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CONSENSUSDOCS 707 SUBCONTRACT 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.

The Contractor, _____ (the "Contractor")
has entered into a Contract with the Owner _____ (the "Owner")
dated _____ for _____ (the "Project");
and

The Contractor and the Subcontractor _____, (the "Subcontractor")
have entered into a Subcontract Agreement (the "Subcontract") dated _____ for certain

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portions of the work in connection with the Project consisting generally of:

_____.

The Subcontract is incorporated by reference into this Bond.

By virtue of this Payment Bond (the "Bond"), the Subcontractor as Principal and _____ as Surety ("Surety"), are bound to the Contractor as Oblige in the maximum amount of _____ Dollars (\$ _____) (the "Bond Sum"). The Subcontractor 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 Subcontractor promptly makes payment for all labor, materials, and equipment furnished for use in the performance of the work required by the Subcontract, 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 any alteration or extension of time made by the Contractor in the Subcontract.

2. SURETY OBLIGATIONS. Every Claimant who has not been paid in full before the expiration of a period of ninety (90) Days after such Claimant did 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 Subcontractor, shall have given written notice to the Subcontractor, the Contractor and the Surety within ninety (90) Days after the Claimant did 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 done or performed. Such notice shall be served by any means which provides written third party verification to the Subcontractor, the Contractor and Surety at any place within the United States where an office is regularly maintained for the transaction of 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 Subcontractor or having a contract with a sub-subcontractor having a direct contract with the Subcontractor to furnish labor, materials or equipment for use in the performance of the Subcontract

This Bond is entered into as of _____

SURETY _____ (seal)

By:

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Print Name: _____

Print Title: _____

(Attach Power of Attorney)

Witness:

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

SUBCONTRACTOR _____ (seal)

By:

Print Name: _____

Print Title: _____

Witness:

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

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SAMPLE

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