

BOND NO.:

SUBCONTRACT PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: That

as Principal, hereinafter called "Principal", and

as Surety, hereinafter called Surety, are held and firmly bound unto IE2 Construction, Inc. ("IE2"), hereinafter called

"Obligee", in the amount of US DOLLARS \$ _____ for the payment whereof

Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has by written agreement dated _____ entered into a Subcontract with
IE2 for _____ in accordance with Drawings and
Specifications prepared by _____, which Subcontract is by reference made a
part hereof, and is hereinafter referred to as the Subcontract.

NOW THEREFORE, the parties agree as follows:

1. EFFECT OF OBLIGATION. If the Principal faithfully performs all of its obligations under the Subcontract, then this bond shall be null and void; otherwise it shall remain in full force and effect.

2. ALTERATION NOTICE WAIVER. The Surety hereby waives notice of any alteration or extension of the Subcontract, including but not limited to the Subcontract price and/or time, made by the Obligee. Any increase in the Subcontract amount shall automatically result in a corresponding increase in the penal amount of the bond (limited to 20% of the original subcontract amount) without notice to or consent from the Surety, such notice and consent being hereby waived. Decreases in the Subcontract amount shall not, however, reduce the penal amount of the bond.

3. PRINCIPAL DEFAULT. Whenever the Principal is declared by the Obligee to be in default under the Subcontract, the Surety may promptly remedy the default, or shall promptly:

3.1 COMPLETE SUBCONTRACT. Complete the Subcontract in accordance with its terms and conditions; or

3.2 OBTAIN NEW CONTRACTORS. Promptly obtain a bid or bids formally, informally or negotiated for completing the Subcontract in accordance with its terms and conditions, and upon determination by the Surety of the lowest responsible bidder, or negotiated proposal, or, if the Obligee elects, upon determination by the Obligee and the

Surety jointly of the lowest responsible bidder, or negotiated proposal, arrange for a contract between such party and the Obligee. The Surety will make available as work progresses sufficient funds to pay the cost of completion less the balance of the contract price. The cost of completion includes responsibilities of the Principal for correction of defective work and completion of the Subcontract, any legal and design professional costs resulting directly from the Principal's default, any liquidated damages or actual damages and any other costs incurred by the Obligee resulting from the default. The term "balance of the contract price", as used in this paragraph 3, shall mean the total amount payable by the Obligee to the Principal under the Subcontract and any amendments to it, less the amount paid by the Obligee to the Principal; or

3.3 PAY THE OBLIGEE the penal amount of the bond, promptly after default of the Principal.

4. TIME FOR SUIT. Any suit under this bond must be instituted before the expiration of four years from the date the right of action accrues.

5. RIGHT OF ACTION. No right of action shall accrue on this bond to or for the use of any person or entity other than the Obligee named herein, its heirs, executors, administrators, successors or assigns.

Signed and sealed this _____ day of _____, 20____.

IN THE PRESENCE OF: _____ (Seal)
(Principal)

(Witness or Attest)

By:

Title:

(Name of Surety) (Seal)

By: _____
(Attorney In Fact)

A properly executed power of attorney must be attached hereto.