

LABOUR AND MATERIAL PAYMENT BOND

Bond No. _____ Amount _____ Contract No. _____
(50% of contract price)

Project: _____

KNOW ALL PERSONS BY THESE PRESENTS THAT

_____ (Principal)

of the _____ of _____ in the
Province of Alberta, as Principal (hereinafter called "the Principal"),

- and -

_____ (Surety)

of the _____ of _____
in the Province of _____ (hereinafter called the "Surety"), a surety authorized to transact business in the Province
of Alberta, are held and firmly bound unto:

HER MAJESTY THE QUEEN, In the Right of the Province of
Alberta, herein represented by the Minister of Transportation,
as Trustee, (hereinafter called "the Minister") for the use and
benefit of claimants as hereinbelow defined, in the sum of

_____ dollars (\$ _____), to be paid to the Minister or his
successors in office, or to whom the said Minister or his successors
may direct, and the said Principal and Surety bind themselves and
each of them and their respective successors, heirs, executors,
administrators and assigns jointly and severally, to pay the said sum
under the terms of these presents:

WHEREAS the Principal has entered into a written Contract
(hereinafter called "the Contract") with the Minister, dated the
_____ day of _____, A.D. 20____, being
Contract No. _____, and which Contract is by reference
made a part hereof (date to be filled in by the Department);

AND WHEREAS it is a term of the Contract that a Labour and
Material Payment Bond be provided in favour of the Minister, as
contained herein;

NOW THEREFORE the conditions of this obligation are such that
if the Principal shall make payment to all claimants for all labour and
material used or reasonably required for use in the performance of the
Contract and should such payment be properly made, then this
obligation shall be null and void; otherwise, this obligation and these
conditions will remain in full force and effect, subject to the following
conditions:

1. For the purpose of this bond:

(a) "claimant" means a person, including a body corporate, or a
partnership, and the heirs, executors, administrators or other legal
representatives of a person to whom the context can apply
according to law, who has provided labour and material and who
has not been paid for the same by the Principal or a subcontractor,
in accordance with the Principal's or subcontractor's obligation to
do so, provided that a person who rents equipment to the Principal

or a subcontractor to be used in performance of the Contract
under a contract which provides that all or a part of the rent is to
be applied towards the purchase price thereof, shall only be a
claimant to the extent of the prevailing Alberta Roadbuilders &
Heavy Construction Association rental rates for the period during
which the equipment was used in the performance of the
Contract.

(b) "labour and material" means labour, equipment, materials and
services used or reasonably required for use in the performance
of the Contract.

(c) "services" means water, gas, electrical power, light, heat, oil,
gasoline, steam, telephone, architectural, engineering and
technical services, construction camp rental and catering, and
other similar services, consumed or incurred, by the Principal or a
subcontractor, at the Place of the Work and in the performance of
the Work of the Contract.

(d) "subcontractor" means

(i) a person not contracting directly with the Minister, but
contracting with a contractor who holds a contract with the
Minister, for the provision of labour and material, and
(ii) a person contracting with the person first mentioned in
subclause (i) for the provision of labour and material.

2. The Surety acknowledges and agrees that Surety means a person
who guarantees to the Crown the payment of creditors.

3. The Principal and the Surety hereby jointly and severally agree
with the Minister, as Trustee, that every claimant who has not been
paid as provided for under the terms of his contract with the Principal
or subcontractor before the expiration of a period of 90 days after the
date on which the last of such claimant's work or labour was done or
performed or materials were furnished by such claimant, may, as
beneficiary of the trust herein provided for, sue on this Bond,
prosecute the suit to final judgement for such sum or sums as may be
justly due to such claimant under the terms of his contract with
Principal or subcontractor, and have execution thereon; provided that
the Minister is not obliged to do or take any act, action or proceeding
against the Surety on behalf of any claimant to enforce the provisions

of this Bond. If any act, action or proceeding is taken either in the name of the Minister or by joining the Minister as a party to such proceeding, then such act, action or proceeding shall be taken on the understanding and basis that the claimant who takes such act, action or proceeding shall indemnify and save harmless the Minister against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Minister by reason thereof; provided still further that, subject to the foregoing terms and conditions, a claimant may use the name of the Minister to sue on and enforce the provisions of this Bond.

4. No suit or action shall be commenced pursuant to clause 3 hereof by any claimant unless such claimant shall give notice within the time limits hereinafter set forth, to each of the Principal, Surety and Minister, stating the amount that is claimed. Such notice shall be served by mailing the same to the Principal, Surety and Minister at the addresses shown in this bond, or served in any manner in which legal process may be served in the Province of Alberta. Such notice shall be given:

(a) in respect of any claim for the amount or any portion thereof required to be held back from the claimant by the Principal or subcontractor under the terms of the claimant's contract with the Principal or subcontractor, within 120 days after such claimant should have been paid in full under the claimant's contract with the Principal or subcontractor,

(b) in respect of any claim other than for the holdback or portion thereof, referred to above, within 120 days after the date upon which such claimant did or performed the last of the work, or furnished the last materials for which such claim was made under the claimant's contract.

5. Any suit by a claimant under this Bond shall be instituted before the expiration of 1 year from the date on which the Principal ceased work on the Contract, including work under the guarantees and warranties provided in the Contract, and shall be instituted in a court of

competent jurisdiction in the Province of Alberta.

6. Upon receipt, at the address shown in this bond, by the Surety, of a notice of claim from a claimant, the Surety shall:

(a) immediately commence its investigation of the claim, and
(b) within 15 days, send, in writing, to the claimant and the Minister, an acknowledgment of the notice of claim and a statement of the procedures to be followed by the claimant in order to attempt to settle the claim.

7. Pursuant to clause 6. hereof and following compliance with the procedures referred to in clause 6. and;

(a) providing the claim is not being disputed, the Surety or the Principal, or both, shall make payment to the claimant within 30 days after the date of agreement on the quantum of the claim; or

(b) in the event the claim is being disputed, the Surety or the Principal, or both, shall, within 30 days, notify, in writing, the claimant and the Minister of the dispute, setting out the grounds of dispute.

8. Any material change in the Contract between the Principal and the Minister shall not prejudice the rights or interests of any claimant under this Bond, who is not instrumental in bringing about or has not caused such change.

9. The amount of this Bond shall be reduced by and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, by the Surety.

10. Where the aggregate of claims appears to the Minister to exceed the sum of the bond amount and money due and payable to the Principal, the Minister and the Surety may agree to suspend payment until all claimants have substantiated their claims.

11. The Surety shall not be liable for a greater sum than the maximum amount specified in this Bond.

ADDRESS FOR NOTICES shall be:

MINISTER

at Alberta Transportation, Program Management Branch, 1st Floor, Twin Atria Building, 4999 - 98 Avenue, Edmonton, Alberta T6B 2X3.

PRINCIPAL at

SURETY at

IN WITNESS WHEREOF the Principal and the Surety have signed and sealed this Bond, this _____ day of

_____, 20 ____.

SIGNED, SEALED and DELIVERED by
the Principal in the Presence of

WITNESS TO PRINCIPAL

Principal

(seal)

SIGNED, SEALED and DELIVERED by
the Surety in the Presence of

WITNESS TO SURETY

Surety

(seal)