TRISURA®

Renewable Performance Bond for a Multi-Year Contract

Bond No.

Bond Amount

as Principal, hereinafter called the Principal, and TRISURA GUARANTEE INSURANCE COMPANY 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 as Obligee, hereinafter called the Obligee, in the amount of Dollars ($) 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 multi-year contract with the Obligee, dated this day of , in the year for contract no. – for the for the term to (hereinafter referred to as the "Contract").

The condition of this obligation is such that if the Principal shall promptly and faithfully perform that portion of the Contract that corresponds with the Initial Term or Renewal Term (as those terms are defined herein), as the case may be, then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

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

(a) remedy the default for the Initial Term or Renewal Term, as the case may be; or

(b) complete that portion of the Contract that corresponds with the Initial Term or Renewal Term, as the case may be, in accordance with the terms and conditions of the Contract; or

(c) obtain a bid or bids for submission to the Obligee for completing that portion of the Contract that corresponds with the Initial Term or Renewal Term, as the case may be, in accordance with the terms and conditions of the Contract and upon determination by the Obligee and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee 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 that portion of the Contract that corresponds with the Initial Term or Renewal Term, as the case may be, in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Obligee as a result of the Principal's default relating directly to the performance of the work under that portion of the Contract that corresponds with the Initial Term or Renewal Term, as the case may be, 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 Obligee to the Principal under the Contract for that portion of the Contract that corresponds with the Initial Term and all Renewal Terms, as the case may be, less the amount properly paid by the Obligee to the Principal; or

(d) pay the Obligee the lesser of (i) the Bond Amount or (ii) the Obligee's reasonable proposed cost of completion for that portion of the Contract that corresponds with the Initial Term or the Renewal Term, as the case may be, less the balance of the Contract price.

2. The term of this Bond is for the period beginning on and ending on (the "Initial Term"). If requested by the Principal, the Initial Term may be extended, solely at the option of the Surety, for additional one (1) year periods (each a "Renewal Term"). This Bond shall expire at the end of the Initial Term or, if extended, at the end of the Renewal Term. Provided that at any time should the Surety elect not to extend the bond for a Renewal

Term, it must so inform the Obligee in writing prior to ninety (90) days before the expiry of the existing Initial Term or Renewal Term. If the surety does not so inform the Obligee of it's intention not to extend the bond as stated herein, the bond will automatically be deemed extended for an additional Renewal Term.

3. The Surety shall not be liable and no right of action or claim shall accrue on this Bond as a result of:

(a) the election by the surety not to extend the term of the bond as outlined in paragraph 2 above, notwithstanding that such election not to extend may constitute a failure by the Principal, directly or indirectly, to promptly and faithfully perform any provision of the Contract; or

(b) any default that occurs after, or extends beyond, the expiry of the Initial Term or Renewal Term as the case may be.

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

5. 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 expiry of the Initial Term or the last Renewal Term; or (2) the date on which the Principal is declared in default by the Obligee.

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

7. The Bond Amount is not and shall not be deemed to be cumulative in the event the Bond is extended for a Renewal Term(s).

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this ______ day of ______________, 20____.

SIGNED AND SEALED in the presence of: ______________________________
Principal

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TRISURA GUARANTEE INSURANCE COMPANY

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______________________________**, Attorney-in-Fact**

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