



MHWC LIMITED WARRANTY PROGRAM—MANUFACTURER’S AGREEMENT
Insured through Western Pacific Mutual Insurance Company, A Risk Retention Group

NOTICE: This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guarantee funds are not available for your risk retention group.

MHWC, Western Pacific Mutual Insurance Company, A Risk Retention Group (WPMIC) and the Manufacturer, intending to be legally bound, in consideration of the mutual promises contained herein, covenant and agree as follows:

A. Membership, Registration and Terms.

1. Manufacturer has applied for membership in WPMIC and registration as a member of the MHWC Limited Warranty Program and represents that all information supplied in connection with its application is true and correct.
2. Manufacturer certifies that it is properly licensed and approved to do business in accordance with all governmental requirements of the areas in which it builds and will remain so licensed and approved for the entire term of this Agreement.
3. MHWC and WPMIC have accepted Manufacturer as a registered member of the MHWC Limited Warranty Program and as a member/insured of WPMIC.
4. Manufacturer has paid its initial membership fee. All membership/registration fees (initial and annual) are set by MHWC, at its discretion, and are nonrefundable.
5. Manufacturer agrees to abide by all of the rules and regulations applicable to the Program as issued by MHWC or WPMIC from time to time.
6. The term of this Agreement shall be for twelve (12) months dating from the date of execution by MHWC and will remain in effect until the last day of the twelfth month.
7. Prior to the expiration of the term of this Agreement, Manufacturer may apply for re-registration. Upon approval by MHWC, the Manufacturer shall continue as a participating member for another one year term. If Manufacturer does not re-register, the provisions of paragraphs G.3, G.5 and G.6 hereof concerning termination shall be in effect.
8. If the term of this Agreement expires prior to re-registration approval, the term of this Agreement shall continue month to month until such time re-registration approval is granted or MHWC terminates the Manufacturer’s registration and membership in MHWC and WPMIC.
9. Members of WPMIC are entitled to voting privileges as set forth in its Articles of Incorporation and By-Laws. The Manufacturer agrees, in accordance with WPMIC’s By-Laws, that by executing this Agreement it grants to the Board of Directors of WPMIC its proxy to cast the Manufacturer’s vote on any business at a meeting of WPMIC’s members. This proxy shall continue for the term of Manufacturer’s membership in WPMIC. The Manufacturer may withdraw this proxy by voting personally at any meeting of WPMIC’s members.
10. The Manufacturer shall have no liability for capital contributions to WPMIC. MHWC covenants that all capital contributions and WPMIC premium payments shall be made by it from the warranty fees it collects. The Manufacturer shall have no liability for the corporate obligations of WPMIC and shall not be subject to assessments by WPMIC.

B. Home Warranties.

1. For each home warranted, Manufacturer shall pay a non-refundable warranty fee, the amount and time of payment of which shall be determined by MHWC.
2. Manufacturer shall abide by all Program procedures established by MHWC. HUD-code manufactured units are to be warranted prior to delivery of the home to the Builder.
3. MHWC will not approve a home nor will WPMIC issue a warranty if the Manufacturer is not registered; is not a member in good standing; is in a probationary or suspended standing; if the home is not constructed in accordance with MHWC warranty standards and building codes accepted by MHWC; or if the home was not enrolled in accordance with the procedures set forth herein.
4. MHWC shall supply the Manufacturer with all applicable paperwork including a Limited Warranty book for every home enrolled in accordance with MHWC’s enrollment procedures. The Manufacturer shall be responsible for returning the executed enrollment forms (signed by the Manufacturer’s representative) to MHWC.
5. Manufacturer shall assign all manufacturer’s warranties to the Purchaser.
6. If the Manufacturer fails to warrant or enroll a home in accordance with the procedures set forth herein and any losses or expenses of whatever kind or nature are incurred by MHWC or WPMIC, the Manufacturer will indemnify and hold them each harmless against losses or expenses, including attorney and expert witness fees incurred in connection with the unenrolled or improperly warranted home.

