



Amount
\$

Performance Bond

KNOW ALL MEN BY THESE PRESENTS, that (insert principal name) _____

as Principal, hereinafter called the Principal, and _____ as Surety,

hereinafter called the Surety, are, subject to the conditions hereinafter contained, held and firmly bound unto Her Majesty the Queen in right of Canada as Obligee, hereinafter called the Crown, in the amount of (insert amount in text)

dollars (insert amount) (\$ _____), lawful money of Canada, for the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

SIGNED AND SEALED this (insert day signed) _____ day of (insert month signed) _____, (insert year signed)

_____. WHEREAS, the Principal has entered into a Contract with the Crown, dated the (insert day submitted for the written tender

to the Crown) _____ day of (insert month submitted for the written tender to the Crown) _____, _____,

for (Insert Project title and Solicitation No)

which Contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION are such that if the Principal shall well and faithfully observe and perform all the obligations on the part of the Principal to be observed and performed in connection with the Contract, then this obligation shall be void, otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. Whenever the Principal shall be, and declared by the Crown to be, in default under the Contract, the Surety shall
 - (a) if the work is not taken out of the Principal's hands, remedy the default of the Principal,
 - (b) if the work is taken out of the Principal's hands and the Crown directs the Surety to undertake the completion of the work, complete the work in accordance with the Contract, provided that,
 - (i) if the Surety completes the work, the Surety must comply with the *Ineligibility and Suspension Policy*, or
 - (ii) if a contract is entered into for the completion of the work, it shall be between the Surety and completing contractor, the selection of the completing contractor shall be subject to the approval of the Crown, and the completing contractor must comply with the *Ineligibility and Suspension Policy*,
 - (c) if the work is taken out of the Principal's hands and the Crown, after reasonable notice to the Surety, does not direct the Surety to undertake the completion of the work, assume the financial responsibility for the cost of completion in excess of the moneys available to the Crown under the Contract,
 - (d) be liable for and pay all the excess costs of completion of the Contract, and
 - (e) not be entitled to any Contract moneys earned by the Principal, up to the date of his default on the Contract and any holdbacks relating to such earned Contract moneys held by the Crown, and the liability of the Surety under this Bond shall remain unchanged provided, however, and without restricting the generality of the foregoing, upon the completion of the Contract to the satisfaction of the Crown, any Contract moneys earned by the Principal or holdbacks related thereto held by the Crown may be paid to the Surety by the Crown.
2. The Surety shall not be liable for a greater sum than the amount specified in this Bond.
3. No suit or action shall be instituted by the Crown herein against the Surety pursuant to these presents after the expiration of two (2) years from the date on which final payment under the Contract is payable.

IN TESTIMONY WHEREOF, the Principal has hereto set its hand and affixed its seal, and the Surety has caused these presents to be sealed with its corporate seal duly attested by the signature of its authorized signing authority, the day and year first above written.

SIGNED, SEALED AND DELIVERED in the presence of:

Principal

Witness

Surety

Note: Affix Corporate seal if applicable.