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U.S. Department of Agriculture  
Rural Utilities Service

## CONTRACTOR'S BOND

1. Know all persons that we, \_\_\_\_\_, as

Principal, and \_\_\_\_\_, as Surety,

are held and firmly bound unto \_\_\_\_\_  
(hereinafter called the "Owner") and unto the United States of America (hereinafter called the "Government")  
and unto all persons, firms and corporations who or which may furnish materials for or perform labor on a

Rural Utilities Service project known as \_\_\_\_\_

and to their successors and assigns, in the penal sum of \_\_\_\_\_

dollars (\$ \_\_\_\_\_), as hereinafter set forth and for the payment of which sum well  
and truly to be made we bind ourselves, our executors, administrators, successors and assigns jointly and  
severally by these presents. Said project is described in a certain construction contract (hereinafter called the

"Construction Contract") between the Owner and the  
Principal, \_\_\_\_\_ dated \_\_\_\_\_, 20\_\_\_\_,  
pursuant and subject to a certain loan contract (hereinafter called the "Loan Contract") between the Owner  
and the Government, acting through the Administrator of the Rural Utilities Service (hereinafter called the  
"Administrator").

2. The condition of this obligation is such that if the Principal shall well and truly perform and fulfill all the  
undertakings, covenants, terms, conditions and agreements of the Construction Contract and any amendments  
thereto, whether such amendments are or additions, decreases, or changes in materials, their quantity, kind  
or price, labor costs, mileage, routing or any other purpose whatsoever, and whether such amendments are  
made with or without notice to the Surety, and shall fully indemnify and save harmless the Owner and the  
Government from all costs and damages which they, or either of them, shall suffer or incur by reason of any  
failure so to do, and shall fully reimburse and repay the Owner and the Government for all outlay and  
expense which they, or either of them shall incur in making good any such failure of performance on the part  
of the Principal, and shall promptly make payment to all persons working on or supplying labor or materials  
for use

in the construction of the project contemplated in the Construction Contract and any amendments thereto,  
in respect of such labor or materials furnished and used therein, to the full extent thereof, and in respect of  
such labor or materials furnished but not so used, to the extent of the quantities estimated in the  
Construction Contract and any amendments thereto to be required for the construction of the project, and  
shall well and truly reimburse the Owner and the Government, as their respective interests may appear, for  
any excess in cost of construction of said project over the cost of such construction as provided in the  
Construction Contract and any amendments thereto, occasioned by any default of the Principal under the  
Construction Contract and any amendments thereto, then this obligation shall be null and void, but  
otherwise shall remain in full force and effect.

3. It is expressly agreed that this bond shall be deemed amended automatically and immediately, without  
formal and separate amendments hereto, upon any amendment to the Construction Contract, so as to bind  
the Principal and the Surety to the full and faithful performance of the Construction Contract as so amended,  
provided only that the total amount of all increases in the cost of construction shall not exceed 20 percent of  
the amount of the maximum price set forth in the Construction Contract. The term "Amendment," wherever  
used in this bond, and whether referring to this bond, the Construction Contract or the Loan Contract shall  
include any alteration, addition, extension, modification, amendment, rescission, waiver, release or  
annulment, of any character whatsoever.

4. It is expressly agreed that any amendment which may be made by agreement or otherwise between the  
Principal and the Owner in the terms, provisions, covenants and conditions of the Construction Contract, or  
in the terms, provisions, covenants and conditions of the Loan Contract (including, without limitation, the  
granting by the Administrator to the Owner of any extension of time for the performance of the obligations  
of

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***168b (Rev. 2-***  
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the Owner under the Loan Contract or the granting by the Administrator or the Owner to the Principal of any extension of time for the performance of the obligations of the Principal under the Construction Contract, or the failure or refusal of the Administrator or the Owner to take any action, proceeding or step to enforce any remedy or exercise any right under either the Construction Contract or the Loan Contract, or the taking of any action, proceeding or step by the Administrator or the Owner, acting in good faith upon the belief that the same is permitted by the provisions of the Construction Contract or the Loan Contract) shall not in any way release the Principal and the Surety, or either of them or their respective executors, administrators, successors or assigns, from liability hereunder. The Surety hereby acknowledges receipt of notice of any amendment, indulgence or forbearance, made, granted or permitted.

- 5. This bond is made for the benefit of all persons, firms and corporations who or which may furnish any materials or perform any labor for or on account of the construction to be performed under the Construction Contract and any amendments thereto, and they, and each of them, are hereby made obligees hereunder with the same force and effect as if their names were written herein as such, and they and each of them may sue hereon.

In witness whereof, the undersigned have caused this instrument to be executed and their respective corporate seals to be affixed and attested by their duly authorized representatives this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

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

ATTEST:

By \_\_\_\_\_

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Surety (SEAL)

ATTEST:

By \_\_\_\_\_

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Address of Surety's Home Office

By \_\_\_\_\_  
Resident Agent of Surety

**Signatures:** The Contractor's Bond must be signed with the full name of the Contractor. If the Contractor is a partnership the Contractor's Bond must be signed in the partnership name by a partner. If the Contractor is a corporation the Contractor's Bond must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the corporation. A typewritten copy of all such names and signatures shall be appended.

**Power of Attorney:** The Contractor's Bond must be accompanied by a power of attorney authorizing execution on behalf of the Surety and, in jurisdictions so requiring should be countersigned by a duly authorized resident agent of the Surety.