

## Performance Bond Multi-Year Contracts

**Bond Number :** \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, that we \_\_\_\_\_, as Principal, (hereinafter called the "Principal"), and Western National Mutual Insurance Company as Surety, (hereinafter called the "Surety"), are held firmly bound unto, \_\_\_\_\_ as Obligee, (hereinafter called the "Obligee"), in penal sum of \_\_\_\_\_ Dollars (\$) \_\_\_\_\_ good and lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, administrators, executors, successors, assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written contract with the Obligee, dated \_\_\_\_\_ (hereinafter called the "Contract"), which Contract is incorporated herein by reference, for \_\_\_\_\_

NOW, THEREFORE, the condition of this obligation is such that, if the Principal shall faithfully perform the contract in accordance with its terms and conditions during the effective dates of this bond, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

PROVIDED, HOWEVER, that:

1. The term of this bond is for the period commencing \_\_\_\_\_ and expiring on \_\_\_\_\_, unless released by the Obligee prior thereto. However, the term of this bond may be extended for an additional one-year period(s) by the issuance of a Continuation Certificate by the Surety.
2. At the sole option of the surety, this obligation may be renewed by continuation certificate setting forth, new commencement and expiration dates, and if applicable, increased or decreased penal sum. Where they bond is renewed, continued, reinstated, reissued or otherwise extended for more than the above -specified period, it shall be considered one continuous bond and in no event shall the penal sum, or any portion thereof, at two or more points in time, be added together in determining the Surety's liability. The Surety's liability shall not cumulate.
3. Neither non-renewal by the Surety nor failure of the Principal to provide the Obligee with a replacement bond shall constitute default under this bond.
4. In the event the Principal shall be declared by the Obligee to be in default under the Contract, the Obligee shall provide the Surety with a written statement setting forth the particular facts of said default no later that thirty (30) days from the date of said default, which notice shall be sent to the Surety by registered mail to the following address: 4700 West 77th Street, Edina, Minnesota 55435-4818
5. The Surety will have the right and opportunity, at its option, and in its sole discretion, to: a.) cure the default; b.) assume the remainder of the Contract to perform or sublet same; c.) or to tender to the Obligee funds sufficient to pay the cost of completion less the balance of the Contract price up to an amount not to exceed the penal sum of the bond. In no event shall Surety be liable for fines, penalties, liquidated damages or forfeitures assessed against the Principal.
6. The Obligee's acceptance of this bond and reliance upon it as security constitutes its acknowledgement and agreement as to the terms under which it is offered and issued by the Surety.

Signed and Sealed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Witness:

Witness:

**Principal:**

**Surety:**

**Western National Mutual Insurance Company**

By:

By:

(SEAL)

(SEAL)

Name Typed:

Name Typed:

**MICHIGAN ONLY:** This policy is exempt from the filing requirements of Section 2236 of the Insurance Code of 1956, 1956 PA 218 and MCL 500.2236.