C. Representations and Sales Agreements

1. Manufacturer is authorized to represent to the public that it is a member of the MHWC Limited Warranty Program and to use the MHWC logo in its business and to represent that it is a WPMIC member, provided that any contract language or advertising copy which makes reference to MHWC or WPMIC is approved by MHWC in writing in advance of its use.
2. Manufacturer shall make no representations concerning MHWC that are not contained in the Limited Warranty book, the promotional materials provided by MHWC, or that are not otherwise pre-approved by MHWC. In this connection, Manufacturer hereby

agrees to indemnify and hold MHWC harmless from any unauthorized statement by Manufacturer which results in a claim that Manufacturer misrepresented the terms of the Limited Warranty.

D. Home Construction and Inspection.

1. The Manufacturer shall construct all homes in conformity with MHWC's warranty standards, MHWC approved building codes and all special industry standards recognized by MHWC which are in force at the beginning of the construction of the home. In the event that a home is not constructed in accordance with an MHWC approved model building code, then Manufacturer shall have full responsibility for warranty claims arising from such noncompliance for the full ten-year period. MHWC may establish special standards, conditions and tests including requirements for escrow payments or other methods of protection with respect to some or all homes constructed by the Manufacturer which are high risk in the opinion of MHWC.
2. MHWC approved National Model Codes include:
 - (a) Federal Manufactured Home Construction and Safety Standards (HUD-Code)
 - (b) National Conference of States on Building Codes and Standards, Inc. (NCSBCS)
 - (c) National Electrical Code (NEC)
3. Manufacturer agrees to have the home inspected in accordance with the regulations of the State where the manufacturing facility is located. If there are no State requirements regarding routine inspections, Manufacturer agrees to obtain inspections from an independent third party inspection agency recognized by MHWC.
4. If MHWC deems it appropriate, the Manufacturer shall cooperate in additional periodic inspections and procedures.
5. The Manufacturer represents and warrants to MHWC and WPMIC that it has followed the standards and procedures set forth herein and agrees to indemnify and hold them harmless from any loss or expense, including, but not limited to, attorney and expert fees arising from a breach of these representations and warranties.

E. Warranty Obligations.

1. The Manufacturer shall, at its own expense, perform all obligations as set forth in the MHWC Limited Warranty Program and this Agreement which include meeting the warranty standards upon notice from the Builder/Dealer/Purchaser without the necessity of MHWC intervention. In consideration of the fee structure granted, Manufacturer agrees to reimburse MHWC and WPMIC for all costs and losses which either incurs, including, but not limited to, inspection, counsel and expert fees relating to coverage during Year 1 of a warranty on a home, regardless of whether Manufacturer has breached its obligations hereunder.
2. If the Manufacturer fails or refuses to perform its warranty obligations under the MHWC Limited Warranty Program for any reason, WPMIC will perform the Manufacturer's obligations. If WPMIC fulfills the Manufacturer's obligation or if WPMIC or MHWC incurs any loss, cost or expense including, but not limited to, inspection, attorney and expert fees by reason of Manufacturer's failure to perform hereunder or by reason of a dispute between the Manufacturer and Purchaser, Manufacturer shall, upon demand, and regardless of whether Manufacturer is held liable to Purchaser, reimburse WPMIC and MHWC for all expenses incurred in so performing or by reason of such failure or dispute, including but not limited to, cost of materials, labor, architect fees, engineering fees, attorney fees, expert fees, incidental expenses including lodging, transportation and related expenses from Manufacturer and cost of collection of such reimbursement. In addition, Manufacturer shall indemnify and hold harmless WPMIC and MHWC against any and all expenses, including attorney fees, incurred by them as a result of Manufacturer's failure or refusal to perform or delay in performance. In addition, Manufacturer shall pay interest to MHWC or WPMIC, as appropriate, at the rate of eighteen percent (18%) per annum on all sums due to MHWC or WPMIC hereunder if such sums are not paid within thirty (30) days of demand by MHWC or WPMIC.
3. During Years 2 through 10 under the MHWC Limited Warranty Program covering a particular home, WPMIC represents that it will perform its obligations with respect to warranted structural defects as set forth and defined in the Program without the right of subrogation against the Manufacturer provided that:
 - (a) the defect or symptoms of the subsequent occurrence of a defect first arose after the expiration of Year 1 of the Warranty in effect for that home; and
 - (b) Manufacturer did not attempt to conceal or cosmetically repair the defect or symptoms of the subsequent occurrence of a defect during Year 1; and
 - (c) the defect does not arise from the Manufacturer's failure to construct the building in compliance with MHWC Warranty Standards; and
 - (d) the defect does not arise from Manufacturer's failure to adhere to Manufacturer's responsibilities hereunder.If Manufacturer repairs a warranted structural defect during Year 1, MHWC must be notified. Manufacturer will remain responsible for all defects if the defect or its symptoms arose in Year 1 and Manufacturer failed to adequately repair the defect. Manufacturer must provide to MHWC an inspection report from a licensed engineer showing repairs are in compliance with the plan of repair.
4. WPMIC represents that it will indemnify and hold the Manufacturer harmless against the payment of any money judgment, order or decree made by an arbitrator, court or administrative agency of competent jurisdiction as a result of a breach by WPMIC of its representations contained in paragraph E.3. hereof.

