

SUBCONTRACTOR'S PERFORMANCE BOND

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

KNOW ALL MEN BY THESE PRESENTS THAT:

We, [SUBCONTRACTOR], (the "Principal"), and [SURETY] (the "Surety"), are held and firmly bound unto Imperial Construction, Inc., a Texas corporation (the "Contractor") in the sum of [SUBCONTRACT AMOUNT] for the payment of which we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a subcontract agreement with Contractor dated [SUBCONTRACT DATE] (the "Subcontract") to perform certain construction on the [PROJECT], a copy of which Subcontract is incorporated by reference and made a part of this agreement for all purposes.

NOW THEREFORE, the condition of this obligation is such that if the Principal (i) shall faithfully perform the Subcontract in every particular and without fraud, defalcation or delay; and (ii) shall satisfy all claims and demands related to the performance of the Subcontract, and (iii) shall fully indemnify and save harmless Contractor from all cost and damage which Contractor may suffer by reason of Principal's failure to faithfully perform the Subcontract in every particular and (iv) shall fully reimburse and repay the Contractor all costs and expenses which the Contractor may incur in making good any such default, and (v) shall pay all costs, expenses and attorney's fees which Contractor may incur in the defense of any suits arising out of the performance of the Subcontract or in the prosecution or defense of any suits arising out of the breach or default of Principal or Surety under the Subcontract or under this bond, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

Surety and Principal further agree that any alterations which may be made in the terms of the Subcontract or in the work to be done thereunder, or the giving by the Contractor of any extension of time for the performance of the Subcontract, or Contractor's payment or partial payment of any sums to Principal under the Subcontract, or any other forbearance on the part of either the Contractor or the Principal to the other, shall not in any way release the Surety, its administrators, successors or assigns, from their obligations or liability hereunder. Notice to the Surety of any such alteration, extension, forbearance or payment to Principal is hereby expressly waived by the Surety.

The Surety further agrees that in the event of a breach of the Subcontract on the part of the Principal (as determined in the sole discretion of the Contractor), the Surety will, within fifteen (15) days after written notice of any such breach of the Subcontract mailed to the Surety by the Contractor, commence to timely and fully complete the Subcontract according to all the terms and conditions of the Subcontract for the Subcontract amount, and in accordance with the Subcontract schedule and time for completion. If at the option of the Contractor, the Contractor elects to itself complete the Subcontract, employing such subcontractors and laborers, and furnishing such materials as the Contractor may in its sole discretion consider necessary for the completion of the

Principal's obligations under the Subcontract, the Surety will upon presentation of bills by the Contractor, immediately pay the same without contest, waiving all defenses which the Surety may have as Surety or which the Principal may have under the Subcontract.

IN TESTIMONY WHEREOF the parties hereto have subscribed their names in Tarrant County, Texas, this ____ day of _____, 20 ____.

[SUBCONTRACTOR]

Attest: _____
Witness

Principal

[SURETY]

Attest: _____
Witness

Surety