

PERFORMANCE BOND

(Note: Contractor must use this form, NOT a surety company form.)

KNOW ALL MEN BY THESE PRESENTS that we, _____,
as Principal, and _____ as Surety, are held and firmly bound unto
BEACH CITIES HEALTH DISTRICT hereinafter the "Obligee", in the penal sum of
_____ Dollars (\$_____) in lawful money
of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators,
successors and assigns, jointly and severally.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the Obligee, by resolution of its Board of Directors has awarded to the Principal a
Contract for the Work described as allcove Beach Cities ("**Project**").

WHEREAS, the Principal, has entered into a Contract with the Obligee for performance of the
Work; the Agreement and all its terms and conditions are incorporated herein and made a part hereof
by this reference.

WHEREAS, by the terms of the Contract, the Principal is required to furnish a bond ensuring
the Principal's prompt, full and faithful performance of the Work of the Contract Documents.

NOW THEREFORE, if the Principal shall promptly, fully and faithfully perform each and all of
the obligations and things to be done and performed by the Principal in strict accordance with the terms
of the Contract as said Contract may be modified or amended from time to time; and if the Principal
shall indemnify and save harmless the Obligee and all of its officers, agents and employees from any
and all losses, liability and damages, claims, judgments, stop notices, costs, and fees of every
description, whether imposed by law or equity, which may be incurred by the Obligee by reason of the
failure or default on the part of the Principal in the performance of any or all of the terms or the
obligations of the Contract, including all modifications and amendments thereto, and any warranties or
guarantees required thereunder; then this obligation shall be void; otherwise, it shall be, and remain, in
full force and effect.

In the event the Principal is declared by the Obligee to be in breach or default in the performance
of the Contract, then, after written notice from the Obligee to the Surety, as provided for herein, the
Surety shall either remedy the default or breach of the Principal or shall take charge of the Work of the
Contract and complete the Contract with a Contractor other than the Principal at its own expense;
provided, however, that the procedure by which the Surety undertakes to discharge its obligations under
this Bond shall be subject to the advance written approval of the Obligee.

If the Surety does not proceed to cure or remedy the Principal's default(s) of its performance of
the Contract with reasonable promptness, the Surety shall be deemed to be in default on this Bond
twenty-one (21) calendar days after receipt of a written notice from Obligee to the Surety demanding
that the Surety perform its obligations under this Bond, and the Obligee shall be entitled to enforce any
remedy available to Obligee.

Within twenty-one (21) calendar days of Obligee's written notice to the Surety of the failure of
performance of the Contract by the Principal, it shall be the duty of the Surety to give to the Obligee an
unequivocal notice in writing of the Surety's election to remedy the default(s) of the Principal promptly,
or to promptly arrange for performance of the Contract, time being of essence to this Bond. In arranging

for such performance of the Contract, Surety shall not elect to contract with the Principal for the completion of the Work of the Project without the prior written consent of Oblige, which consent will not be unreasonably withheld. In said Notice of Election, the Surety shall state the date of commencement of its cure or remedy of the Principal's default(s) or its performance of the Contract. The Surety's obligations for cure or remedy, include but are not limited to: correction of defective or incomplete work and completion of the Contract, additional legal, design professional and delay costs arising from Surety's actions or failure to act; and liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance by the Principal. The Surety shall give prompt written notice to the Oblige upon completion of the cure or remedy of the Principal's default(s) of its performance of the Contract.

In the event the Surety shall fail to issue its Notice of Election to Oblige within the time provided for herein above, the Oblige may thereafter cause the cure or remedy of the Principal's failure of performance or default or to complete the Work. The Principal and the Surety shall be each jointly and severally liable to the Oblige for all damages and costs sustained by the Oblige as a result of the Principal's failure of performance under the Contract Documents or default in its performance of obligations thereunder, including without limitation the costs of cure or completion exceeding the then remaining balance of the Contract Price; provided that the Surety's liability hereunder for the costs of performance, damages and other costs sustained by the Oblige upon the Principal's failure of performance under or default under the Contract Documents shall be limited to the penal sum hereof, the amount of which shall be increased to include the amount of any Changes to the Work which increase the Contract Price.

The Surety, for value received, hereby consents, stipulates and agrees absolutely and unconditionally that no change, adjustment, alteration, deletion, addition or modification to the terms of the Contract or Contract Documents, including but not limited to Contract Time or Contract Price, or the Work to be performed thereunder, shall in any way release, limit, restrict, or otherwise affect the obligations of the Surety under this Bond. Surety waives notice of any change, adjustment, alteration, deletion, addition or modification to the terms of the Contract or the Contract Documents, including but not limited to the Contract Time or Contract Price, or the Work to be performed thereunder and agrees to automatically adjust the penal sum of this Bond to reflect any adjustments of the Contract Time or Contract Price which increase the Contract Price. The Surety unconditionally and absolutely waives its entitlement, if any, to the benefits of California Civil Code §2845 concerning any security held by the District. The Surety also agrees that it shall not be exonerated or released from the obligations of this Bond, either by total exoneration or pro tanto, by any overpayment or underpayment made by the Oblige under the Contract. The Surety agrees that none of the aforementioned changes, adjustments, alterations, deletions, additions, modifications or actions shall in any way affect its obligations on this Bond, and it does hereby waive notice of any such changes, adjustments, alterations, deletions, additions, modifications or actions.

Principal and Surety agree that if Oblige is required to engage the services of an attorney in connection with enforcement of this Bond, each shall pay Oblige's costs and reasonable attorney's fees incurred, with or without suit, in addition to the above penal sum.

The guarantees contained in this Bond survive Final Completion of the Work called for in the Contract Documents with respect to the obligations and liabilities of the Principal, which survive Final Completion of the Work. The obligations of Surety hereunder shall continue so long as any obligation of the Principal remains. Nothing herein shall limit the Oblige's rights or the Principal's or Surety's obligations under the Contract, law or equity, including without limitation California Code of Civil Procedure section 337.15.

Any claims under this bond may be addressed to the Surety at the following address. This cannot be the Contractor's broker for this bond, but must be an employee of the Surety or the Surety's legal counsel:

Attention: _____

Telephone No.: (____) ____ - _____

Fax No.: (____) ____ - _____

E-mail Address: _____

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument this ____ day of _____, 20__ by their duly authorized agent or representative.

Principal

Surety

(Name of Principal)

(Name of Surety)

(Signature of Person with Authority)

(Signature of Person with Authority)

(Print Name)

(Print Name)

(Name of California Agent of Surety)

(Address of California Agent of Surety)

(Telephone Number of California Agent of Surety)

Contractor must attach a Notarial Acknowledgment for all Surety's signatures and a Power of Attorney and Certificate of Authority for Surety. The California Department of Insurance must authorize the Surety to be an admitted surety insurer.