



# PERFORMANCE BOND

Bond No. \_\_\_\_\_ Amount \_\_\_\_\_ Contract No. \_\_\_\_\_  
(50% of Contract price)

Project: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## KNOW ALL PERSONS BY THESE PRESENTS THAT

\_\_\_\_\_  
(the Contractor)

of the \_\_\_\_\_ of \_\_\_\_\_ in the Province of Alberta, as Principal (hereinafter called "the Principal")

-and-

\_\_\_\_\_  
(the Bonding Company)

of the \_\_\_\_\_ of \_\_\_\_\_ (hereinafter called the "Surety"), a surety authorized to transact business in the Province of Alberta, are held and firmly bound unto:

HIS MAJESTY THE KING, herein represented by the Minister of Transportation and Economic Corridors of the province of Alberta, obligee (hereinafter called "the Minister") in the sum of :

\_\_\_\_\_ dollars (\$ \_\_\_\_\_), to be paid to the Minister or his successors in office, or to whom the said Minister or his successors may direct, and the said Principal and Surety bind themselves and each of them and their respective successors, heirs, executors, administrators and assigns jointly and severally, to pay the said sum under the terms of these presents:

WHEREAS the Principal has entered into a Contract (Hereinafter called "the Contract") with the Minister.

AND WHEREAS it is a term of the Contract that a Performance Bond be provided naming the Minister as obligee herein;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if the Principal shall promptly and faithfully perform said contract, notwithstanding that at any one or more times:

- (a) The time for the completion of the said Contract may have been extended;
- (b) The Principal may have been changed by death or insolvency, or by addition to or withdrawal from a partnership of any member thereof with the consent of the Surety;
- (c) Any one or more members of the Principal (if a partnership) may have been released from liability under the said Contract with the consent of the Surety;
- (d) The work contracted for as aforesaid may have been altered by substitution, addition, partial abandonment or otherwise while still remaining substantially the same Contract work, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever the Principal shall be, and declared by the Minister to be, in default under the Contract, the Minister having performed the Ministers obligations thereunder, the Surety shall promptly remedy the default, or shall promptly

- (1) complete the Contract in accordance with its terms and conditions, or
- (2) obtain a bid or bids for submission to the Minister for completing the Contract in accordance with its terms and conditions, and upon determination by the Minister of

the lowest acceptable bidder, to arrange for a contract between such bidder and the Minister, which shall provide for the completion of the Contract. The Surety shall be responsible to make payments under this bond (up to the maximum hereof) as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion entered into under this paragraph), and shall pay all costs of completion of the Contract. The Surety will be entitled, on the progress payment basis as set out in the Contract, to have the Minister contribute the balance of the contract price (being the total amount payable by the Minister to the Principal under the Contract, less the amount paid by the Minister to the Principal prior to default); it being understood that all costs of completion over and above the contract price set out in the Contract between the Minister and Principal shall be borne and payable by the Surety up to the maximum of this bond. Any suit under this Bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due. The Surety shall not be liable for a greater sum than the specified penalty of this Bond. No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Minister named herein, or the heirs, executors, administrators or successors of the Minister. Provided further and it is hereby agreed and declared that there shall be no liability under this instrument of the Principal and Surety for payment of any Labour, service or material used or reasonably required for use in the performance of the Contract.

IN WITNESS WHEREOF the Principal and the Surety have signed and sealed this bond, this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

SIGNED, SEALED in the Presence of

\_\_\_\_\_

\_\_\_\_\_  
WITNESS TO PRINCIAL

\_\_\_\_\_  
(Principal) (Seal)

\_\_\_\_\_

\_\_\_\_\_  
WITNESS TO SURETY

\_\_\_\_\_  
(Surety) (Seal)