

Bond No.
Premium:

SUBCONTRACT PERFORMANCE BOND (California)

KNOW ALL BY THESE PRESENTS that

(subcontractor's name)

, as PRINCIPAL, and

(subcontractor's address for service of notice)

(surety's name)

, as SURETY, are bound unto

(surety's address for service of notice)

_____, as OBLIGEE

(contractor's name)

in the amount of \$_____ for the payment of which PRINCIPAL and SURETY bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. SURETY's combined aggregate liability is limited to the amount stated in this paragraph.

WHEREAS, OBLIGEE and PRINCIPAL entered into a subcontract dated _____

regarding construction of _____
(project as identified in subcontract)

which subcontract is made a part hereof by this reference;

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION is that, if PRINCIPAL fully performs the subcontract, then this obligation shall be null and void, otherwise it remains in full force and effect.

Prior to declaring PRINCIPAL in default under the subcontract, OBLIGEE shall notify PRINCIPAL and SURETY, at the addresses set forth above, of OBLIGEE's intent to default PRINCIPAL, and shall attempt to arrange a conference with PRINCIPAL and SURETY, within seven days after service of such notice on Surety, to discuss methods of completing performance of the Subcontract. OBLIGEE may not terminate PRINCIPAL's right to continue subcontract performance earlier than ten days from service of the aforementioned notice on Surety.

Upon written notice to SURETY, at the address above, of OBLIGEE's termination of PRINCIPAL's right to continue subcontract performance, and if PRINCIPAL is in default, with OBLIGEE having performed its obligations under the subcontract, then SURETY shall:

1. Promptly remedy the default; or

2. Promptly arrange, and pay for, completion of subcontract performance in a manner acceptable to OBLIGEE; or

3. Deny liability in whole or in part, explaining to OBLIGEE, in writing, the factual and legal basis for any denial of liability.

To the extent that SURETY elects to remedy the default or pay for completion, the total amount payable by OBLIGEE to PRINCIPAL under the subcontract, and any amendments thereto, less all amounts properly paid to PRINCIPAL under the subcontract and any costs properly incurred by OBLGEE on account of the subcontract not being fully performed, shall be paid to SURETY at the times and in the manner such money would have been payable to PRINCIPAL had there been no default under the subcontract.

SURETY waives notice of any alteration or extension of the subcontract. No right of action accrues under this bond to any person or entity besides OBLIGEE, its successors and assigns. No suit under this bond may be commenced after the expiration of two years following the date on which final payment became due under the subcontract.

Executed this _____ day of _____, 20__.

_____, as PRINCIPAL
(subcontractor's name)

by: _____
(signature)

Name: _____

Title: _____

Attach Acknowledgement

_____, as SURETY
(surety's name)

by: _____
(signature)

Name: _____

Title: _____

Attach Power of Attorney and Acknowledgement