

City Code, Chapter 8: SUBDIVISION REGULATIONS
Appendix E: CONTRACTOR'S AND DEVELOPER'S BONDS

Appendix E
to Chapter 8

This Appendix E contains two forms:

Approved Form of Public Contractor's
Performance Bond

and

Approved Form of Public Contractor's
Payment Bond

City Code, Chapter 8: SUBDIVISION REGULATIONS
Appendix E: CONTRACTOR'S AND DEVELOPER'S BONDS

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**City Code, Chapter 8: SUBDIVISION REGULATIONS
Appendix E: CONTRACTOR'S AND DEVELOPER'S BONDS**

PUBLIC CONTRACTOR'S PERFORMANCE BOND

{Minnesota Statutes § 574.26 (1994)}

It is hereby agreed that

(full legal name of Contractor:) _____

(full street address of Contractor:) _____

as Principal, hereinafter called "Contractor," and

(full legal name of Surety:) _____

(full street address of Surety:) _____

as Surety, hereinafter called "Surety," are firmly bound unto the City of Columbus, a political subdivision of the State of Minnesota, 16319 Kettle River Boulevard, Forest Lake, Minnesota 55025, as Obligee, hereinafter called "City," in the amount of

_____ Dollars
(\$ _____)

for the payment hereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents:

WHEREAS, Contractor has, by written agreement dated _____, entered into a Development Contract with the City for construction of public improvements required for the subdivision and development of Contractor's lands as described in said Development Contract, which Development Contract is by reference made a part hereof and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

- A. The Surety hereby waives notice of any alteration or extension of time made by the City to the Development Contract or related documents.
- B. Whenever Contractor shall be, and declared by the City to be, in default under the Contract, the City having performed the City's obligations thereunder, the Surety may promptly remedy the default, or shall promptly:

**City Code, Chapter 8: SUBDIVISION REGULATIONS
Appendix E: CONTRACTOR'S AND DEVELOPER'S BONDS**

1. Complete the Contract in accordance with its terms and conditions, or;
 2. Obtain a bid or bids for submission the City for completing the Development Contract in accordance with its terms and conditions, and upon determination by the City and Surety of the lowest responsible bidder, arrange for a contract between such bidder and the City, 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 the cost of completion of the Development Contract, including all attorneys' fees, costs, and disbursements incurred by the City to enforce either the Development Contract or this Bond.
 3. Pursuant to Minn. Stat. § 574.26, as amended, the Contractor's performance under the Development Contract shall be completed by the Contractor or the Surety, and the City shall be saved harmless from all costs and charges that may accrue on account of completing the specified work.
- C. This Bond has been furnished to comply with Minn. Stat. § 574.26, as amended. Any provision of this Bond which conflicts with said statute shall be deemed deleted herefrom and provisions conforming to the statute shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not a common law bond.
- D. No right of action shall accrue on this bond to or for the use of any person, party, or corporation other than the City named herein or the lawful administrators or successors of the City.
- E. This Bond has no stated termination date and shall remain in full force and effect until the Contractor has been released from further obligation under the terms of the above-referenced Development Contract.

Upon release of the Contractor by the City, the Surety shall be deemed released from the Bond.

SIGNED AND SEALED this _____ day of _____, 20__.

Contractor:

Surety:

By: _____

By: _____

Title: _____

Title: _____

(seal)

(seal)

City Code, Chapter 8: SUBDIVISION REGULATIONS
Appendix E: CONTRACTOR'S AND DEVELOPER'S BONDS

Countersigned by attorney in fact:

216867.2

**Town Code, Chapter 8: SUBDIVISION REGULATIONS
Appendix E: CONTRACTOR'S AND DEVELOPER'S BONDS**

PUBLIC CONTRACTOR'S PAYMENT BOND

{Minnesota Statutes § 574.26 (1994)}

It is hereby agreed that

(full legal name of Contractor:)

(full street address of Contractor:)

as Principal, hereinafter called "Contractor," and

(full legal name of Surety:)

(full street address of Surety:)

as Surety, hereinafter called "Surety," are firmly bound unto the City of Columbus, a political subdivision of the State of Minnesota, 16319 Kettle River Boulevard, Forest Lake, Minnesota 55025, as Obligee, hereinafter called "City," and to such persons, firms, and corporations who may furnish materials for, or perform labor on the work, building or improvements, contemplated in the contract hereinafter mentioned, in the amount of

_____ Dollars

(\$ _____)

for the payment hereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents:

WHEREAS, Contractor has by written agreement dated _____, entered into a Development Contract with the City for construction of public improvements required for the subdivision and development of Contractor's lands as described in said Development Contract, which Development Contract is by reference made a part hereof and is hereinafter referred to as the Contract.

1. NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, and satisfy all claims and demands incurred for the same and shall fully indemnify and save harmless the City from all costs and damage which the City may suffer by reason of failure to do so and shall fully reimburse and pay the City all outlay, costs, fees, and disbursements which the City may incur in making good any such default and shall promptly make payment to all persons supplying labor or material for use in the prosecution of the work provided for in such contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

2. AND PROVIDED, that any alterations which may be made in the terms of the Development Contract, or in the work to be done under it, or the giving by the City of any extension of time for the

**City Code, Chapter 8: SUBDIVISION REGULATIONS
Appendix E: CONTRACTOR'S AND DEVELOPER'S BONDS**

performance of the Development Contract or any other forbearance on the part of either the City or the Contractor to the other shall not in any way release the Contractor and the Surety, or either of them, their heirs, executors, administrators, successors or assigns from their liability hereunder, notice to Surety of any such alterations, extensions or forbearance being hereby waived.

3. THIS BOND is made for the use and benefit of all persons, firms and corporations who may furnish any material or perform any labor for or on account of said work, building, or improvements and they and each of them are hereby made Obligees hereunder the same is if their own proper names were written herein as such, and they and each of them may sue herein.

4. THIS BOND has been furnished to comply with Minn. Stat. § 574.26. Any provisions of this Bond which conflicts with said statute shall be deemed deleted herefrom and provisions conforming to the statute shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not a common law bond.

5. THIS BOND has no stated termination date and shall remain in full force and effect until the Contractor has been released from further obligation under the terms of the above-referenced Development Contract. Upon release of the Contractor by the City, the Surety shall be deemed released from the Bond.

SIGNED AND SEALED this _____ day of _____, 20__

Contractor:

Surety:

By: _____

By: _____

Title: _____

Title: _____

(seal)

(seal)

Countersigned by attorney in fact:

[Appendix 8E amended by Ord. No. 07-02, effective March 1, 2007, amended by Ord. No. 09-03, effective March 5, 2009.]