

APPENDIX B

Performance Bond

PERFORMANCE BOND NUMBER: _____

KNOW ALL MEN BY THESE PRESENTS that _____ ,
as Principal, hereinafter called **CONTRACTOR**, and _____ ,
a corporation hereinafter called **SURETY**, are held and firmly bound unto the **GUAM
POWER AUTHORITY** as Obligee, in the amount of _____
Dollars (\$ _____), an amount negotiated for the first partial **GUAM POWER
AUTHORITY** fiscal year within the term of the **CONTRACT**, for the payment whereof
CONTRACTOR and **SURETY** bind themselves, their heirs, executors, administrators,
successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, **CONTRACTOR** has by written agreement dated _____,
2004, entered into a **PERFORMANCE MANAGEMENT CONTRACT FOR CABRAS
UNITS #3 & #4 SLOW SPEED DIESEL POWER PLANT** with the **GUAM POWER
AUTHORITY** through midnight of _____, 2009, with the **AUTHORITY**'s option
to extend the **CONTRACT** for additional five-year term beginning _____, 2009, in
accordance with forms and specifications prepared by the **GUAM POWER AUTHORITY**
which **CONTRACT** is by reference made a part hereof, and is hereinafter referred to as the
"**CONTRACT**".

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if
CONTRACTOR shall promptly and faithfully perform said **CONTRACT** then this
obligation shall be null and void; otherwise it shall remain in full force and effect. The
SURETY hereby waives notice of any alteration or extension provided the same is within the
scope of the **CONTRACT**. Whenever **CONTRACTOR** shall be and is declared by the
GUAM POWER AUTHORITY to be in default under the **CONTRACT**, **GUAM
POWER AUTHORITY** having performed its obligation thereunder, the **SURETY** may
promptly remedy the default or shall promptly:

- (1) Complete the **CONTRACT** in accordance with its terms and conditions;
or,
- (2) Obtain a bid or bids for completing the **CONTRACT** in accordance with
its terms and conditions and upon determination by the **GUAM POWER
AUTHORITY** and the **SURETY** jointly of the lowest responsive,
responsible **BIDDER**, arrange for a **CONTRACT** between such
BIDDER and the **GUAM POWER AUTHORITY** and make available as
work progresses (even though there should be a default or a succession of
defaults under the **CONTRACT** or **CONTRACTS** of completion
arranged under this paragraph) sufficient funds to pay the cost of
completion less the balance of the **CONTRACT** price; but not exceeding,
including other costs and damages for which the **SURETY** may be liable
hereunder, the amount set forth in the first paragraph hereof.

The term "balance of the **CONTRACT** price", as used in this paragraph shall mean the total amount payable by the **GUAM POWER AUTHORITY** to **CONTRACTOR** under the **CONTRACT** for the current fiscal year and any amendments thereto, less the amount properly paid by the **GUAM POWER AUTHORITY** to **CONTRACTOR** for that partial or full fiscal year.

The term fiscal year shall mean the time between October 1 in the calendar year to September 30 of the next calendar year.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the **GUAM POWER AUTHORITY** or successors of the **GUAM POWER AUTHORITY**.

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

(Principal)

(Seal)

(Witness)

(Bonding Company)

(Title)

(Title)

(Witness)

By: _____

(Attorney-In-Fact)