

### Standard Surety Bond Language

KNOW ALL MEN BY THESE PRESENTS, that **Principal** and **Surety** are held and firmly bound unto **Obligee** in the **Bond Amount** as the penal amount, lawful money of the United States of America for the payment of which amount **Principal** and **Surety** bind themselves, their successors, executors, administrators and assigns, jointly and severally firmly by these presents

**WHEREAS**, the said **Principal** has entered into an Agreement as of the **Agreement Date** for **Agreement Description**. (Agreement)

**WHEREAS**, if there is a **Dual Obligee** identified, the **Obligee** has requested the **Principal** and **Surety** to join with the **Obligee** to add as an obligee the **Dual Obligee** as their respective interests may appear, and the **Principal** and **Surety** have agreed so to do upon the conditions herein stated. The **Obligee** and **Dual Obligee** are collectively referred to as "**Obligee**". The rights of the **Dual Obligee** shall be subject to the condition precedent that the **Obligees** obligations to the **Principal** be performed; provided, however, that the aggregate liability of the **Surety** under said bond to the **Obligee** and **Dual Obligee**, as their interest may appear, is limited to the penal sum of said Bond, and provided further, that the **Surety** may, at its option, make any payments under said Bond by check issued jointly to the **Obligee** and **Dual Obligee**. There shall be no liability on the part of the **Principal** or the **Surety** under this bond to the **Obligees** or either of them, unless either or both shall full fulfill obligations to the **Principal**, or to the **Surety** in the case it arranges for the completion of the Agreement upon default of the **Principal**, strictly in accordance with the terms of the said Agreement and shall perform all other obligations to be performed under said Agreement at the time and in the manner therein set forth.

**WHEREAS**, clarifications, if any, are incorporated as **Clarification 1**, **Clarification 2** and **Clarification 3**, inclusive.

**WHEREAS**, **additional information**, if any, is hereby incorporated and or referenced.

### Bond Specific

**WHEREAS**, as a condition of said Agreement, the **Principal** is required to file financial security to guarantee in compliance with the terms and conditions of the **Agreement**.

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**NOW, THEREFORE THE CONDITION OF THIS OBLIGATION IS SUCH**, that if the said **Principal** shall comply with the Agreement, then this obligation shall be void, otherwise to remain in full force and effect.

**PROVIDED, HOWEVER, THAT THIS BOND IS EXECUTED BY THE PRINCIPAL AND SURETY AND ACCEPTED BY THE OBLIGEE SUBJECT TO THE FOLLOWING EXPRESS CONDITIONS:**

- 1) This bond is effective as of the **Bond Effective Date** and shall be continuous without amendment until canceled or exonerated.
- 2) This bond is automatically cancelled, and **Surety** exonerated, when the obligations of the **Principal** under the **Agreement** have been fulfilled, or the **Agreement** terminated by mutual consent of **Obligee** and **Principal**.
- 3) That this bond may be cancelled by **Surety** by 60 days' prior notice in writing from **Surety** to **Principal** and to **Obligee** that the **Surety** elects not to renew this bond for any such additional period.
- 4) Any notice of cancellation must be delivered to **Obligee email** with receipt acknowledged by **Obligee**.

