

**IBEW LOCAL 701 CONTRACTOR'S WAGE  
AND FRINGE BENEFIT BOND**

AGREEMENT dated this [redacted] day of [redacted], 20[redacted], hereinafter called "the agreement," by and between IBEW Local 701, being organized and existing under the laws of the State of Illinois, with its principal place of business located at 28600 Bella Vista Parkway, Suite 1000, Warrenville, IL 60555, hereinafter referred to as "the Local," or "the Oblige," the NECA-IBEW LOCAL 701 LABOR MANAGEMENT COOPERATION COMMITTEE, being organized and existing under the laws of the State of Illinois, with its principal place of business located at 28600 Bella Vista Parkway, Suite 1010, Warrenville, IL 60555, hereinafter referred to as "the LMCC," or "the Surety" and [redacted], being a contractor organized and existing under the laws of the State of [redacted], with its principal place of business located at [redacted], hereinafter referred to as "the contractor."

WHEREAS, various contractors including [redacted] (contractor) are bound by the terms and conditions set forth in the inside/commercial, residential, maintenance, sound, and/or telecommunications collective bargaining agreements and any other collective bargaining agreements the Local shall enter into with any contractor and/or with the DuPage Division, Northeastern Illinois National Electrical Contractors Association, Inc. (NECA) at any time during the date or dates this bond is in effect (hereafter referred as "the principal agreements"); and

WHEREAS, pursuant to the principal agreements, the Local provides union electricians to these contractors through the use of an exclusive hiring hall agreement or by organizing electricians of a non-union contractor that becomes a union contractor; and

WHEREAS, pursuant to the principal agreements and/or as a condition precedent to being supplied union electricians as described above, the Local requires these contractors to post a Surety Bond guaranteeing the net wages, vacation pay, working dues, Pension Fund contributions, Retirement Savings Fund (RSF) contributions, Health Care Pension contributions Health and Welfare Fund contributions, Joint Apprenticeship Training Committee (JATC) contributions, National Electrical Benefit Fund (NEBF) contributions, Political Education Fund (PEF) contributions, LMCC, AMF, NLMCC and SUB Fund contributions, and any other wages, fringe benefits and contributions due to be paid or owing as negotiated between the Local and the NECA and/or the Local and any contractor, to be paid by contractors who are signatories to the principal agreements; and

WHEREAS, the Local, by virtue of its standing to enforce the principal agreements and its duties and obligation there under on behalf of itself as an Oblige, and on behalf of the other entities that are parties to said principal agreements, namely, the NEBF, the IBEW Local 701 Pension Fund, the IBEW Local 701, RSF, the IBEW Local 701, Health Care Pension Fund, the IBEW Local 701, Health and Welfare Fund, the IBEW Local 701, Vacation Fund, the IBEW Local 701, JATC, PEF, working dues, LMCC, AMF, NLMCC and SUB Funds (hereafter collectively

referred to as “the entities” or “said entities”), is, pursuant to the principal agreements and by operation of law, either the Obligee of or agent of said entities; and

WHEREAS said entities have expressly given the Local the authority to collect contributions due to all of them under the principal agreements,

NOW THEREFORE, the Surety, under the terms and conditions set forth below, and the contractor, under the terms and conditions set forth below and in the attached “Rider A,” hereby undertake to guarantee the payment of said contractor’s (and contractors’) net wages, vacation pay, Pension Fund contributions, RSF contributions, Health Care Pension contributions, Health and Welfare Fund contributions, Vacation Fund contributions, IBEW Local 701, working dues, JATC contributions, NEBF contributions, PEF contributions, LMCC, AMF, NLMCC and SUB Fund contributions, and any other wages and fringe benefits or contributions negotiated between the Local and NECA and/or between the Local and any contractor to be paid by contractors who are signatories to the principal agreements as herein described. If the contractor who is a signatory to this agreement pays the proper amount of net wages, vacation pay, Pension Fund contributions, RSF contributions, Health Care Pension contributions, Health and Welfare Fund contributions, JATC contributions, NEBF contributions, PEF contributions, working dues, LMCC, AMF, NLMCC and SUB Fund contributions and any other wages and fringe benefits or contributions negotiated between the Local and NECA and/or the Local and any contractor to be paid by contractors who are signatories to the principal agreements as herein described on behalf of its employees under the principal agreements, for work performed, then this obligation shall be null and void; otherwise, this obligation shall remain in full force and effect, subject to the following express conditions which shall be conditions precedent to recovery by the Obligee hereunder:

FIRST: This document will add the contractor to the master net wage, vacation pay, Pension Fund contribution, RSF contribution, Health Care Pension contribution, Health and Welfare Fund contribution, JATC contribution, NEBF contribution, working dues, PEF contribution, LMCC, AMF, NLMCC and SUB Fund contribution, and any other wages and fringe benefits or contributions negotiated between the Local and NECA and/or the Local and any contractor to be paid by contractors who are signatories to the principal agreements as herein described, and this document will hereafter be known as THE MASTER BOND, THE MASTER BOND FUND or “this bond,” provided by the Surety on behalf of all of the Obligees mentioned above. Coverage of the contractor signing below, under this MASTER BOND, shall become effective at 12:01 a.m. on the first day of [REDACTED], 20[REDACTED] and shall continue in force thereafter until canceled in accordance with Paragraph “Fifth” below.

