

CONTRACT PAYMENT AND PERFORMANCE BOND

CONTRACT NO. _____

Be it known that _____,
as Principal, and _____,
as Surety(ies), all authorized to do business in the State of Tennessee, hereby bind themselves to the State of Tennessee, Department of Transportation, and other potential claimants, for all obligations incurred by the Principal under its contract with the State of Tennessee, Department of Transportation, for the construction of the above identified contract; in the full contract amount of _____ (\$ _____).

The obligations of the Principal and Surety(ies) under these payment and performance bonds shall continue in full force and effect until all materials, equipment and labor have been provided AND all requirements contained in the contract, plans and specifications have been completed in a timely, thorough and workmanlike manner. The parties agree that these bonds are statutory in nature and are governed by the provisions contained in Title 12, chapter 4 and Title 54, chapter 5 of the Tennessee Code Annotated relating to bonds required of contractors and that those provisions constitute a part of this bond.

By this instrument, the Principal and Surety(ies) specifically bind themselves, their heirs, successors, and assigns, *in solido*, under the following bonds:

Payment Bond. To the Tennessee Department of Transportation and all "Claimants," as contemplated by T.C.A. Title 54, chapter 5, in the full contract amount of

(\$ _____),
in order to secure the payment in full of all timely claims under the project.

Performance Bond. To the Tennessee Department of Transportation in the full contract amount of _____

(\$ _____),
in order to secure the full and faithful performance and timely completion of the project according to its plans and specifications, inclusive of overpayments to the contractor and liquidated damages as assessed.

Upon receipt of notice that the Principal is in default under the contract, the Surety(ies) shall undertake to complete performance, without regard to cost. If the Surety(ies) fail or refuse to complete performance of the contract, the Department may then proceed with the work in any lawful manner that it may elect until it is finally completed. When the work is thus finally completed, the total cost of the same will be computed. All costs and charges incurred by the Department in completing the Work will be deducted from any monies due or which may become due to the Principal. If the total costs of completion exceeds the sum

which would have been payable under the Contract, then the Principal and the Surety(ies), *in solido*, shall be liable for and shall pay to the Department the amount of such excess.

In witness whereof we have signed this instrument as dated.

Principal/Contractor 1 _____

By: _____

Date _____

Printed Name and Title

(For Joint Venture)

Principal/Contractor 2 _____

By: _____

Date _____

Printed Name and Title

Surety 1 _____

Surety 2 _____

By: _____

By: _____

Attorney-in-Fact

Attorney-in-Fact

Printed Name

Printed Name

Agency Name

Agency Name

Street Address

Street Address

City/State/Zip

City/State/Zip

(Seal)

(Seal)

Subsequent correspondence/communication from TDOT with respect to monthly progress reports and/or the contract bonds should be directed to:

For Surety 1:

Name

Address

City

State/Zip

Phone Number

Fax Number

For Surety 2:

Name

Address

City

State/Zip

Phone Number

Fax Number