediency or otherwise, be paid, compromised, defended or appealed.
- (ii) Surety shall have the right to incur such expenses in handling a claim as it shall deem necessary including but not limited to the expenses for investigative accounting, technical and legal services.
- (iii) 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. In any claim or suit hereunder, an itemized statement of the aforesaid losses and expenses, sworn to by an officer of the 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.
- (iv) Repeated actions may be maintained by Surety on this instrument as breaches of it occur without any former action operating as a bar to any subsequent action.
- (v) Undersigned shall authorize Surety to join any and all of the Undersigned as defendants in any action, regardless of venue, against the Surety on account of any Bond, and to enforce the obligations hereunder directly against any of the Undersigned and without the necessity of first proceeding against the Principal.

3. GENERAL PROVISIONS

- a. Surety may consent or refuse to consent in changes to a Bond, but either action shall not affect the obligations of the undersigned under this Agreement.
- b. Surety shall have the right, at its option and in its sole discretion, to issue or cancel or decline the execution of any Bond, or renewal thereof.
- c. Until Surety has been furnished with conclusive evidence of its discharge without loss from any Bonds, and until Surety has been otherwise fully indemnified as hereunder provided, Surety shall have the right of free access to the books, records and accounts of the Undersigned for the purpose of examining and copying them. The Undersigned hereby authorize third parties, including but not limited to depositories of funds of the Undersigned, to furnish to Surety any information requested by Surety in connection with any transaction. Surety may furnish any information, which it now has or may hereafter acquire concerning the Undersigned, to other persons, firms or entities for the purpose of procuring co-suretyship or reinsurance or of advising such persons, firms, or entities as it may deem appropriate.
- d. Surety shall have every right, defense, or remedy which a personal surety without compensation would have, including the right of exoneration, and the right of subrogation. Undersigned will, upon the request of the Surety, procure the discharge of Surety from any Bond and all liability by reason thereof. If such discharge is unattainable, Undersigned will, if requested by Surety, either deposit collateral with Surety, acceptable to Surety, sufficient to cover all exposure under such Bond or Bonds, or make provisions acceptable to Surety for the funding of the bonded obligation(s). Undersigned warrants that each of them is specifically and beneficially interested in obtaining each Bond and agree to pay the initial, renewal, and additional premiums thereon according to the Surety's current rate manual or rate filings recognizing that the initial premium is fully earned upon execution of each Bond. If the execution of this Agreement by any of the Undersigned shall be found defective or invalid for any reason, such defect or invalidity shall not affect the validity of this Agreement with respect to any other of the Undersigned. The invalidity of any provision of this Agreement by reason of the law of any state or by any other reason shall not affect the validity of any other provision of this Agreement.
- e. Liability of Undersigned hereunder shall not be affected by:
 - (i) the failure of the Principal to sign any Bond;
 - (ii) any claim that other indemnity or security was to have been obtained;
 - (iii) the release of any indemnity; and
 - (iv) the return or exchange of any collateral that may have been obtained.
- f. This Agreement may not be changed or modified orally. No change or modification shall be effective unless specifically agreed to in writing. Surety shall have the right to fill in any blanks left herein and to correct any errors by filling in any blanks herein.
- g. Undersigned consents and agrees that the laws of the State of Illinois shall apply to this Commercial Surety General Indemnity Agreement.
- h. Undersigned consents and agrees to the jurisdiction of the Courts in Peoria County, Peoria, Illinois for the enforcement of its Commercial Surety General Indemnity Agreement.
- 4. **TERMINATION** - This Agreement is a continuing obligation of Undersigned unless terminated by written notice to Surety as provided hereafter. In order to terminate liability as to future Bonds of Principal, Undersigned must:
 - a. give written notice of such termination by means of certified mail to Surety at its office as listed above; 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 Bond(s). After the effective date of such termination by giving notice, Undersigned shall nonetheless be liable hereunder for Bond(s) executed or authorized prior to such date and renewals, substitutions and extensions thereof. Such termination of liability as to an Undersigned shall in no way affect the obligation of any other Undersigned who has not given notice as herein provided.

CORPORATIONS - To be signed and attested to by authorized officers of the corporation

Mitchell County, Iowa

Attest: Lowell Tesch
Print Name
And Title LOWELL TESCH
MITCHELL COUNTY AUDITOR

By: Verne H. Tanner, Jr. (Seal)
Print Name VERNE H. TANNER, JR.
And Title; CHAIRMAN, BOARD OF SUPERVISORS
Heartland Insurance Risk Pool

Attest: _____
Print Name
And Title

By: _____ (Seal)
Print Name
And Title

Attest: _____
Print Name
And Title

By: _____ (Seal)
Print Name
And Title

Attest: _____
Print Name
And Title

By: _____ (Seal)
Print Name
And Title

Attest: _____
Print Name
And Title

By: _____ (Seal)
Print Name
And Title

PARTNERSHIPS - To be signed by Partner (or General Partner if a Limited Partnership)

By: _____
Print Name
And Title

By: _____ (Seal)
Print Name
And Title

By: _____
Print Name
And Title

By: _____ (Seal)
Print Name
And Title

INDIVIDUALS - including Proprietorships

By: _____
Print Name

By: _____ (Seal)
Print Name

By: _____
Print Name

By: _____ (Seal)
Print Name

By: _____
Print Name

By: _____ (Seal)
Print Name

By: _____
Print Name

By: _____ (Seal)
Print Name

ALL SIGNATURES MUST BE NOTARIZED

State of Iowa

County of Mitchell

On Feb. 19, 2002 before me, Jane A. Rowe (here insert name) Notary Public,

personally appeared Lowell Tesch personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Jane A. Rowe

(Seal)



State of Iowa

County of Mitchell

On Feb 19, 2002 before me, Jane A. Rowe (here insert name) Notary Public,

personally appeared Verne H. Tanner, Jr personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Jane A. Rowe

(Seal)



State of _____

County of _____

On _____ before me, _____ (here insert name) Notary Public,

personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

(Seal)

State of _____

County of _____

On _____ before me, _____ (here insert name) Notary Public,

personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

(Seal)

State of _____

County of _____

On _____ before me, _____ (here insert name) Notary Public,

personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

(Seal)