SECOND: In the event of default on the part of the contractor covered hereby, the Local shall, within a reasonable time after the employee(s) of the contractor or the Local become aware of such default, and after the Local and/or its attorneys conclude within their sole discretion that the debt is uncollectible, give notice of the default to the Surety and the Surety shall pay all amounts reasonably due and owing to Obligee or entities listed herein which are owed payments or contributions.

THIRD: If the Surety under this bond pays a claim for a loss, the Surety shall be subrogated, to the extent of payment or loss, to all rights, claims and demands of the Obligee and entities mentioned herein and/or the employees(s) of the contractor, and the Obligee and entities and/or the employees(s) of the contractor shall execute any assignment or other instruments required by the Surety to subrogate such rights, claims or demands.

FOURTH: No right of action shall accrue upon or by reason hereof to, or for the use or benefit of anyone other than the Obligee and entities mentioned herein and the obligation of the Surety is and shall be construed strictly as one of the suretyship to the Obligee and entities only.

FIFTH: This bond may be canceled by the Surety after the Surety serves notice on the Local and/or after the Local, in its sole discretion, requests that the Surety cancel the bond.

SIXTH: This bond applies to the rate owed by the contractor of the net wages, working dues, vacation pay, Pension Fund contributions, RSF contributions, Health Care Pension contributions, Health and Welfare Fund contributions, Vacation Fund contributions, JATC contributions, NEBF contributions, PEF contributions, LMCC, AMF, NLMCC and SUB Fund contributions, and any other wages, fringe benefits and contributions negotiated between the Local and NECA and/or the Local and any contractor to be paid by contractors who are signatories to the principal agreements as herein described.

SEVENTH: In the event the contractor covered by this bond defaults on all or part of its obligation to pay net wages, vacation pay, Pension Fund contributions, RSF contributions, Health Care Pension contributions, Health and Welfare Fund contributions, Vacation Fund contributions, JATC contributions, NEBF contributions, working dues, PEF contributions, LMCC, AMF, NLMCC and SUB Fund contributions, and any other wages and fringe benefits or contributions negotiated between the Local and NECA and/or the Local and any contractor to be paid by contractors who are signatories to the principal agreements as herein described, the Local is to use its best efforts to determine the number of electricians working for the contractor and the hours and dates of their employment so that the Surety may determine the amounts due under THE MASTER BOND on behalf of the contractor to the Obligees.

EIGHTH: In the event an electrician covered under the principal agreements does not report to the Local that they received a paycheck that was returned to the electrician due to "nonsufficient funds" (NSF) or its equivalent, or that no paycheck was received at all, or that they were asked to hold a paycheck or checks, the Surety shall not be liable to the Local or that electrician for wages for more than two weeks' plus the amount of time necessary to determine that a paycheck is NSF to that electrician.

NINTH: The contractor acknowledges that the amounts guaranteed by THE MASTER BOND are owed pursuant to an obligation that arises under any trust declaration governing the Obligees and/or under Section 301 of the National Labor

Relations Act and/or various provisions under the Employee Retirement Income Security Act (ERISA) of 1974, and further acknowledges the right of the Local and/or of the Obligees to enforce the terms and conditions of this bond and/or the Rider to this agreement under the terms and conditions of the Trust Declarations, Rules of Administration, the Summary Plan Descriptions and under either Federal statute indicated above, or otherwise, in a Federal Court of competent jurisdiction which, for purposes of this agreement and the attached Rider A, under the specific venue provisions of ERISA, is the Federal Jurisdictional District where the plan is administered, or the United States District Court for the Northern District of Illinois, Eastern Division, located in Chicago, Illinois.

TENTH: The Surety shall guarantee all amounts due to the Obligees by the contractor up to a maximum of seventy-five (75) days per contractor, measured from the last day reported and paid by the contractor, plus the amounts determined by means of an audit performed by an auditor of the IBEW Local 701 Fringe Benefit Office's choosing.

ELEVENTH: The Surety shall only guarantee amounts due under THE MASTER BOND up to the total amount of the funds contained in THE MASTER BOND FUND during the fiscal or contract year in which payments are made. The parties to this agreement have the discretion to reopen bargaining at any time to require additional contributions by contractors who are signatories to the principal agreements during the contract year to replenish THE MASTER BOND FUND. The amounts required shall be determined by the parties.