F. Warranty Resolution.

1. All unresolved warranty issues by the Purchaser against the Manufacturer arising under the MHWC Limited Warranty Program shall be referred to MHWC for settlement in accordance with the procedures established by MHWC.

2. The Manufacturer shall have a representative present when MHWC performs an Inspection. MHWC will notify the Manufacturer in advance of the scheduled time and date.
3. The Manufacturer shall cooperate fully in the warranty resolution process including full cooperation with an investigator appointed by MHWC. In this connection, Manufacturer shall, upon request, furnish MHWC or its investigator with copies of the design and specifications of the construction of the home, warranty or customer service files and any and all further investigations conducted by Manufacturer or its representatives.
4. Manufacturer shall be bound by and shall comply with the decision of MHWC. Manufacturer agrees that it will not commence any arbitration proceeding or otherwise challenge MHWC's decision.
5. In the event that an unresolved warranty issue between Manufacturer and the Purchaser is submitted to arbitration as provided in the warranty book, Manufacturer agrees to be bound by the arbitrator's decision. Manufacturer shall have a representative present at the arbitration hearing.
6. If the Manufacturer fails to perform its obligations hereunder in a timely and good and workmanlike manner, including the restoration of repaired affected areas to their original condition as required by the MHWC Limited Warranty Program and subject to its terms, conditions, standards and exclusions, such failure shall be considered a failure to perform governed by paragraph E.2. hereof.
7. The Manufacturer shall be responsible for all arbitration fees on homes located in any state or municipal jurisdiction which provides that no portion of such fees shall be payable by the Purchaser. In all other jurisdictions, where such a requirement is valid, such fees shall be paid initially by the Purchaser but the arbitrator will award the cost to the Purchaser if he prevails.

G. Termination or Suspension.

1. The Manufacturer will be considered not to be in good standing and MHWC may terminate the Manufacturer's registration and membership in the MHWC Limited Warranty Program and in WPMIC as well as the registration and membership of any person or organization controlling, controlled by or under common control with the Manufacturer if, in the opinion of MHWC, the Manufacturer:
 - (a) falsified material information in connection with its application for initial or re-registration, home enrollment or another matter;
 - (b) has lost its license to do business or has become noncompliant with any governmental requirements of the areas in which it builds;
 - (c) did not inform MHWC of a change of its ownership;
 - (d) did not inform MHWC of an adverse change in its financial standing which could impair its ability to meet its obligations;
 - (e) did not meet MHWC's requirements of financial strength and stability, or professional competence and ethical conduct with customers;
 - (f) develops a financial condition or claim history which MHWC finds unacceptable;
 - (g) does not construct homes which comply with MHWC approved building codes, the MHWC warranty standards, or other standards adopted by MHWC (MHWC shall have the right to perform any spot inspections to verify Manufacturer's compliance with this provision);
 - (h) does not have homes inspected as may be required by MHWC or does not provide an engineer's certification or an acceptable inspection report;
 - (i) does not enroll homes in a timely manner;
 - (j) does not respond to a notice from a Purchaser or MHWC in a timely fashion;
 - (k) does not cooperate in the warranty resolution process established by MHWC or does not comply with a voluntary agreement with the Purchaser or a decision rendered by MHWC or an arbitrator;
 - (l) fails to notify MHWC in writing that a legal proceeding has been commenced against Manufacturer;
 - (m) furnishes a warranty to a Purchaser when the home is not registered or properly enrolled with MHWC; or
 - (n) otherwise fails to comply with the terms of this Agreement or the procedures of the Program.

