

EXPECTED IMPLEMENTATION JANUARY 2012

003 AWARD AND EXECUTION OF CONTRACT – SURETY TO FURNISH LEGAL DEFENSE.

(REV 3-9-11) (FA 5-12-11) (1-12)

SUBARTICLE 3-5.4 (Page 17) is deleted and the following substituted:

3-5.4 Surety to Furnish Legal Defense as to Payment and Performance

Claims or Suits: The surety company shall indemnify and provide defense for the Department when called upon to do so for all claims or suits against the Department, by third parties, pertaining to Contractor payment or performance issues arising out of the Contract where the Contractor has failed to timely do so. It is expressly understood that the monetary limitation on the extent of the indemnification shall be the approved Contract amount, which shall be the original Contract amount as may be increased by subsequent Supplemental Agreements.

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