

**PERFORMANCE BOND**

**KNOW ALL PERSONS BY THESE PRESENTS:** that

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(Name of Contractor)

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(Address of Contractor)

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

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(Name of Surety)

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(Mailing Address of Surety)

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(Physical Address of Surety)

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(Telephone Number, including area code, of Surety)

hereinafter called **SURETY**, are held and firmly bound unto

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(Name of Owner)

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(Address of Owner)

hereinafter called **OWNER** 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 \_\_\_\_\_, \_\_\_\_\_, a copy  
of which is hereto attached and made a part hereof for the construction of:

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**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** with or without notice to the **SURETY** and during the one year 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** from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the **OWNER** all outlay and expense which the **OWNER** 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 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** and the **PRINCIPAL** shall abridge the right of the other beneficiary hereunder, whose claim may be unsatisfied. The **OWNER** is the only beneficiary hereunder.

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

**PRINCIPAL:**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

If a Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(SEAL)

**Witness:**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

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**SURETY:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(SEAL)

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**OWNER APPROVAL:**

The OWNER approves the form of this Performance Bond.

Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(SEAL)

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**NOTES:**

1. The date of the Bond must not be prior to the date of the Contract.
2. The amount of the Bond must not be less than the amount of the Contract.
3. If the contractor is a partnership, all partners should execute the Bond.

If the contractor is a corporation, the Bond must be executed by an authorized official of the corporation. Authorization should be evidenced by a corporate resolution.

4. The surety must:

- (a) be a corporation which is authorized to conduct business in the State of Texas;
- (b) be a corporation which is licensed by the State of Texas to execute bonds as a surety; and
- (c) must appear on the Treasury Department's most current list (Circular 570 as amended).  
See the FMI.

5. The Bond must be executed by an authorized representative of the surety. Ordinarily, Bonds are signed by an attorney-in-fact or agent of the surety. The person signing the Bond for the surety should provide a copy of the power of attorney or other evidence of their authority to act on behalf of the surety.
  
6. [For public bodies only] The contractor may not be required to obtain a surety bond from any specific insurance or surety company.