Additionally, Manufacturer agrees to indemnify and hold MHWC and WPMIC harmless from any claims or damages which are proximately caused by any of the foregoing acts or omissions by Manufacturer.

2. Manufacturer may terminate this Agreement by giving notice to MHWC in writing thirty (30) days prior to the expiration date of this Agreement. Otherwise, said Agreement may continue on a month-to-month basis at the option of MHWC.
3. No termination hereunder by MHWC or by the Manufacturer shall in any way affect or impair the rights and obligations of MHWC, WPMIC or the Manufacturer under this Agreement with respect to any homes warranted in the Program prior to that termination, provided that as of the date of termination:
 - (a) all applicable enrollment forms have been received and processed by MHWC; and
 - (b) full warranty payment has been received by MHWC.
4. If a Manufacturer's membership is terminated by MHWC for cause, MHWC at its option may also terminate the membership of any other "affiliated member". An affiliated member is defined as a member in which the terminated Manufacturer has an ownership interest of at least ten percent (10%) or in which the principals of the terminated Manufacturer serve as officers or directors. If MHWC should exercise its option to terminate the membership of an affiliated member under this paragraph, it may reinstate that affiliated member as a Member if, in its sole discretion, MHWC determines that the terminated Manufacturer or its principals

- are not in a position to control the affiliated member.
5. Whenever MHWC believes that there may be reason to terminate a Manufacturer's membership hereunder, it may immediately suspend the Manufacturer by giving written notice to the Manufacturer. Such suspension may be for a period of up to sixty (60) days in order to allow MHWC time to investigate the situation. No homes may be enrolled or warranted in the MHWC Limited Warranty Program during the period of suspension. If, after completion of its investigation, MHWC does not terminate the Manufacturer's membership, the Manufacturer shall be reinstated with full rights and privileges of a participating member provided, however, that such reinstatement shall not affect the right of MHWC to suspend or terminate the Manufacturer in the future based on new or additional information.
 6. During suspension or following termination, the Manufacturer shall not in any way advertise or display itself as being a member of the MHWC Limited Warranty Program; shall not use and shall return all materials bearing the MHWC logo or any reference to the Program, including references to WPMIC; and shall notify promptly in writing any person who is at that time under contract to purchase a home from Manufacturer that Manufacturer has been suspended or terminated, as the case may be, and that the MHWC Limited Warranty Program will not be available. Should the Manufacturer fail to take the steps set forth herein during suspension or following termination, it shall indemnify and hold harmless MHWC and WPMIC against any and all expenses incurred and losses suffered including, but not limited to, attorney fees by either of them as a result.
 7. Termination of a Manufacturer's participation in the Program automatically terminates membership in WPMIC, and the Manufacturer shall have no rights with respect thereto other than rights set forth in paragraphs E.3 and E.4 hereof regarding homes enrolled prior to the termination date.

