

# PERFORMANCE BOND

Standard Construction Document

## CCDC 221 - 2002

No. HS4139679

Bond Amount \$10,791,477.94

**HUMBER VALLEY PAVING LTD.** as Principal, hereinafter called the Principal, and **THE GUARANTEE COMPANY OF NORTH AMERICA** a corporation created and existing under the laws of **CANADA** and duly authorized to transact the business of Suretyship in **CANADA** as Surety, hereinafter called the Surety, are held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND LABRADOR AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND WORKS** as Oblige, hereinafter called the Oblige, in the amount of **TEN MILLION SEVEN HUNDRED AND NINETY ONE THOUSAND FOUR HUNDRED AND SEVENTY-SEVEN 94/100 dollars (\$10,791,477.94)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Oblige, dated 18TH day of MAY, in the year 2012

For # **001-12PHP, PAVING OF THE TRANS LABRADOR HIGHWAY FROM KM 172.5 TO KM 248.5, GOOSE BAY TOWARDS CHURCHILL FALLS, LABRADOR** hereinafter referred to as the Contract.

The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect. The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect.

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

- 1) remedy the default, or;
- 2) complete the Contract in accordance with its terms and conditions or;
- 3) obtain a bid or bids for submission to the Oblige for completing the Contract in accordance with its terms and conditions and upon determination by the Oblige and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Oblige and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Oblige as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price; but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Oblige to the Principal under the Contract, less the amount properly paid by the Oblige to the Principal, or;
- 4) pay the Oblige the lesser of (1) the Bond Amount or (2) the Oblige's proposed cost of completion, less the balance of Contract price.

It is a condition of this bond that any suit or action must be commenced before the expiration of two (2) years from the earlier of (1) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or, if no such definition exists, the date when the work is ready for use or is being used for the purpose intended, or (2) the date on which the Principal is declared in default by the Oblige.

The Surety shall not be liable for a greater sum than the Bond Amount.

No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Oblige named herein, or the heirs, executors, administrators or successors of the Oblige.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond dated 7TH day of JUNE in the year 2012.

SIGNED and SEALED

Principal:

in the presence of

**HUMBER VALLEY PAVING LTD.**

Section 30(1)

Signature

Name of person signing

Surety: **THE GUARANTEE COMPANY OF NORTH AMERICA**

Section 30(1)

Attorney in Fact

Section 30(1)

Name of person signing



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Canadian Construction Documents Committee

(CCDC 221 - 2002 has been approved by the Surety Association of Canada)