

INDEMNITY BOND IN LIEU OF DEPOSIT

KNOW ALL MEN BY THESE PRESENTS, that _____
 as Principal, and _____, a Corporation,
 organized and existing under the laws of the State of _____,
 and duly authorized to conduct and carry on a general surety business in the State of Tennessee, as Surety, are each
 held and firmly bound unto Duck River Electric Membership Corporation, an electric cooperative organized and
 existing under and by virtue of the laws of the State of Tennessee, with its office and principal place of business at
 Shelbyville, Tennessee (hereinafter called "DREMC"), as Obligee, in the full and just sum of
 _____ dollars (_____), lawful money of the United
 States of America, for the payment of which well and truly to be made, said Principal and Surety hereby bind
 themselves, their respective heirs, legal representatives, successors and assigns, jointly and severally, firmly by these
 presents.

WHEREAS, Principal has applied to DREMC for electric service; and

WHEREAS, under the rules, regulations and policies of DREMC it is necessary for Principal to furnish
 security for the prompt payment of electric bills for electric service furnished and supplied to Principal by DREMC
 and to otherwise fully perform the obligations required of Principal by the _____ between
 Principal and DREMC relative to the furnishing of such electric service related to location _____; and

WHEREAS, Principal desires to post bond in lieu of a cash deposit as security for the payment of said electric
 bills and the performance of such agreement.

NOW, THEREFORE, the conditions upon which this bond is executed are that the said Company shall pay
 and keep paid, when due, all amounts of revenues accruing, due and owing, from time to time, unto said Cooperative
 under said Industrial Power Contract bearing date of _____ day of _____, _____, and which by
 reference is hereby incorporated herein and made a part hereof, and for and during the period of any renewals
 thereof; and otherwise fully and faithfully perform the terms, provisions, and obligations of said contract or any
 renewal thereof.

IT IS HEREBY UNDERSTOOD AND AGREED:

1. That Surety reserves that right to cancel this bond by giving sixty (60) days prior written notice to DREMC. After the expiration of such notice period Surety shall be discharged and relieved from any further liability hereunder, it being understood and agreed however, that Principal and Surety shall be liable for any loss occurring up to the effective date of the termination hereof but, in no event, however, in excess of the penalty of this bond.
2. This bond shall be effective from and after _____ and shall remain in force until cancelled as aforesaid, or until released in writing by DREMC.
3. In the event that suit is brought by DREMC to enforce the provisions of the above undertaking, Principal and Surety agree, jointly and severally, to pay all costs and expenses of suit including DREMC's reasonable attorney's fees, in addition to all other amounts herein provided.

IN WITNESS WHEREOF, Principal and Surety have duly executed this bond on this:

_____ day of _____, _____.

Signed, sealed and delivered in the presence of:

 (Principal)

 (As to Principal)
 Witness:

by: _____

Title: _____

 (Surety)

 (As to Surety)
 Witness:

by: _____
 It's Attorney-in-Fact