



## PERFORMANCE BOND WITH MAINTENANCE PROVISIONS

Bond No: \_\_\_\_\_

KNOW ALL PERSONS BY THESE PRESENTS: That we \_\_\_\_\_, Principal and \_\_\_\_\_, Surety, are held and firmly bound unto \_\_\_\_\_, Obligee, in the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) for the payment of which we bind ourselves, our legal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has by written agreement dated \_\_\_\_\_ entered into a contract with Obligee for \_\_\_\_\_ in accordance with drawings and specifications prepared by \_\_\_\_\_ which contract is by reference made a part hereof, and is hereinafter referred to as the contract.

Now, therefore, if principal shall faithfully perform said contract and guarantee that the work will be free of defective materials and workmanship for a period of \_\_\_\_\_ (\_\_\_\_) months following completion of the contract, then this obligation shall be null and void. Any additional warranty or guarantee whether expressed or implied is extended by the principal or manufacturer only, and the Surety assumes no liability for such a guarantee.

Whenever Principal shall be, and be declared by Obligee to be in default under the contract, the Obligee having performed Obligee's obligations thereunder:

- (1) Surety may promptly remedy the default subject to the provisions of paragraph 3 herein, or;
- (2) Obligee after reasonable notice to Surety may, or Surety upon demand of Obligee may arrange for the performance of Principal's obligation under the contract subject to the provisions of paragraph 3 herein;
- (3) The balance of the contract price, as defined below, shall be credited against the reasonable cost of completing performance of the contract. If completed by Obligee, and that reasonable cost exceeds the balance of the contract price, Surety shall pay the Obligee such excess, but in no event shall the aggregate liability of the Surety exceed the amount of this bond. If Surety arranges completion or remedies the default, that portion of the balance of the contract price as may be required to complete the contract or remedy the default and to reimburse Surety for its outlays shall be paid to Surety at the times and in the manner as said sums would have been payable to Principal had there been a no default under the contract. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by Obligee to Principal under the contract and any amendments thereto, less the amounts heretofore properly paid by Obligee under the contract.



Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.

Signed, sealed and dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Witness

BY:

\_\_\_\_\_  
Principal

ITS:

\_\_\_\_\_

**The Guarantee Company of North America USA**

\_\_\_\_\_  
Witness

BY:

\_\_\_\_\_  
Attorney-In-Fact