

**PUBLIC OFFICIAL SCHEDULE BOND**

(Name Form)  
2002 007212

2002 007212 1:36

THE OBLIGATION

1. KNOW ALL MEN BY THESE PRESENTS, that American States Insurance Company, an Indiana corporation, authorized to transact business as Surety, in the State of Indiana as Surety, is held and firmly bound unto Town of Highland Board of Sanitary Commissioners as Obligee, in the respective sums set opposite the names of the employees listed in the appropriate schedule, or in an endorsement, for the payment of which well and truly to be made the Surety does hereby bind itself, its successors, and assigns, firmly by these presents.

CONDITION OF THE OBLIGATION

2. The condition of this obligation is such that if each such employee shall faithfully discharge the duties of his office and shall promptly account for and pay over, according to law, all money and property received by him by virtue of such office, or, in default thereof, shall pay all damages, costs, and expenses resulting from such default or defaults, then this obligation shall be void, otherwise to remain in full force and effect, subject, however, to the terms and conditions hereinafter set forth.

WHEN COVERAGE EFFECTIVE AND TERM

3. This bond shall be effective from January 1 2002 to January 1 2003. Employees named in the attached schedule are covered on and after the effective date; employees added by endorsement shall be covered on and after the date specified therein.

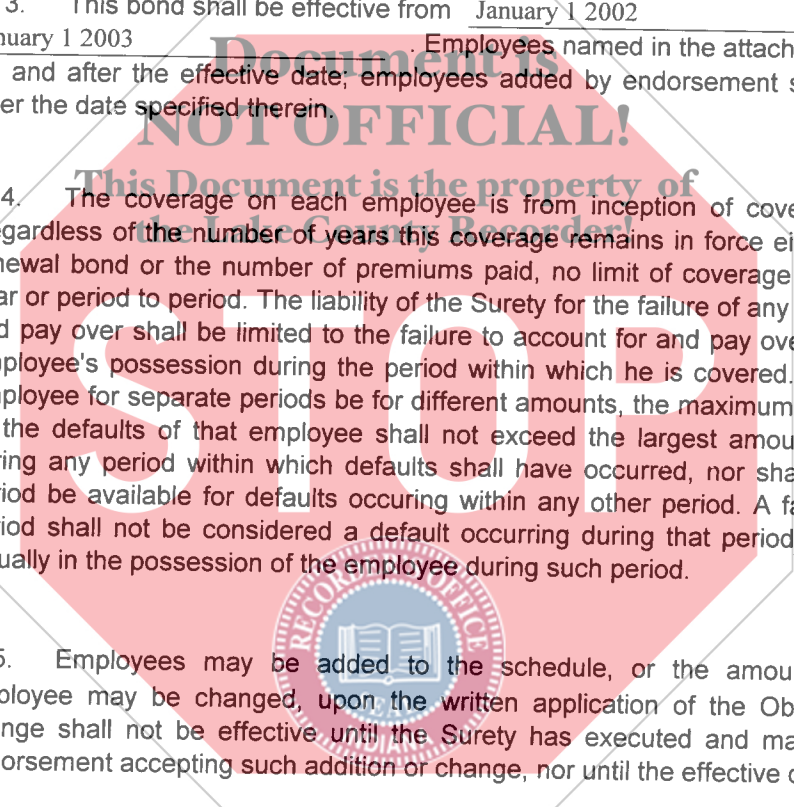
EXTENT OF SURETY'S LIABILITY

4. The coverage on each employee is from inception of coverage to its termination. Regardless of the number of years this coverage remains in force either by this bond or any renewal bond or the number of premiums paid, no limit of coverage cumulates from year to year or period to period. The liability of the Surety for the failure of any employee to account for and pay over shall be limited to the failure to account for and pay over funds actually in such employee's possession during the period within which he is covered. If the coverage on any employee for separate periods be for different amounts, the maximum liability of the Surety for all the defaults of that employee shall not exceed the largest amount of coverage in force during any period within which defaults shall have occurred, nor shall the coverage for one period be available for defaults occurring within any other period. A failure to account in one period shall not be considered a default occurring during that period unless the funds were actually in the possession of the employee during such period.

ADDITION OF EMPLOYEES-CHANGE OF AMOUNTS

5. Employees may be added to the schedule, or the amount of coverage on an employee may be changed, upon the written application of the Obligee; such addition or change shall not be effective until the Surety has executed and mailed to the Obligee an endorsement accepting such addition or change, nor until the effective date specified therein.

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(10-93)



MC

TEMPORARY  
AUTOMATIC  
COVERAGE

6. Any new employee, upon succeeding to a position vacated during the preceding thirty days by an employee who was then covered, shall be covered automatically for the first sixty days of his service for the same amount as his predecessor, but in no event for more than Five Thousand Dollars (\$5000). Any new employee, or any old employee not then covered, upon taking a newly created position, shall be covered automatically for the first sixty days of service for the smallest amount for which any employee in any position of that class is then covered, or if there is no other position of that class, for the largest amount for which any employee is then covered, but in no event for more than Five Thousand Dollars (\$5000). Recovery under this section for defaults of any employee may not be made unless claim be filed with the Surety within ten days after the expiration of the sixty day period, nor if, during the sixty day period, such employee be covered by schedule or addition thereto as hereinbefore provided.

DISCOVERING  
AND REPORTING  
LOSS, OR FACTS  
INDICATING  
LOSS

7. Upon discovery by the Obligee of any loss or of facts indicating loss, the Obligee shall promptly, and in any event within ten days thereafter, notify the Surety thereof by registered mail addressed to the Surety.

