



**THE SURETY ASSOCIATION OF AMERICA
&
UNITED STATES DEPARTMENT OF COMMERCE
MINORITY BUSINESS DEVELOPMENT AGENCY**

MEMORANDUM OF UNDERSTANDING

I. Purpose and Basis for this Memorandum of Understanding

This Memorandum of Understanding (“Agreement”) formalizes a relationship between the United States Department of Commerce, Minority Business Development Agency (hereinafter referred to as “MBDA”) and The Surety Association of America, located at 1101 Connecticut Avenue, N.W., Suite 800, Washington D.C. (hereinafter referred to as “SAA”). MBDA and SAA hereinafter collectively will be referred to as “the Parties.” SAA is a voluntary, non-profit trade association that performs a leadership role in promoting and preserving the use of fidelity and surety bonds to protect public and private interests.

This Agreement establishes guidelines for a working relationship between the United States Department of Commerce, Minority Business Development Agency (MBDA) and The Surety Association of America (SAA). The objective is for SAA to share its resources (both educational and referral sources) with MBDA for the benefit of minority owned firms to enhance their access to bonding and/or educate them on how to become bondable or increase their bonding capacity.

II. SAA

SAA is licensed as a rating or advisory organization in all states, including the District of Columbia and Puerto Rico and has been designated by all state insurance departments, except Texas, as a statistical agent for the reporting of fidelity and surety experience. SAA represents its member companies in matters of common interest before various federal, state and local governmental agencies. In addition, SAA offers educational sessions on surety and other relevant topics. SAA takes an active role in diversity by assisting emerging contractors in becoming bondable or increasing their bonding capacity. SAA conducts technical assistance and program support to state and local jurisdictions in the areas of contractor development and bonding support.

III. MBDA

MBDA is the only Federal entity created specifically to foster the creation, growth and expansion of minority-owned businesses in the United States and U.S. territories in accordance with Executive Order 11625. MBDA is within the United States Department of Commerce and is an entrepreneurially focused and innovative organization, committed to empowering minority

business enterprises for the purpose of wealth creation in minority communities. MBDA, through its nationwide network of business enterprise centers, provides business management assistance to minority-owned firms to obtain contract and financial transactions.

IV. Duties and Responsibilities of SAA

SAA will provide the following to MBDA:

- Information to the MBDA-funded network on ways of helping minority businesses participate in the SAA Model Contactor Development Program.
- A presentation at MBDA's National Conference which will be held in June, 2006 in a location to be determined, and others as scheduled. The specific time and location of the presentation shall be provided by MBDA to SAA in the near future.
- An in-depth workshop at MBDA's National Conference, geared towards training specific Minority Business Development Center staff about bonding support programs that may assist in increasing minority business participation in the construction industry.
- Presentations at MBDA's National MED Week scheduled for August 28, 2006 to be held in Washington, D. C and other regional events as scheduled.

Furthermore, SAA will keep up-to-date records and prepare an annual report, detailing all work done and the results accomplished under this MOU, and provide the report to MBDA within sixty (60) days of the end of the fiscal year.

V. Duties and Responsibilities of MBDA

MBDA will perform the following, as appropriate:

- Utilize MBDA's Minority Business Internet Portal to highlight some of SAA's programs focused on increasing availability and accessibility of fidelity and surety bonds.
- Through meetings, newsletters, and other communications with funded Centers and its network, MBDA will encourage participation in SAA's programs.

Furthermore, MBDA will keep up-to-date records and prepare an annual report, detailing all work done and the results accomplished under this MOU, and will provide the report to SAA within sixty (60) days of the end of the fiscal year.

VI. Mutual Agreement

SAA and MBDA mutually agree that:

1. Unpublished confidential data or information obtained during the course of this project shall not be made available to other persons except as authorized by or required of SAA or MBDA under the Freedom of Information Act and the Privacy Act.
2. Both SAA and MBDA will be responsible for their own expenses incurred as a result of the activities identified above. However, any participation by MBDA is subject to the availability of appropriations and no provision of this agreement is a mandatory commitment of MBDA funds.

3. This Memorandum of Understanding may be amended at any time by mutual agreement of the parties in writing, or terminated by either party upon 30 days notice in writing to the other party.

VII. Points of Contact

SAA and MBDA employees conducting activities under the terms of this MOU shall be as follows:

A. For MBDA - Personnel as required. Ronald L. Langston, National Director of MBDA, will serve as the point of contact for MBDA.

B. For SAA-Personnel as required. Samuel Carradine, Director of Development and Diversity, shall be the point of contact for SAA.

VIII. Effective Date

All conditions and provisions of this MOU shall become effective upon execution and shall continue in force until no later than September 30, 2007, at which time, or prior thereto, the parties may renew this MOU by further written agreement.

IX. Limitations

This document is a Memorandum of Understanding only. It is entered into only as a declaration of present intent. Nothing herein shall be construed as a legally binding commitment to any part of parties hereto either individually or collectively. This MOU does not create any rights either on the part of any party hereto or any third party, nor does it prohibit either party from entering into other MOUs or similar relationships with other parties to fulfill the same objectives. Any provision of this MOU that conflicts with federal law will be null and void.

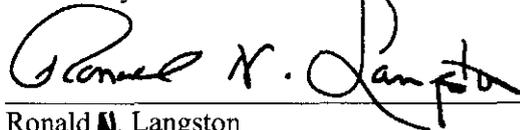
X. Approvals



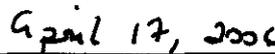
Lynn M. Schubert, President
The Surety Association of America



Date



Ronald L. Langston
National Director, Minority Business Development
Agency
U.S. Department of Commerce



Date