

PERFORMANCE BOND

Bond No. _____

KNOWN ALL MEN BY THESE PRESENTS: That,

(Here insert the name and address, or legal title, of the Contractor)

as Principal, herein after called Principal, and

(Here insert the name and address of Surety)

as Surety, hereinafter called Surety, are held and firmly bound unto THE TOWN OF OLD LYME, 52 Lyme Street, Old Lyme, CT 06371 as Oblige, hereinafter called Oblige, in the amount of Dollars (\$ _____), for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has by written agreement dated _____ entered into a contract with Oblige for the Hains Park Boathouse Project, in accordance with drawings and specifications prepared by Nina Cuccio Peck Architects which contract including all Contract Documents and all changes made to the contract and the Contract Documents is by reference made a part hereof, and is hereinafter referred to as the contract. NOW THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Principal shall promptly and faithfully perform said contract, and all duly authorized modifications, alterations, changes or additions to said contract that may hereafter be made, notice to the surety of such modifications, alterations, changes or additions being hereby waived, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever Principal shall be, and be declared by Oblige to be in default under the contract, the Oblige having performed Oblige's obligations thereunder:

- (1) Surety may promptly remedy the default subject to the provisions of paragraph 3 herein or;
- (2) Oblige after reasonable notice to Surety may, or Surety upon demand of Oblige may arrange for the performance of Principal's obligation under the contract subject to the provisions of paragraph 3 herein;
- (3) The balance of the contract price, as defined below, shall be credited against the reasonable cost of completing performance of the contract. If completed by the Oblige, and the reasonable cost exceeds the balance of the contract price the Surety shall pay to the Oblige such excess, but in no event shall the aggregate liability of the Surety exceed the amount of this bond. If the Surety arranges completion or remedies the default, that portion of the balance of the contract price as may be required to complete the contract or remedy the default and to reimburse the Surety for its outlays shall be paid to the Surety at the times and in the manner as said sums would have been payable to Principal had there been no default under the contract. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by Oblige to Principal under the contract and any amendments thereto, less the amounts heretofore properly paid by Oblige under the contract.

Any suit or action under this bond must be instituted before the expiration of (a) two years from the date on which final payment under the contract falls due; or (b) the applicable statute of limitations of the jurisdiction in which the bond is executed, whichever is later. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obliges named herein or the heirs, executors, administrators or successors of the Obliges.

Signed and sealed this _____ day of _____, 2011

IN THE PRESENCE OF:

(Principal)

(Witness)

(Title)

(Surety)

(Witness)

(Title)