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CONSENSUSDOCS 261 PAYMENT BOND

This document was developed through a collaborative effort of entities representing a wide cross-section of the construction industry. The organizations endorsing this document believe it represents a fair and reasonable consensus among the collaborating parties of allocation of risk and responsibilities in an effort to appropriately balance the critical interests and concerns of all project participants.

These endorsing organizations recognize and understand that users of this document must review and adapt this document to meet their particular needs, the specific requirements of the project, and applicable laws. Users are encouraged to consult legal, insurance and surety advisors before modifying or completing this document. Further information on this document and the perspectives of endorsing organizations is available in the ConsensusDOCS Guidebook.

For Use with ConsensusDOCS 200, Standard Form of Agreement and General Conditions Between Owner and Contractor (Where the Contract Price is a Lump Sum) and ConsensusDOCS 750, Standard Form of Agreement Between Contractor and Subcontractor

The Owner, _____, (the "Owner") and
the Contractor _____, (the
"Contractor") have entered into a Contract (the "Contract") dated _____ for

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_____ (the "Project"). The Contract is incorporated by reference into this Payment Bond (the "Bond").

By virtue of this Bond, the Contractor as Principal and _____ as Surety ("Surety"), are bound to the Owner as Obligee in the maximum amount of _____ Dollars (\$ _____) (the "Bond Sum"). The Contractor and Surety hereby bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein.

1. GENERAL CONDITIONS It is the condition of this Bond that if the Contractor promptly makes payment of all sums for all labor, materials, and equipment furnished for use in the performance of the work required by the Contract, the Surety's obligations pursuant to this Bond are null and void. Otherwise the Surety's obligations shall remain in full force and effect. The Surety waives any requirement to be notified of alterations or extensions of time made by the Owner in the Contract.

2. SURETY OBLIGATION Every Claimant who has not been paid in full before the expiration of a period of ninety (90) Days after such Claimant provided or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, may have a right of action on this Bond. The Surety's obligation to the Claimant(s) shall not exceed the Bond Sum.

3. LIMITATION OF ACTION No suit or action shall be commenced on this Bond by any Claimant:

a. Unless Claimant, other than one having a direct Contract with the Contractor, shall have given written notice to the Contractor, the Owner and the Surety within ninety (90) Days after the Claimant provided or performed the last of the work or labor, or furnished the last of the materials for which the claim is made, stating with substantial accuracy the amount claimed and the name of the Party to whom the materials were furnished, or for whom the work or labor was provided or performed. Such notice shall be served by any means which provides written third party verification of delivery to the Contractor at any place it maintains an office or conducts business, or served in any manner in which legal process may be served in the state in which the Project is located.

b. After the expiration of one (1) year from the date on which the Claimant last performed labor or furnished materials or equipment on the Project. If this provision is prohibited by law, the minimum period of limitation available to sureties in the jurisdiction shall be applicable.

c. Other than in any court of competent jurisdiction in the location in which the Project is located.

4. CLAIMANT A Claimant is defined as an individual or entity having a direct contract with the Contractor or having a contract with a subcontractor having a direct contract with the Contractor to furnish labor, materials or equipment for use in the performance of the Contract.

This Bond is entered into as of _____.

SURETY _____ (seal)

By:

Print Name: _____

Print Title: _____

(Attach Power of Attorney)

Witness:

IMPORTANT: A vertical line in the margin indicates a change has been made to the original text. Prior to signing, recipients may wish to request from the party producing the document a "redlined" version indicating changes to the original text. Consultation with legal and insurance counsel and careful review of the entire document are strongly encouraged.

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CONTRACTOR _____ (seal)

By:

Print Name: _____

Print Title: _____

Witness:

(Additional signatures, if any, appear on attached page)

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