

PROPOSAL BID BOND

TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID

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

Bid Bond to be 10% of Bid.

KNOW ALL MEN BY THESE PRESENTS:

THAT _____ as Principal
and

_____ as surety, hereinafter
are jointly and severally held and firmly bound unto the Scotts Valley Water District, Scotts
Valley, California, a public entity, hereinafter called Obligee, each in the penal sum of ten
percent of the total amount of the bid proposal of the Principal for the work, this sum not to
exceed _____ dollars of lawful money of the United States for
the payment whereof unto the Obligee, the Principal and Surety jointly and severely bind
themselves forever firmly by these presents.

WHEREAS, the Principal is herewith submitting its offer for the fulfillment of the District
improvement project entitled:

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

NOW, THEREFORE, The condition of this obligation is such that if the Principal is awarded the
Contract, and if the Principal within the time specified in the proposal for such Contract enters
into, executes and delivers to the Obligee an agreement in the form provided herein complete
with evidences of insurance, and if the Principal within the time specified in the proposal gives to
the Obligee the performance bond and the labor and material bond on the forms provided in the

Contract Documents for the above-referenced project, then this obligation shall be void; otherwise, the Principal and Surety will pay unto the Obligee the difference in money between the total amount of the proposal of the Principal and the amount which the Obligee legally contracts with another party to fulfill the contract if the latter amount be in excess of the former, but in no event shall the Surety's liability exceed the penal sum hereof.

AND IT IS HEREBY DECLARED AND AGREED that the Surety shall be liable under this obligation as Principal, and that nothing of any kind or nature whatsoever that will not discharge the Principal shall operate as a discharge or a release of liability of the Surety.

IT IS FURTHER DECLARED by the Surety herein that it is duly admitted and authorized as a Surety to do business in the State of California, and that said Surety is worth double the amount named in the foregoing bond as the penalty thereof, over and above all his debts and liabilities, exclusive of property exempt from execution and forced sale.

IT IS HEREBY FURTHER DECLARED AND AGREED that this obligation shall be binding upon and inure to the benefit of the Principal, and Surety and the Obligee and their respective heirs, executors, administrators, and successors and assigns.

SIGNED AND SEALED this _____ day of _____, 2008

_____ (SEAL)

_____ (SEAL)

(Note: All signatures above must be notarized)

District Approval

The above bond and the sureties thereon are hereby

approved this _____ day of _____, 2008.

Charles McNiesh
General Manager
Scotts Valley Water District

END OF PROPOSAL BID BOND