H. Alternate Forms of Security

1. **Corporations Only:** In order to induce MHWC and WPMIC to accept Manufacturer into the MHWC Warranty Program and as a Member of WPMIC, Manufacturer represents, warrants and certifies to MHWC that the "adjusted stockholder equity" of Manufacturer as of the date hereof is as stated on the most recent financial statement Manufacturer has submitted to MHWC. For purposes of this Agreement, adjusted stockholder equity means total equity, as reflected on Manufacturer's financial statements, presented in accordance with generally accepted accounting principles, consistently applied, reduced by an amount equal to the total of loans to related parties, accounts receivable which are over ninety (90) days old, and intangible assets.
2. At the request of MHWC or WPMIC, Manufacturer agrees to provide a certification of its equity within fifteen (15) days of the request.
3. If Manufacturer fails to supply any certifications, or if a certification fails to disclose a minimum adjusted stockholder equity of at least eighty percent (80%) of the amount stated on the financial statement referenced in Section H.1., then MHWC shall be entitled to suspend or terminate Manufacturer's registration and membership as set forth in Section G.1. If Manufacturer's adjusted stockholder equity falls below eighty percent (80%) of the amount stated on the financial statement referenced in Section H.1., and MHWC is not notified in writing within ten (10) days of that occurrence, then the undersigned hereby declare that they shall personally indemnify and hold MHWC and WPMIC harmless against any and all expenses and losses, including attorney fees, incurred because of Manufacturer's failure to fulfill its obligations and responsibilities as stated in this Agreement and in the Warranty Program.
4. If Manufacturer is required to furnish MHWC with an Alternate Form of Security (such as, but not limited to, a Letter of Credit, Surety Bond, Certificate of Deposit, or Escrow Agreement) as a condition of acceptance or retention of Manufacturer into the MHWC Warranty Program and into membership in WPMIC, Manufacturer agrees that MHWC or WPMIC may draw upon the full amount of the Security in the event that Manufacturer breaches any of its obligations under this Agreement or under any other prior agreement Manufacturer has had with MHWC and/or WPMIC; or if Manufacturer fails to renew the Security with a replacement satisfactory in form and substance to MHWC at least thirty (30) days prior to the expiration of such Security or its replacement. In the event of such a draw, MHWC shall hold the proceeds of such Security as a deposit against Manufacturer's obligations hereunder. At such time as Manufacturer's obligations hereunder have been satisfied in full, MHWC shall return any balance to Manufacturer. MHWC shall not be under any obligation to pay interest to Manufacturer with respect to such amounts, and MHWC's determination of reimbursement shall be final and conclusive.

I. Miscellaneous Provisions.

1. If a claim is made against the Manufacturer or WPMIC concerning a home covered by the MHWC Limited Warranty Program, the Manufacturer shall, upon request, assign to WPMIC any rights which it may have against a supplier, manufacturer, subcontractor or other person for work performed or materials supplied in connection with such claim.
2. Whenever timely performance is called for hereunder, the time there for shall be extended to the extent performance is delayed by an event not caused by the conduct of the person obligated to perform. Such events include, but are not limited to, acts of God or the public enemy, war, riot, civil commotion or governmental conduct.
3. If a claim is made against Manufacturer or WPMIC concerning a home covered by the MHWC Limited Warranty Program, escrowed monies being held by a Purchaser shall be considered separate and apart from and cannot affect the terms of this Agreement or the terms of the Limited Warranty.
4. This Agreement contains the entire understanding of the parties and cannot be altered or amended in any way except by a formal written instrument signed by all of the parties hereto.

5. Should legal action arise between the parties involving this Agreement, the substantially prevailing party shall be reimbursed for reasonable attorney and expert witness fees by the other party. Should any provision of this Agreement be determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.
6. The Manufacturer acknowledges that MHWC is an administrator and not a warrantor or insurer. The Manufacturer agrees to indemnify MHWC and hold it harmless from any loss or expense, including attorney fees, if the Manufacturer should ever claim otherwise.
7. This Agreement shall be interpreted and enforced in accordance with the laws of the state in which the Manufacturer maintains its principal place of business.
8. This Agreement is not assignable by the Manufacturer without the prior written consent of MHWC.
9. This Agreement is binding on the parties, their heirs, executors, administrators, successors and assigns.
10. All notices required hereunder must be in writing and sent by certified mail, postage prepaid, or such other form of notice deemed acceptable by MHWC to the recipient at the respective address shown hereon or to whatever other address the party may designate in writing. Manufacturer must inform MHWC of any change of address in writing.
11. Failure of either party to insist upon compliance with any provision of this Agreement shall not constitute a waiver of the provision.
12. Whenever appropriate, it is intended that the use of one gender herein includes all genders and the singular includes the plural.
13. The effective date of this Agreement shall be the date of execution by MHWC.
14. All terms not defined herein shall have the meanings ascribed in the Limited Warranty book containing the Warranty Resolution Procedures, and Approved Standards which are referred to herein as the "MHWC Limited Warranty Program".
15. This Agreement does not create an agency. Manufacturer is not an agent of MHWC or WPMIC, and Manufacturer and its employees are not authorized to hold themselves out as agents of MHWC or WPMIC. Manufacturer and its employees have no authority to bind or obligate MHWC or WPMIC. Manufacturer agrees to indemnify and hold MHWC and WPMIC harmless against any and all expenses incurred and losses suffered, including but not limited to attorney fees, by either of them as a result of Manufacturer's violation of this provision.
16. Manufacturer agrees to maintain all terms of the Membership Agreement in confidence and not to disclose any such terms to any person or entity.

