

PAYMENT BOND

**Rehabilitation of the
El Pueblo Water Treatment Plant
Clear Well Tank
Potable Water Treatment Plant
Scotts Valley Water District**

PAYMENT BOND

(100% of Contract Amount)

BOND NO. _____

WHEREAS, the Scotts Valley Water District, Scotts Valley, California, and _____

_____, (herein designated as "Principal") have entered into an Agreement whereby Principal agrees to complete certain designated public improvements,

which said Agreement dated _____ 2008, and identified as Rehabilitation of the El Pueblo Water Treatment Plant Clear Well Tank, Potable Water Treatment Plant, Scotts Valley Water District, is hereby referred to and made a part hereof;

WHEREAS, under the terms of said Agreement, Principals are required before entering upon the performance of the work, to file a good and sufficient payment bond with the Scotts Valley Water District (herein "District") to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

NOW, THEREFORE, said Principal and the undersigned as corporate Surety, are held firmly bound unto the District and all Contractors, subcontractors, laborers, material persons and other persons employed in the performance of the aforesaid Agreement and referred to in the aforesaid provisions of the Civil Code in the sum of

_____ (\$ _____),

for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees including reasonable attorney's fees, incurred by District or any other person entitled to bring suit upon this bond in successfully enforcing such obligation, to be awarded and fixed by the Court and to be taxed as costs, and to be included in the judgment therein rendered.

IT IS HEREBY EXPRESSLY STIPULATED AND AGREED that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 15

(commencing with Section 3082) of Part 4 Division 3 of the Civil Code so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or to the work to be performed thereunder or the Specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work or to the Specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principals and Surety above named, on _____, 2008.

Surety

Attorney-in-Fact

Principal

Principal

(Note: All signatures above must be notarized)

END OF PAYMENT BOND