TWELVETH: Federal law shall apply to any enforcement action brought against the contractor. To the extent there is no Federal rule on some point in the Federal Jurisdictional District indicated above, Illinois procedural and/or substantive law shall apply.

THIRTEENTH: This agreement shall only cover contractors who are signatories to the principal agreements, or are contractor members of the Local, or who have performed work within the geographic boundaries of the Local and/or to the Obligee and entities to which the Surety may owe payments on behalf of electricians as described above.

FOURTEENTH: The Surety reserves the right to demand that the contractor hereunder purchase a separate wage and fringe benefit bond from another surety due to special circumstances as determined within the Surety's sole discretion, such as the size of a project, the financial condition of the contractor or any other circumstance deemed to be a "special circumstance" by the Surety's Board of Directors, or to cancel any contractor's coverage under this MASTER BOND due to any default or failure or refusal of contractor to purchase such separate wage and fringe benefit bond.

FIFTEENTH: The Surety reserves the right to reach an agreement with the Obligee and/or any of the entities mentioned herein, to not pay amounts or contributions owed by the contractor herein, and in the event of such agreement, the agreement shall be

binding on all parties and the Surety shall not be liable to anyone or any entity for the same.

SIXTEENTH: If any part of this agreement shall be held to be null and void or not enforceable for any reason, the remainder of this agreement shall stay in full force and effect.

SEVENTEENTH: This agreement may be executed in counterparts and facsimile signatures shall also be accepted.

IN WITNESS WHEREOF, the parties have cause this instrument to be signed and attested to by their duly authorized agents, representatives and assigns on the date and year first above written.

IBEW LOCAL 701

By \_\_\_\_\_

NECA-IBEW LOCAL 701 LABOR  
MANAGEMENT COOPERATION  
COMMITTEE (SURETY)

By \_\_\_\_\_

\_\_\_\_\_ (Company Name)

By \_\_\_\_\_ (Signature)

**“RIDER A” – APPLICATION AND INDEMNITY  
AGREEMENT FOR WAGE AND FRINGE BENEFIT BOND FOR  
IBEW LOCAL 701 CONTRACTORS AND SIGNATORIES  
AND GRANT OF SECURITY INTEREST**

BY AGREEMENT between the parties heretofore stated, this Rider, designated as “Rider A,” is being attached to and forms a part of this bond and the MASTER BOND AGREEMENT, as follows:

**Company Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**City/State/Zip:** \_\_\_\_\_  
**Mailing address if different:** \_\_\_\_\_  
**Telephone number:** ( ) \_\_\_\_\_ **Fax number:** ( ) \_\_\_\_\_  
**Owner’s name if sole proprietor:** \_\_\_\_\_  
**Partners’ name(s) if partnership:** \_\_\_\_\_  
**Owner’s name if operating under an assumed name:** \_\_\_\_\_  
**Officers’ names and home addresses if corporation or L.L.C.:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**Name of “Owner in Fact:”** \_\_\_\_\_  
**Names, addresses of banks and account numbers:** \_\_\_\_\_  
\_\_\_\_\_

**Warranties**

The undersigned hereby warrants and represents that the information provided herein is true and correct.

**Agreement of Indemnity**

In consideration of the execution of said Bond by the Surety as described above, the Contractor or the undersigned individual(s), if a sole proprietorship or partnership, hereafter called the Indemnitor, hereby covenant and agree with the Surety, its agents, employees, officers, successors, assigns and attorneys, as follows:

1. To completely indemnify the Surety and hold harmless the Surety, its agents, employees, officers, successors, assigns and attorneys, for any and all losses the Surety shall sustain under this Bond Agreement including but not limited to the payment of wages and fringe benefits as defined above, and costs and legal fees incurred in bringing a collection action against the Indemnitor.
2. That the Surety shall have the right to adjust, settle or compromise any claim, demand, suit or judgment upon this bond and the Surety’s decision to make any payment hereunder to any named Obligee, shall be within the Surety’s sole and complete discretion and shall be final and conclusive as to the fact and the extent of the liability of the Indemnitors.

3. If the Surety shall set up a reserve to cover any claim, suit or judgment under the Bond upon demand by the Surety, the Indemnitors shall immediately deposit current funds with the Surety in a amount equal to such reserve, to be held by the Surety as collateral security for any obligation the Surety shall have to pay any of the Indemnitors under this Bond.
4. The Indemnitors hereby authorize and request that any or all depositories or banks with which funds of the undersigned may be deposited or from which moneys may be borrowed to advise the Surety, whenever requested by it, as to the amount of such deposits or loans belonging to or owed by the Indemnitors, and the Indemnitors further authorize any depository bank, material person, supply house, or any other person, firm, partnership, assumed name business, corporation, proprietorships to furnish any and all requested information to the Surety, its agents, employees, officers, successors, assigns and attorneys, upon written request of and concerning any transactions conducted with the Indemnitors and any business with which they are or at any time have been associated; and the indemnitors agree to furnish copies of any further information which they now or may hereafter have or obtain, to the Surety for purposes of the Surety determining the Indemnitor(s) financial condition.

