

**PERFORMANCE BOND**

KNOW ALL PERSONS BY THESE PRESENTS: that

\_\_\_\_\_  
(Name or Contractor)

\_\_\_\_\_  
(Address or Contractor)

a \_\_\_\_\_, hereinafter called PRINCIPAL, and  
(Corporation, Partnership, or Individual)

\_\_\_\_\_  
(Name of Surety)

\_\_\_\_\_  
(Address of Surety)

hereinafter called SURETY, are held and firmly bound unto \_\_\_\_\_

\_\_\_\_\_  
(Name of Owner)

\_\_\_\_\_  
(Address of Owner)

hereinafter called OWNER, and the United States of America acting through  
Rural Development hereinafter referred to as the GOVERNMENT in the total  
aggregate penal sum of \_\_\_\_\_

\_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in  
lawful money of the United States, for the payment of which sum well and truly  
to be made, we bind ourselves, our heirs, executors, administrators,  
successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the PRINCIPAL entered  
into a certain contract with the OWNER, dated the \_\_\_\_\_ day of  
\_\_\_\_\_ 20\_\_\_\_, a copy of which is hereto attached and made a part hereof  
for the construction of:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOW, THEREFORE, if the PRINCIPAL shall well, truly and faithfully perform its  
duties, all the undertakings, covenants, terms, conditions, and agreements of  
said contract during the original term thereof, and any extensions thereof  
which may be granted by the OWNER, or GOVERNMENT, with or without notice to  
the SURETY and during the guaranty period and if the PRINCIPAL shall satisfy

all claims and demands incurred under such contract, and shall fully indemnify and save harmless the OWNER and GOVERNMENT from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the OWNER and GOVERNMENT all outlay and expense which the OWNER and GOVERNMENT may incur in making good any default, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the liability of the PRINCIPAL AND SURETY hereunder to the GOVERNMENT shall be subject to the same limitations and defenses as maybe, Available to then against a claim hereunder by the OWNER, provided, however, that the GOVERNMENT may, at its option, perform any obligations of the OWNER required by the contract.

PROVIDED, FURTHER, that the said SURETY, for value received hereby, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to WORK to be performed thereunder or the SPECIFICATIONS accompanying same shall in any way affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that it is expressly agreed that the BOND shall be deemed amended automatically and immediately, without formal and separate amendments hereto, upon amendment to the Contract not increasing the contract price more than 20 percent, so as to bind the PRINCIPAL and the SURETY to the full and faithful performance of the CONTRACT as so amended. The term "Amendment", wherever used in this BOND, and whether referring to this BOND, the Contract or the Loan Documents shall include any alteration, addition, extension, or modification of any character whatsoever.

PROVIDED, FURTHER, that no final settlement between the OWNER or GOVERNMENT and the PRINCIPAL shall abridge the right of the other beneficiary hereunder, whose claim may be unsatisfied. The OWNER and GOVERNMENT are the only beneficiaries hereunder.

IN WITNESS WHEREOF, this instrument is executed in \_\_\_\_\_ counterparts,  
Number  
each one of which shall be deemed an original, this the \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_.

ATTEST:

\_\_\_\_\_  
(Principal) Secretary  
  
(SEAL)

\_\_\_\_\_(s)  
Principal

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

By \_\_\_\_\_(s)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
Surety

ATTEST:

\_\_\_\_\_  
Witness as to Surety

By \_\_\_\_\_  
Attorney-in-Fact

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Address)

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