

DATED

2015

**[SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL]**

**[CONTRACTOR]**

**[SURETY]**

**ON DEMAND  
PERFORMANCE BOND**

relating to a project at

[Sample Site]



- 2.3 Default or Termination of the Building Contract does not terminate this performance bond or the provisions contained herein.
- 2.4 on default or termination of the Contract by the Contractor or Employer the Surety shall satisfy and discharge the damages sustained by the Employer thereby up to the amount of this deed;
- 2.5 in the event of the Contractor committing or suffering any of the following:
- 2.5.1 a composition or arrangement is made with all or any of his creditors;
  - 2.5.2 a voluntary arrangement for a composition in satisfaction of his debts or a scheme of arrangement of his affairs is approved under part I of the Insolvency Act 1986;
  - 2.5.3 an order is made for his bankruptcy or compulsory winding-up;
  - 2.5.4 a resolution is passed for his voluntary winding-up (otherwise than for the purposes of reconstruction or amalgamation);
  - 2.5.5 an administration order is made under the provisions of part II of the Insolvency Act 1986;
  - 2.5.6 a receiver or administrative receiver is appointed over all or part of his undertaking or assets;
  - 2.5.7 possession is taken by or on behalf of the holders of any debentures secured by a floating charge of any property comprised in or subject to the floating charge; or
  - 2.5.8 he makes any arrangement for the benefit of his creditors or takes or suffers any similar action in consequence of debt
  - 2.5.9 he fails to work regularly and diligently, falling three months or more behind programme or he ceases trading altogether on the site for a period of two weeks or more and the Building Contract is terminated
- the Surety shall satisfy and discharge the damages sustained by the Employer thereby up to the amount of this deed; or
- 2.6 the Bond shall remain in force at the level stipulated in Clause 1 until the [Employer's Agent] (as defined in the Contract) shall pursuant to the provisions of clause 2.27 thereof issue a notice of Practical Completion then upon the date stated in such notice the level of the bond may be reduced to 2.5% of the Agreed

Contract Sum (save to the extent of any claims notified by the Employer to the Surety in writing prior to such date), until the Employer's Agent has issued a Notice of Completion of Making Good pursuant of clause 2.36;

3 No alteration in the terms of the Contract made by agreement between the Employer and the Contractor or in the extent or nature of the Works and no allowance of time by the Employer or the [Employer's Agent] under the Contract nor any forbearance or forgiveness in or in respect of any matter or thing concerning the Contract on the part of the Employer or the [Employer's Agent] shall in any way release the Surety from any liability under this deed.

4 The whole benefit of this deed may be assigned to a party taking a concurrent assignment of the Contract by the Employer at any time without the prior consent of the Surety or the Contractor, subject to the Employer giving prior written notice of such assignment to the Employer and the Surety.

Delivered as a deed on the date of this document.

Executed under the common seal of )  
**[CONTRACTOR]** in the presence of: )

Director

Director/Secretary

Executed under the common seal of )  
**[SURETY]** in the presence of: )

Director

Director/Secretary