

Annex 7.1: Bid Bond

No. _____
\$ _____

KNOW ALL MEN BY THESE PRESENTS, that _____ as Principal, hereinafter called the Principal, and _____ as Surety, hereinafter called the Surety, are, subject to the conditions hereinafter contained, held and firmly bound unto _____, hereinafter called the Crown, in the amount of _____ Dollars (\$ _____), lawful money of Canada, for the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

SIGNED AND SEALED this _____ day of _____ 19 ____ .

WHEREAS, the Principal has submitted a written tender to the Crown, dated the _____ day of _____, 19____, for _____.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION are such that if:

- (a) the Principal, should his tender be accepted within the period be specified by the Crown, or, if no period be specified, within sixty (60) days after closing date of the tender, does execute within a period specified by the Crown, or, if no period be specified therein, within fourteen (14) days after the prescribed forms are presented to him for signature, execute such further contractual documents, if any, as may be required by the terms of the tender as accepted, and does furnish a Performance Bond and a Labour and Material Payment Bond, each in the amount of 50% of the Contract price and satisfactory to the Crown, or other security acceptable to the Crown, or
- (b) the Principal does pay to the Crown the difference between the amount of the Principal's tender and the amount of the Contract entered into by the Crown for the work, supplies and services which were specified in the said tender, if the latter amount be in excess of the former,

then this obligation shall be void; otherwise it shall remain in full force and effect.

PROVIDED, HOWEVER, that the Surety and the Principal shall not be liable to the Crown for an amount greater than the amount specified in the bond.

PROVIDED FURTHER that the Surety shall not be subject to any suit or action unless such suit or action is instituted and process therefore served upon the Surety at its Head Office in Canada, within twelve (12) months from the date of this bond.

IN TESTIMONY WHEREOF, the Principal has hereto set its hand and affixed its seal, and the Surety has caused these presents to be sealed with its corporate seal duly attested by the signature of its authorized signing authority, the day and first above written.

SIGNED, SEALED AND DELIVERED in the presence of:

Principal

Surety

Witness

NOTE: Affix Corporate seal if applicable.