



# MUNICIPALWORKS ANNUAL CONTRACTORS BOND

**Bond Amount: \$20,000.00**  
**Bond Number: {bondnumber}**

**KNOW ALL MEN BY THESE PRESENTS**, that we **{principal}** (hereinafter called the "Principal") and **{surety}**, a corporation authorized to transact the business of suretyship in Canada (hereinafter called the "Surety") are held and firmly bound to **{obligee}**, (hereinafter called "the Oblige"), in the amount of TWENTY THOUSAND Dollars (\$20,000.00) lawful money of Canada, for the payment of which amount the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns.

**WHEREAS** the Principal has entered into or may enter into contract(s) with the Oblige for the performance of roadwork, sewer & watermain works, electricity and gas services, street lighting and traffic signals, buildings and bridges but excluding contracts that predominantly consist of the provision of non-construction services, including snowplowing services, waste pickup, removal and transportation services, security services, janitorial services and the development of land (hereinafter referred to individually as a "Contract" and collectively as "the Contracts"); and

**WHEREAS** the Oblige requires the Principal to provide performance security to the Oblige in the amount of twenty thousand (\$20,000.00) lawful money of Canada with respect to the Contracts;

**NOW THEREFORE** the condition of this obligation is such that if the Principal shall perform and fulfil all of the covenants, terms and conditions of the Contracts and shall indemnify and save harmless the Oblige from any and all claims, actions, liability, loss, cost or expenses arising directly or indirectly from the Principal's failure to perform all of the covenants, terms and conditions of the Contracts, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

**PROVIDED**, however, that this bond is subject to the following conditions and limitations:

1. Whenever the Principal is declared to be in default of any Contract, the Oblige shall make written demand to the Surety for payment pursuant to this bond (hereinafter referred to as a "Claim"). The Oblige shall provide to the Surety sufficient information to enable the Surety to substantiate and verify each Claim.
2. Subject to item number 4 of this bond, for each Contract under which the Principal is, and is declared to be, in default, the liability of the Surety shall be limited to the cost reasonably incurred by the Oblige to complete the Contract, less the balance of the Contract price. The balance of the Contract price is the total amount payable by the Oblige to the Principal under the Contract less the amount properly paid by the Oblige to the Principal.
3. This bond shall not apply to any Contract with a Contract price in excess of one hundred and twenty-five thousand (\$125,000.00) dollars, lawful money of Canada; and
4. The Surety shall not be liable for a sum greater than the specified amount of the bond, irrespective of the number of Claims made under the bond by the Oblige; and
5. The amount of this bond shall be reduced by and to the extent of any payment made to the Oblige or its heirs, executors, administrators or successors; and
6. The Surety may terminate its liability under this bond at any time by issuing a cancellation notice to the Oblige. The termination of the Surety's liability shall occur thirty (30) days after receipt by the Oblige of the Surety's written notice of cancellation by registered mail. Any contracts entered into prior to such termination shall be covered by this bond, notwithstanding that default or notice of default may occur after the cancellation date. The Surety shall not be liable as a result of the cancellation of this bond, notwithstanding that such cancellation may constitute a failure by the Principal, directly or indirectly, to perform any provision of any of the Contracts, including but not limited to a provision to provide performance security to the Oblige; and
7. Any suit or action must be commenced under this bond before **one (1)** years from the date of notice of termination by the Surety.
8. No right of action or claim shall accrue on this bond for, or for the use of, any person or corporation other than the Oblige named herein, or the heirs, executors, administrators or successors of the Oblige.

**IN WITNESS WHEREOF**, the Principal and the Surety have signed and sealed this bond **{termstart}**

Witness as to Principal \_\_\_\_\_

**PRINCIPAL**  
**{principal}**  
Principal \_\_\_\_\_

**SURETY**  
**{surety}**

**{aif}, Attorney-in-fact** \_\_\_\_\_