

**Memorandum of Understanding  
Between  
The Surety & Fidelity Association of America (SFAA)  
and  
Minority Business Development Institute Inc. (MBDI)**

Whereas

SFAA is a duly-authorized, non-profit, trade association representing companies involved in the underwriting of surety and fidelity bonds; and

SFAA plays an active role in diversity nationwide by assisting emerging contractors on how to become bondable or increase their bonding capacity through its Model Contractor Development Program; and

SFAA provides technical assistance and program resources to aid federal, state and local governments and other non-profit and commercial organizations in the development of diversity initiatives, including framing Requests for Proposals (RFPs) for bonding readiness program service providers; and

The SFAA seeks to address requests for assistance to federal, state and local governments and other non-profit and commercial organizations in launching bonding readiness programs, and the design and implementation of other bonding support efforts for minority contractors, through collaboration with MBDI; and

Whereas

Minority Business Development Institute (MBDI) is recognized as exempt under Section 501(c)(3) of the Internal Revenue Code; and

Through education and advocacy, MBDI's mission is to assist the minority contractor population to develop socio-economic parity by addressing business issues that create barriers to success; and

MBDI's robust programming, comprised of educational coursework, advisory services and capital access, has achieved excellent results in providing the sustainable systemic change necessary to make firms better surety credit risks; and

MBDI seeks to partner with The Surety & Fidelity Association of America (SFAA) to build on the SFAA Model Contractor Development Program (MCDP) and work with SFAA as a service provider where MCDP initiatives are requested nation-wide.

Therefore, be it resolved that

SFAA and MBDI will jointly develop and implement initiatives designed to assist minority-owned businesses specializing in construction and construction-related services to qualify for and access bonding and financing and/or increase their bonding limits through education and direct assistance in the bonding process; and

The initial activity will be the integration of SFAA's MCDP and MBDI bonding readiness initiatives under a contractor development effort, which would include educational workshops and curricula, technical assistance and advisory services, capital access support and contractor handbooks.

Under this contractor development effort, SFAA will:

- help to identify appropriate professionals from the surety, construction, legal and financial sectors to make presentations at each collaborative workshop,
- coordinate, facilitate and/or provide access to resources of SFAA, which will assist MBDI in fully implementing all aspects of these activities,
- work with its member surety companies to maximize access to bonding and seek an optimal level of bondability for each participating contractor,
- advocate on behalf of MBDI with sureties, government entities, prime contractors, and other interested parties.

MBDI will:

- conduct on-going outreach to inform the minority contractor community of the joint SFAA/MBDI contractor development activities ,
- identify and recruit minority contractors that can benefit from participating in these joint activities,
- conduct on-going activities to network minority contractors with the surety, banking, and financial industries through sponsoring meetings and conferences in a variety of settings,
- organize and arrange a series of workshops and offer advisory consulting services and capital access based on the SFAA/MBDI collaboration,
- assist minority contractors who may need assistance beyond education and consulting in locating technical assistance in such areas as project management, contract negotiation, job costing, finance, and accounting for contractors.

In addition

To facilitate advice and oversight of these SFAA/MBDI collaborative efforts, SFAA and MBDI will establish a 3 - 9 person Advisory Board consisting of bonding professionals from SFAA, its member companies and the bond producer community who are directly involved in bonding support and underwriting of small and emerging contractors; and others as mutually agreed upon by SFAA and MBDI.

Be it further resolved that

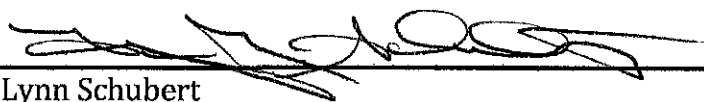
This MOU may be amended at any time by mutual agreement of the parties in writing, or any party may terminate its participation in the MOU upon 30 days written notice to the other party by regular mail and certified mail return receipt requested.

Any communication pertaining to this MOU shall be directed to Ms. Lynn Schubert, President, The Surety & Fidelity Association of America, 1101 Connecticut Avenue, NW, Suite 800, Washington, DC 20036 and to Mr. David Cayemitte, Chief Executive Officer, Minority Business Development Institute, 306 Farnsworth Avenue, Suite B, Bordentown, NY 08505.

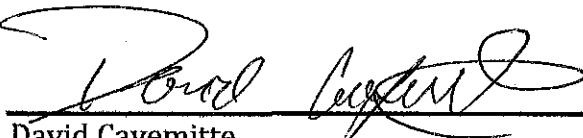
The MOU shall be effective upon the signing and shall remain in force until termination by the parties to this MOU.

This document is a memorandum of understanding only. It is only a declaration of intent. The agreement does not create any actionable rights or obligations that may be asserted by either party.

Any portion of this agreement that conflicts with federal, state, or local law shall be null and void without affecting the validity of any other provision of this Agreement.

  
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Lynn Schubert  
President  
The Surety & Fidelity Association of America

11/19/12  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
David Cayemitte  
Chief Executive Officer  
Minority Business Development Institute

11/9/12  
\_\_\_\_\_  
Date