THIS AGREEMENT is among MHWC with offices at 5300 Derry Street, Harrisburg, PA 17111, Western Pacific Mutual Insurance Company, a Risk Retention Group (WPMIC), with offices at 9265 Madras Ct, Littleton, CO 80130 and

X _____
(Manufacturer Company Name: indicate whether a corporation, partnership, individual or other)

X _____
(Complete Address of Company)

X _____
Date of Execution by Manufacturer

MANUFACTURER: X _____
Manufacturer Company Name (print or type)

By X _____
Signature and Title of Principal or Corporate Officer

X _____
MHWC Registration Number
If Presently Registered

By X _____
Proprietor/Spouse

MHWC

Date of Execution by MHWC

By _____

WESTERN PACIFIC MUTUAL INSURANCE COMPANY, A Risk Retention Group
(WPMIC)

By _____
Kathleen D. Foley, Secretary

By signing this area you are agreeing to act in the capacity of a Surety and are acknowledging and agreeing to the Surety agreement.

NOTE: You are signing this Surety Agreement in an individual capacity, not as an officer of the company. Therefore, please do not use a title.

SURETY:

ADDRESS:

Signature

Street Address

Social Security Number

City, State, Zip

Signature

Street Address

Social Security Number

City, State, Zip

Signature

Street Address

Social Security Number

City, State, Zip

Signature

Street Address

Social Security Number

City, State, Zip

Signature

Street Address

Social Security Number

City, State, Zip

SURETY AGREEMENT, An Explanation and Its Applicability

The success of MHWC is based on its management of risks. This is the reason for MHWC's stringent membership criteria — better Members represent lower risk.

The Surety Agreement does not add any additional liability beyond the terms of the Warranty and Membership Agreement. The purpose of the Surety Agreement is simple: the Member which provides the MHWC Limited Warranty is making certain representations and commitments. If it does not honor its commitment, another entity or individual(s) agrees to do so. If the MHWC Member does what it says it will do, the Surety Agreement will not have any impact.

As stated in the warranty, the Member's obligation ends after the initial one-year period. However, the Member's (i.e. corporation or surety) responsibilities extend past the first year if the Member breaches any of its obligations under the Warranty, the Membership Agreement, or any Addenda signed by the Member. **Liability is limited to the Member's liability to MHWC and WPMIC.**

Regarding exchange, etc. of collateral or changes to the terms of Member Obligations, the purpose of this language is to prevent WPMIC's involvement in disputes among Sureties and Members.

The Surety Agreement is binding upon heirs and assigns. This is reiterating that if responsibility passes to heirs and assigns, the original commitment to the Limited Warranty will be honored.

If MHWC requests a Surety Agreement and the corporate officers do not want to provide such an agreement, an Alternate Security may be acceptable, provided it is approved by MHWC.

SURETY AGREEMENT

To induce MHWC to accept Member into the MHWC Warranty Program and intending to be legally bound, the undersigned (each jointly and severally, if more than one) agrees to act as unconditional surety to MHWC and to Western Pacific Mutual Insurance Company, A Risk Retention Group (WPMIC), with respect to all of Member's duties and obligations pursuant to the foregoing Membership Agreement (Agreement), including interest due on late payments or reimbursements by Member and any costs, legal fees and expenses incurred by MHWC or WPMIC in the enforcement of any of the foregoing (Member Obligations).