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- 5) Such termination or cancellation shall not affect any liability incurred or accrued under this bond prior to the effective date of such termination or cancellation. It is understood and agreed that the Obligee may recover the full amount of the bond (less any previous amounts paid to Obligee under the bond) if Surety cancels or non-renews the bond and, within thirty (30) days prior to the effective date of cancellation or nonrenewal, Obligee has not received acceptable replacement financial security to replace the bond.
- 6) The obligation of Surety shall arise when Principal is notified to cure a default to **Principal email**, with concurrent notice to **Surety email**, and does not cure the default within the timeframe required under the Agreement.
  - a) If there is no Obligee Default, the Surety's obligation under this Bond shall arise after:
    - i) The Obligee has notified the Principal and the Surety that the Obligee is considering declaring a Principal Default and has requested and attempted to arrange a conference with the Principal and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Agreement. If the Obligee, the Principal and the Surety agree, the Principal shall be allowed a reasonable time to perform the Agreement, but such an agreement shall not waive the Obligee's right, if any, subsequently to declare a Principal Default, and
    - ii) The Obligee has declared a Principal Default and formally terminated the Principal's right to complete the Agreement. Such Principal Default shall not be declared earlier than Thirty days (30) after the Principal and the Surety have received notice, and
    - iii) The Obligee has agreed to transfer the Principals contractual rights under the Agreement to the Surety in accordance with the terms of the Agreement or to an entity selected to perform the Agreement in accordance with the terms of the Agreement with the Obligee.
- 7) When the Obligee has satisfied the conditions of Paragraph 6, the Surety shall promptly and at the Surety's expense take one of the following actions, with advance approval of Obligee, not to be unreasonably withheld:
  - a) Arrange for the Principal, with consent of the Obligee, to perform and complete the terms of the Agreement.
  - b) Undertake to perform and complete the Agreement itself, through its agents or through use of experienced and qualified independent entities.
  - c) Obtain bids or negotiated proposals from qualified entities acceptable to the Obligee for performance and completion of the Agreement, arrange for an Agreement to be prepared for execution by the Obligee and the entity selected with the Obligee's concurrence, to be secured with a replacement financial security or Bond executed by a qualified surety equivalent to the bonds issued on the Agreement, and pay to the Obligee the funds required to cure the default and transition the Agreement, up to an amount not to exceed the penal sum of his bond.
  - d) Tender to the Obligee funds sufficient, as reasonably determined by Obligee and Surety, to pay the costs to cure the default up to an amount not to exceed the penal sum of his bond.

- 8) If the Surety does not proceed as provided in Paragraph 7 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Obligeo to the Surety demanding that the Surety perform its obligations under this Bond, and the Obligeo shall be entitled to enforce any remedy available to the Obligeo. If the Surety proceeds as provided in Subparagraph 7d, and the Obligeo refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Obligeo shall be entitled to enforce any remedy available to the Obligeo.
- 9) After the Obligeo has terminated the Principal's right to complete the Agreement, and if the Surety elects to act under Subparagraph 7a, 7b, 7c or 7d above, then the responsibilities of the Surety to the Obligeo shall not be greater than those of the Principal under the Agreement, and the responsibilities of the Obligeo to the Surety shall not be greater than those of the Obligeo under the Agreement
- 10) The Surety shall not be liable to the Obligeo or others for obligations of the Principal that are unrelated to the Agreement, and the contractual rights under the Agreement shall not be reduced or offset on account of any such unrelated obligations.
- 11) No right of action shall accrue under this bond to or for the use or benefit of anyone other than the named Obligeo or its successors or assigns.
- 12) No assignment by the Principal shall be effective without the written consent of the surety and obligee.
- 13) All suits or actions on this bond must be brought within the period permitted under **legal jurisdiction** for causes of action for breach of contract.
- 14) If any conflict or inconsistency exists between the Surety's obligations as described in the Bond and as described in the underlying Agreement, then the terms of the Bond shall prevail.
- 15) The Surety's liability under this bond shall not extend in any manner nor will the Surety be responsible to pay any sums due related to hazardous waste cleanup, wetlands mitigation, remediation actions or removal or responsibility for any of these pollution risks whatsoever or for tort liability.
- 16) No modification of the Agreement guaranteed by this bond shall be binding on the Surety or covered by this bond without the written consent of the Surety.
- 17) This Bond shall not bind the Surety unless the Bond is accepted by the Obligeo. The acknowledgment and acceptance of such Bond is demonstrated by signing where indicated below. If this obligation is not accepted by way of signature of the Obligeo below, this Bond shall be deemed null and void.
- 18) Regardless of the number of years this bond is in force, Surety shall not be liable hereunder for a larger amount, in the aggregate, than the **Bond Amount** listed above.
- 19) This Bond shall be governed by and construed in accordance with the referenced **Legal Jurisdiction**, without regard to conflict of law principles.