

NEVADA STATE CONTRACTORS BOARD

5390 KIETZKE LANE, SUITE 102, RENO, NEVADA, 89511 (775) 688-1141 FAX (775) 688-1271, INVESTIGATIONS (775) 688-1150
8400 WEST SUNSET ROAD, SUITE 150, LAS VEGAS, NEVADA, 89113 (702) 486-1100 FAX (702) 486-1190, INVESTIGATIONS (702) 486-1110
www.nscb.nv.gov

TRUST INDEMNIFICATION INSTRUCTIONS AND REQUIREMENTS

An indemnification agreement allows the board to consider the financial strength of an individual or entity in addition to the licensee when deciding whether or not to grant a limit increase for a single project. Indemnification is not required; however, it provides an option to an applicant who may not otherwise qualify for a one-time raise in limit for a single project. The agreement must be on a form prescribed by the board, and accompanied by financial documents as set forth below.

1. Indemnification Agreement: Provide a completed indemnification agreement specific to the entity indemnifying the license. Corporations and Limited Liability Companies must also provide a resolution executed by the indemnifying Corporation or Limited Liability Company authorizing the execution of this agreement.

2. Financial Statement Requirements: The indemnitor must submit a current financial statement (statement) that meets the following criteria:

For License Monetary Limits of \$25,000 or less the indemnitor must provide one of the following:

- A current financial statement prepared by an independent certified public accountant; or
- A current financial statement submitted on a form prescribed by the Board (available on the Board's website www.nscb.nv.gov, click on contractor forms); or
- A current financial statement (Balance Sheet) prepared using accounting software in accordance with generally accepted accounting principles and accompanied by an affidavit that verifies the accuracy of the financial statement.

*To prevent a delay in the processing of your application, if you are unfamiliar with preparing your own financial statement, you are encouraged to seek the advice of an Accountant.

Note: Self-prepared or compiled statements must be current to within six months from the date the application is received.

For License Monetary Limits more than \$25,000 but less than \$500,000 the indemnitor must provide one of the following:

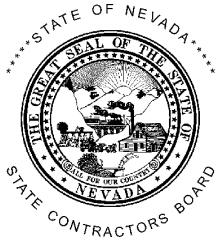
- A compiled financial statement prepared by an independent certified public accountant, current within 6 months from the date the application is received; or
- A reviewed or audited financial statement, prepared by an independent certified public accountant, current within one (1) year from the date the application is received.

For License Monetary Limits of \$500,000 or more but less than \$1,000,000 the indemnitor must provide one of the following:

- A compiled financial statement with full disclosures, prepared by an independent certified public accountant, current within 6 months from the date the application is received; or
- A reviewed or audited financial statement, prepared by an independent certified public accountant, current within one (1) year from the date the application is received.

For License Monetary Limits of \$1,000,000 or more: the indemnitor must provide a financial statement that is prepared and reviewed or audited by an independent certified public accountant, current within one (1) year from the date the application is received.

3. Dissolution or Bankruptcy: If indemnitor has dissolved or filed for bankruptcy protection, notification must be provided to the Board.



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TRUST INDEMNIFICATION

FOR VALUE RECEIVED, the undersigned trustees on behalf of trust do hereby indemnify the creditors of _____ (hereinafter referred to as Licensee),

(USE FULL LEGAL NAME OF APPLICANT/ LICENSEE)

as guarantors and as sureties, against any loss or damage the said creditors may suffer as a result of licensee's failure to promptly pay obligations incurred by it in the ordinary course of construction business within the State of Nevada.

It is further agreed that the undersigned, as sureties, are firmly bound unto Licensee for the benefit of the said creditors; and, it is further agreed that this Agreement as a guaranty is separate and absolute, and that the undersigned are obligated hereunder as guarantors in addition to their obligations as sureties. No election of remedies is intended and its obligations hereunder are cumulative, joint and several.

This Agreement is continuing and shall remain in force until ninety (90) days after the undersigned has delivered a written notice of revocation to the Nevada State Contractors Board. Such revocation shall not affect any of the undersigned's obligations hereunder with respect to indebtedness theretofore incurred before the effective date of termination. (No release of one undersigned from liability hereunder, by operation of law or otherwise, shall release any other undersigned.)

Acceptance by creditors is waived and no continuation, renewal, change, or alteration in the contractor's license granted to Licensee shall in any way relieve the undersigned, their heirs and legal representatives from any liability assumed hereunder.

The undersigned further agrees to be subject to the jurisdiction of the courts of the State of Nevada and the Federal Courts for the District of Nevada, and laws of the State of Nevada in connection with all of its obligations and liabilities in connection with this Agreement.

Words used in this Agreement which import the plural number shall be deemed to include the singular; words used herein which import the singular shall also be deemed to include the plural.

Date: _____

Trust (Print Name) _____ Address _____

Trustee (Print Name) _____ Signature _____ Address _____

Trustee (Print Name) _____ Signature _____ Address _____

ALL SIGNATURES MUST BE NOTARIZED:

Subscribed and sworn to before me this _____ day of _____, _____

_____, Notary Public in and for County of _____ State of _____.

My Commission Expires: _____

Certification of Resident Agent for Indemnitor (Required only if indemnitor is not a Nevada resident)

I hereby certify that I am the resident agent for this indemnitor for the purpose of accepting service of process in the State of Nevada in connection with any and all legal actions instituted in the State of Nevada pertaining to this indemnification agreement for the benefit of the Nevada contractor' licensee stated above. I recognize my obligation to notify the State Contractors Board, in writing, of any change in address.

Signature _____ Print Name _____ Physical Address _____ City _____ State _____ Zip _____