Surety consents that MHWC or WPMIC may, at its sole option, without in any way affecting Surety's liability hereunder: (a) exchange, surrender or release any or all collateral security or any guaranty or surety held by MHWC or WPMIC for any of the Member Obligations; (b) renew, extend, modify, supplement, amend, release, alter or compromise the terms of any or all of the Member Obligations; and (c) waive any of MHWC or WPMIC's rights, remedies, benefits or security against Member or any other surety.

CONTINUING SURETY. This Surety Agreement shall be a continuing one and shall be binding upon Surety regardless of how long before or after the date hereof any of the Member Obligations were or are incurred.

EXTENT OF SURETY'S LIABILITY. Surety's liability hereunder shall be for the full amount recoverable by MHWC from Member under the Membership Agreement and Limited Warranty and for the full amount recoverable by WPMIC from Member under the Membership Agreement and Limited Warranty, including, but not limited to, claim payments, costs of repairs, interest due on late payments or reimbursements by Member, and any costs, legal fees and expenses incurred by MHWC and/or WPMIC in the enforcement of any Member Obligation and in the enforcement of this Surety Agreement.

UNCONDITIONAL LIABILITY. Surety's liability hereunder is absolute and unconditional and shall not be reduced, diminished, released or affected in any way by reason of: (a) any failure of MHWC or WPMIC to obtain, retain, or preserve, or the lack of enforcement of, any rights against any person, firm or entity (including, without limitation, any other Surety) or in any property (including, without limitation, collateral security for any of the Member Obligations); (b) the invalidity or unenforceability of any such rights which MHWC or WPMIC may attempt to obtain; (c) any delay in enforcing or any failure to enforce such rights, even if such rights are thereby lost; or (d) any delay in making demand on the Member or any other Surety for performance or payment of any part or all of the Member Obligations.

WAIVERS. Surety hereby waives all notices of any character whatsoever with respect to this Surety Agreement and the Member Obligations, including without limitation: notice of the present existence or future incurring of any Member Obligations; the amount, terms and conditions thereof; and any defaults thereon. The death, incapacity or legal incompetence of any Surety shall in no way affect the liability hereunder of that or any other Surety.

SATISFACTION. In the event that the Member Obligations are satisfied in full by Member or any other Surety, MHWC and WPMIC shall return this Agreement to Surety marked "satisfied" upon the express written request of Surety and then only upon the latter of ninety-one (91) days from the date of the last payment on the Member Obligations, or ten (10) years from the final enrollment of the last enrolled unit.

PAYMENT OF COSTS AND ATTORNEY FEES. In addition to all other liabilities of Surety hereunder, Surety also agrees to pay to MHWC and WPMIC on demand all costs and expenses (including reasonable attorneys' fees and legal expenses) which may be incurred in the enforcement of any of the Member Obligations or this Surety Agreement.

NOTICES TO MHWC OR WPMIC BY SURETY. Any notice to MHWC or WPMIC by Surety pursuant to the provisions hereof shall be sent certified mail, return receipt requested to the addresses set forth in the Agreement.

MISCELLANEOUS. This Agreement shall be binding upon Surety and Surety's heirs, executors, administrators, successors, assigns and other legal representatives, and shall inure to the benefit of MHWC, WPMIC and their representatives, successors and assigns. The rights and remedies of MHWC and WPMIC under this Surety Agreement are cumulative and shall be in addition to any other rights and remedies available to them, at law or in equity, all of which may be exercised singly or concurrently. In the event that this Agreement is preceded or followed by any other guaranty or surety agreement(s), all rights granted MHWC or WPMIC in such agreement(s) shall be deemed to be cumulative. If any provision of this Agreement shall for any reasonable cause be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein. Surety intends this to be a sealed instrument and to be legally bound hereby. All issues arising hereunder shall be governed by the laws of the Commonwealth of Pennsylvania.

MHWC®

5300 Derry Street
Harrisburg, PA 17111

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