

CONTRACT FORMS

**1.8 RELEASE OF HOLDBACK BOND**

Bond No. \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS THAT

His Majesty the King in right of Alberta as represented by the Minister of Transportation and Economic Corridors, hereinafter referred to as "the Obligee", has entered into a written contract dated the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ with hereinafter referred to as the "Principal". The said contract is known as the Contract Number \_\_\_\_\_ for:

**CONTRACT DESCRIPTION**

and is hereinafter referred to as the "Contract".

AND THAT the \_\_\_\_\_, a Corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in the Province of Alberta and hereinafter called the "Surety" is, together with the Principal, held and firmly bound unto the Obligee according to the requirements of General Specification 1.2.3 of the Contract.

WHEREAS the Obligee requires the retention by the Obligee of holdback, as specified in the contract, and WHEREAS the Principal desires to satisfy the said holdback requirements by means other than the accumulation of holdback funds.

By this Release of Holdback Bond, the Surety and the principal do hereby consent to its use and the Surety hereby undertakes to:

Pay the Obligee any sum or sums claimed by the Obligee up to and including the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) lawful money of Canada, being \_\_\_\_\_ percent of the tendered value of the Contract upon receipt of the Obligee's written demand or demands sent by registered mail or facsimile transmission to the Surety at:

\_\_\_\_\_  
\_\_\_\_\_

Without enquiring whether the Obligee has a right between itself and the Principal to make such demands. Such payment to be made within five calendar days of the receipt of the said demand by the Surety

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The giving of the within consent by the Surety to use of this Release of Holdback Bond or the making of any payment by the Surety to the Oblige shall not release in any way whatsoever the liability of the Principal or the Surety or either or both of them under the Contract or any amendment thereto, or under any other bonds relating to the Contract or any amendment thereto, and nothing herein contained shall affect or prejudice the rights of the Oblige now existing or which may hereafter arise against the Principal or Surety or either or both of them either under the Contract or any amendments to the said Contract, or under the said bonds or any amendment to the said bonds, and all rights of the Oblige under the said Contract and bonds are hereby reserved.

This Release of Holdback Bond shall remain in full force and effect from the inception date of the Contract and up to and including six months beyond the Contract completion date as evidenced by the letter of acceptance of Contract completion furnished by the Oblige. This Bond may be renewed at such time and for such period of time as the Oblige may require.

The Surety shall not be liable for a greater sum than the amount specified in this Release of Holdback Bond. No right of action shall accrue on the Release of Holdback Bond to or for the use of any person or corporation other than the Oblige or the heirs, executors, administrators, or successors of the Oblige.

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

**SAMPLE**

\_\_\_\_\_  
Principal

SIGNED, SEALED AND DELIVERED \_\_\_\_\_ Seal

in the presence of:

\_\_\_\_\_  
Surety

\_\_\_\_\_  
Attorney-in-fact