

BOND IN LIEU OF RETAINED FUNDS

Bond No. _____

KNOW ALL BY THESE PRESENTS, that:

- I. *[Insert Principal's legal name and check appropriate box below]* _____,
- an individual **OR** a husband and wife,
 - a partnership organized under the laws of the State of _____, the General or Managing Partner for which is _____,
 - a limited liability corporation organized under the laws of the State of _____, the Manager (or Member) for which is _____ [specify applicable status],
 - a corporation organized and existing under the laws of the State of _____ and authorized to do business in the State of Washington,

as Principal (hereinafter "Principal"), has been awarded a contract with the **Seattle Housing Authority** (hereinafter "SHA") for or relating to _____, (Contract No. _____, which contract is incorporated herein by this reference);

II. The Contract and Ch. 60.28 of the Revised Code of Washington (hereinafter "RCW") require SHA to withhold from Principal a sum (hereinafter "the retainage") in an amount not to exceed five percent (5%) of all monies earned by Principal on estimates during the progress of work under the Contract, but in the initial sum of _____ Dollars (\$_____) as a trust fund for the protection and payment of (a) the claims of any person arising under the Contract, and (b) the State of Washington with respect to taxes imposed pursuant to RCW Title 82 that may be due from Principal; and

III. Principal has requested that SHA not withhold the retainage, or that SHA release all or a portion of the retainage currently withheld, as allowed under RCW 60.28.011(6) in exchange for this Bond; Now, Therefore,

THE CONDITIONS OF THIS OBLIGATION ARE AS FOLLOWS:

1. Principal and _____, a corporation organized and existing under the laws of the State of _____ and authorized to transact business in Washington State as Surety (hereinafter "Surety"), are jointly and severally held and bound unto SHA and all other beneficiaries of the trust fund created by RCW 60.28.011(1), as Obligees, **in a penal sum equal to five percent (5%) of all monies earned by the Principal on estimates during the progress of work under said Contract (which sum includes and is not limited to increases due to change orders, increases in the quantity of work, and the addition of new items of work)**, lawful money of the United States of America, for the payment of which Principal and Surety bind themselves and their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein.

2. This Bond, including any proceeds therefrom, is subject to all claims and liens arising out of the work performed under said Contract, in the same manner and priority as set forth for the retainage under RCW Ch. 60.28. If Principal uses the retainage that has been released in exchange for this Bond for the trust fund purposes of RCW Ch. 60.28, then this obligation shall be reduced in a like amount. Any amount(s) determined by SHA to be due and payable from the retainage in accordance with the provisions of RCW Ch. 60.28 shall be paid by Surety not later than thirty (30) days from and after Surety's receipt of SHA's written identification of the appropriate payee and amount payable.

3. Surety waives notice of any extension of time or other modification of the Contract. Surety agrees to and is bound by the laws and subject to the jurisdiction of the courts of the State of Washington with respect to this Bond. The venue for any action hereunder shall be in King County, Washington.

4. This Bond shall remain in full force and effect until Surety is notified by SHA that (a) all necessary affidavits have been provided by Principal; (b) SHA has received the Washington State Department of Revenue's certification that all taxes, increases and penalties due and to become due from Principal with respect to such Contract or otherwise have been paid in full or are readily collectible without recourse to the State's lien on this Bond; (c) SHA is satisfied that the claims of materialmen and laborers who have filed claims against such bond,