#### **Contractor's Grant of Security Interest**

5. Contractor, for valuable consideration, receipt whereof is hereby acknowledged, grants to Surety and Oblige (hereinafter called "Secured Party"), for the period of time during which Contractor is endorsed to and added to this MASTER BOND as a signatory contractor, and in order to secure its payment and indemnity obligations hereunder, a security interest in, and mortgages to Secured Party, the following described goods and any and all additions and accessions thereto and products thereof required (hereinafter called the "Collateral"):

All presently existing and hereafter acquired: (1) Accounts that from time to time hereafter arising, existing, acquired or owned by Indemnitor, including accounts arising out of sale or other disposition of inventory and also sale or other disposition of any equipment, supplies, or material, whether or not construed as inventory, including those accounts arising out of furnishing of services; (2) chattels, contract rights owned by Indemnitor, both present and future including all proceeds and all returnable or repossessed collateral; (3) rights arising under any Mechanic's Lien Act; (4) rights under any bond furnished by any surety, rights arising under any statute requiring furnishing of any bond by any party in connection with any construction project or work done upon real estate; (5) inventory and equipment including but not limited to construction materials, construction tools and equipment used in connection with any construction work or project; (6) other general intangibles and interest in other documents and instruments; (7) all bank savings and/or checking accounts; (8) All rolling stock. Contractor agrees to execute all such further documents as are necessary to allow Secured Party to perfect and enforce its interests created hereunder.

**Applicant’s Affidavit – Please Read Each Statement  
Carefully Before Signing**

The undersigned hereby certifies that all information provided in this application is true, correct and complete. I understand that any false information or omission may disqualify Contractor from further consideration for this bond application and may justify cancellation of the bond if discovered at a later date. I also certify that I am submitting this application for the sole reason of seeking a self-funded bond with the NECA-IBEW Local 701 LMCC and for no other reason. I have read and received a “Disclosure” regarding my rights under the Fair Credit Reporting Act. I authorize the investigation of any or all statements contained in this application and also specifically authorize, Trans Union, Equifax and Experian, Dunn and Bradstreet and/or any other credit or reporting agencies, companies or organizations as deemed necessary for consultation by the NECA-IBEW Local 701 LMCC for purposes of underwriting this bond application, to provide relevant information and opinions that may be used in making a consumer credit decision relative to this bond application. I release such persons and organizations from any legal liability in making such statements. I understand that if I am extended a self-funded bond by the NECA-IBEW Local 701 LMCC, that said bond may be conditioned upon my having been truthful in every respect on this application. I understand that if I am extended a self-funded bond under this application, that it is conditioned upon satisfactory results of the NECA-IBEW Local 701 LMCC’s background screening and credit check process initiated with authorization as indicated and granted by signing this document below. I further understand that no supervisor, representative, or officer of the NECA-IBEW Local 701 LMCC, or any supervisor, representative or officer of IBEW Local 701, the IBEW Local 701 fringe benefit trust funds and their agents, employees, attorneys, accountants, fiduciaries and assigns, has any authority to enter into any agreement for a specified period of time, or to make any agreement contrary to the foregoing. All statements made in this application and all information provided is true, correct, and complete.

\_\_\_\_\_  
Printed Name of Contractor **(Required)**

\_\_\_\_\_  
Tax Identification Number of Contractor **(Required)**

\_\_\_\_\_  
Printed Name of Responsible Person **(Required)**  
(sole proprietor, partner, or corporate officer)

\_\_\_\_\_  
Social Security Number of Responsible Person **(Required)**

In consideration of the execution of this Bond Agreement by the Surety, the undersigned jointly and severally join in the foregoing indemnity agreement.

IN WITNESS WHEREOF, the parties have caused this instrument, including both The Wage and Fringe Benefit Bond Form, Attached Rider, Grant of Security Interest and Affidavit, to be signed and attested to by their duly authorized agents, representatives and assign on the date and years first above written.

**Signatures of the Company**

Signature of the Company (if Incorporated or L.L.C./Limited Liability Corporation)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Signature of Company (if a sole proprietorship)

By: \_\_\_\_\_

A Sole Proprietorship

Signature of Company (if a Partnership)

By: \_\_\_\_\_

Partner

By: \_\_\_\_\_

Partner

By: \_\_\_\_\_

Partner

Witnessed by me, a Notary Public, licensed in the State of \_\_\_\_\_  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_

Notary Public