TERMINATION

8. The bond terminates in its entirety on the date specified in item 3. The coverage on any employee shall terminate when the employment terminates, or the Obligee discovers or becomes aware of any default committed by such employee. The coverage on any employee, or the bond in its entirety, may be terminated by written notice from either of the parties to the other. Such notice from the Surety shall become effective thirty days after receipt thereof by the Obligee; such notice from the Obligee shall become effective immediately upon receipt thereof by the Surety.

CHANGES IN  
PRINTED  
PROVISIONS-  
HOW MADE

9. The liability of the Surety shall not be affected by any attempt by anyone representing or purporting to represent the Surety to construe or interpret this bond, nor by any change in the printed provisions of the bond made otherwise than by written instrument duly executed by a Vice-President of the Surety or by a printed endorsement duly executed by an Attorney-in-Fact.

SIGNED, SEALED AND DATED the 20th day of November, 2001

AMERICAN STATES INSURANCE COMPANY

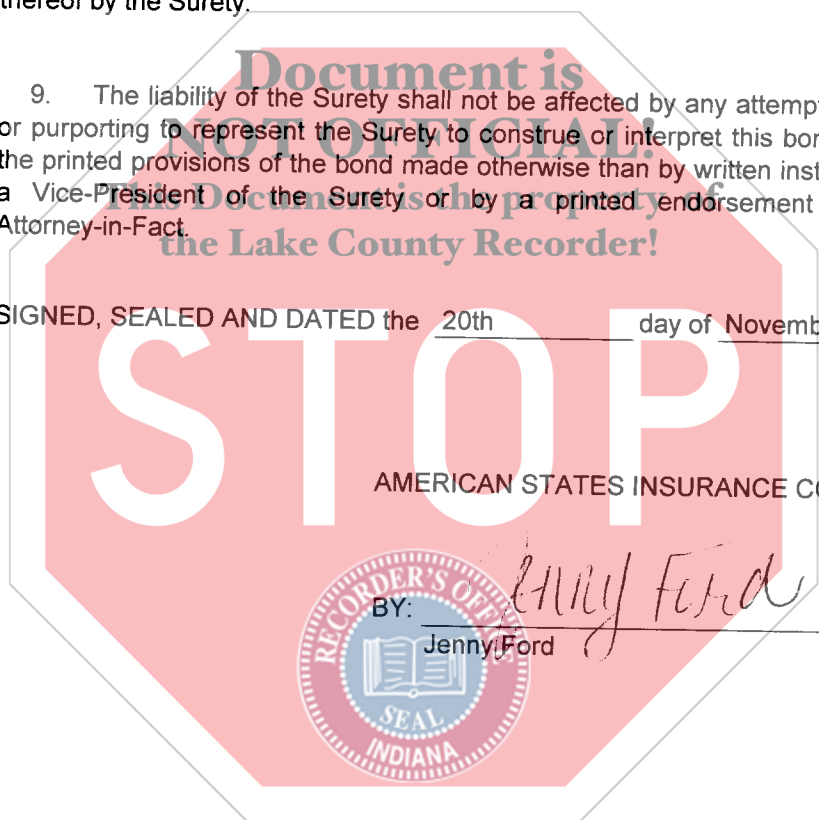


BY:

*Jenny Ford*

Jenny Ford

Attorney-in-Fact.



## SCHEDULE OF EMPLOYEES COVERED HEREUNDER

ACCEPTANCE NUMBER	NAME	POSITION	LOCATION	LIABILITY	PREM.
1	Chester Napiwocki			\$ 8,500.00	\$ 29.75
2	Joseph Fraley			8,500.00	29.75
3	David Jones			8,500.00	29.75
4	William Jay Hemingway			8,500.00	29.75
5	Jeanne Moseley			8,500.00	29.75



Rate \$ \_\_\_\_\_ per Thousand, Annual Minimum Premium per employee, \$ \_\_\_\_\_

Annual Minimum Earned Premium per employee, \$ \_\_\_\_\_

POWER  
OF ATTORNEY

AMERICAN STATES INSURANCE COMPANY  
INDIANAPOLIS, INDIANA 46206

No. 10288

KNOW ALL BY THESE PRESENTS:

That **AMERICAN STATES INSURANCE COMPANY**, a Indiana corporation, does hereby appoint

\*\*\*\*\*JENNY FORD\*\*\*\*\*

its true and lawful attorney(s)-in-fact, with full authority to execute on behalf of the company fidelity and surety bonds or undertakings and other documents of a similar character issued by the company in the course of its business, and to bind **AMERICAN STATES INSURANCE COMPANY** thereby as fully as if such instruments had been duly executed by its regularly elected officers at its home office, in amounts or penalties not exceeding the sum of:

Two Hundred Fifty Thousand and 00/100 -----  
DOLLARS (\$ 250,000.00 )

IN WITNESS WHEREOF, **AMERICAN STATES INSURANCE COMPANY** has executed and attested these presents

this 6th day of January, 1999

*R.A. Pierson*  
R.A. PIERSON, SECRETARY

*W. Randall Stoddard*  
W. RANDALL STODDARD, PRESIDENT

CERTIFICATE  
Extract from the By-Laws of **AMERICAN STATES INSURANCE COMPANY**:

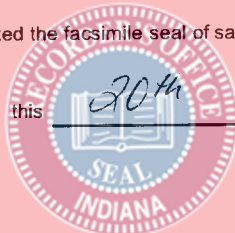
**NOT OFFICIAL!**  
This Document is the property of  
the Lake County Recorder!

"Article 8, Section 8.1 1. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the corporation fidelity and surety bonds and other documents of similar character issued by the corporation in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the corporation, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

I, R. A. Pierson, Secretary of **AMERICAN STATES INSURANCE COMPANY**, do hereby certify that the foregoing extracts of the By-Laws of this corporation, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 20th day of Nov, 2001



*R.A. Pierson*  
R.A. PIERSON, SECRETARY