

Bond No.

**SUBCONTRACT PAYMENT BOND**

This bond is issued simultaneously with performance bond in favor of the Contractor conditioned on the full and faithful performance of the subcontract. Any singular reference to Subcontractor, Surety, Contractor, or other party shall be considered plural where applicable.

KNOW ALL BY THESE PRESENTS: that *(Here insert full name & address of Subcontractor)*

as Principal, hereinafter called Principal; and *(Here insert full name and address of Surety)*

as Surety, hereinafter Surety, are held and firmly bound unto *(Here insert full name and address of Contractor)*

as Obligee, hereinafter called Contractor, for the use and benefit of claimants as herein below defined, in the amount of:

**Amount:** \$ \_\_\_\_\_

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 entered into a subcontract with Contractor in accordance with the Drawings, Specifications and Addenda for:

**SUBCONTRACT**

Date: \_\_\_\_\_

Project: (Spec#, Name & Location) \_\_\_\_\_

which subcontract is by reference made a part hereof, and is hereinafter referred to as the Subcontract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Principal shall promptly (1) make payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Subcontract, and (2) pay all amounts due under the California Unemployment Insurance Code with respect to work or labor performed under the Subcontract, and (3) pay for any amounts required to be deducted, withheld, and paid over to the California Employment Development Department from the wages of employees of the Principal and subcontractors pursuant to Section 13020 of the California Unemployment Insurance Code with respect to the work and labor, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

**1** A claimant is defined as any of the persons named in Section 3181 of the California Civil Code.

**2** The above-named Principal and Surety hereby jointly and severally agree with the Contractor that every claimant as herein defined, or its assign, who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, including reasonable attorney's fees to be fixed by the court, and have execution thereon. The Contractor shall not be liable for the payment of any costs or expenses of any such suit.

**3** No suit or action shall be commenced hereunder by any claimant:

- a) Unless written notice has been given in compliance with California Civil Code section 3252.
- b) After the expiration of one (1) year following the date on which Principal ceased Work on said Subcontract, it being understood,

however, that if any limitation embodied in this bond is prohibited by any law controlling the construction hereof such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

- c) Other than in a state court of competent jurisdiction in and for the county or other political subdivision of the state in which the Project, or any part thereof, is situated, or in the United States District Court for the district in which the Project, or any part thereof, is situated, and not elsewhere.

**4** The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of mechanics' liens which may be filed of record against said improvement, whether or not claim for the amount of such lien be presented under and against this bond.

Signed and sealed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**SUBCONTRACTOR AS PRINCIPAL**

Company: \_\_\_\_\_

**SURETY**

Company: \_\_\_\_\_ (Corporate Seal)

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: **Attorney-in-Fact**

**Notary Public Acknowledgment required for Surety and Contractor**

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