

BID BONDS In consideration of the Town of Watertown, if the Principal's bid is accepted, the Principal will execute the required contract and furnish the necessary performance and payment bonds, the Principal and the Surety agree as follows: 1. The Principal and Surety, jointly and severally, bind themselves to the Obligee in the amount of the Bid Bond Amount 20% for the payment of which they bind themselves, their heirs, executors, administrators, successors, and assigns. 2. This Bid Bond is effective from the Effective Date and shall expire on the Expiration Date unless the Principal's bid is accepted by the Obligee, in which case this Bond will be replaced by the required performance and payment bonds. 3. If the Principal does not enter into the contract within the time stipulated in the bid documents, the Obligee shall have the right to enforce the terms of this Bond and recover the full amount of the Bid Bond from the Principal and the Surety. This Bid Bond is subject to the laws of the jurisdiction in which the project is located and supersedes any other Bid Bond or bonds issued by the Surety for the same project.

PERFORMANCE BONDS A performance bond is required and shall be in the amount of 100% of the bid award, in the name of the "Town of Watertown", in the form and with a surety company approved by the State Commissioner of banking and insurance, and issued within ten (10) calendar days of the bid award date. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of Connecticut. This financial instrument shall be for the faithful performance of the contract, and shall be used at the sole discretion of the Town of Watertown to pay liquidated Damages for failure or refusal to perform in accordance with the contract. No withdrawals shall be made until after five (5) calendar days' notice of noncompliance with the contract is sent by certified U.S. Mail. This in no way limits further actions the Town of Watertown may take.