

RWU BOND REQUIREMENTS

1. PERFORMANCE AND PAYMENT BONDS

Performance and Payment bonds shall be for the estimated construction cost of the public portion of the water and sewer facilities. Bonds are not required for fire lines. The life of the bond shall be for the construction period. Bonds shall be issued in accordance with the following conditions:

A. GENERAL CONTRACTOR WILL CONSTRUCT WATER AND SEWER FACILITIES.

- a. A contract must exist between the Contractor and the Owner.
- b. The contractor shall provide a bond between the parties named in the above mentioned contract.

B. A SUBCONTRACTOR WILL CONSTRUCT WATER AND SEWER FACILITIES.

- a. A contract must exist between the Subcontractor and the General Contractor and between the General Contractor and the Owner.
- b. The subcontractor shall provide a bond to the parties named in his contract with the General Contractor.

C. THE DEVELOPER IS THE CONTRACTOR.

- a. If a subsidiary company will be the contractor a contract must exist between the parent and subsidiary company.
- b. The parent company shall provide a Surety Bond to Rogers Water Utility. The life of the bond shall be for the construction period.

2. MAINTENANCE BONDS

Maintenance Bonds shall be in the amount of 50% on the actual constructed cost of the public water and sewer facilities. The life of the

bond shall be one year.

- A. The Owner or Contractor shall issue the bond as a condition of final acceptance of the project with RWU being the Oblige.