



## SUBCONTRACT LABOR AND MATERIAL PAYMENT BOND

BOND NO: \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That we \_\_\_\_\_ (name and address of Subcontractor) as Principal (hereinafter the "Subcontractor") and **THE GUARANTEE COMPANY OF NORTH AMERICA USA**, One Towne Square, Suite 1470, Southfield, Michigan 48076, a corporation duly incorporated under the laws of the State of Michigan, as Surety, and are held and firmly bound unto \_\_\_\_\_ (name and address of Contractor) hereinafter, the "Obligee") in the sum of \_\_\_\_\_ (\$ \_\_\_\_\_) Dollars (hereinafter the "Penal Sum"), for the payment whereof the Subcontractor and Surety bind themselves and their respective heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Subcontractor has by written agreement dated \_\_\_\_\_, (hereinafter the "Subcontract") entered into a subcontract with the Obligee for the performance of \_\_\_\_\_ (hereinafter, the "Subcontract Work"), for and at the \_\_\_\_\_ (hereinafter, the "Project") located at \_\_\_\_\_ in accordance with drawings and specifications prepared by \_\_\_\_\_ (name and address of Architect/Engineer).

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Subcontractor shall promptly make payment to all Claimants, as hereinafter defined, for labor and materials used or reasonably required for use in the performance of the Subcontract, then this obligation shall be null and void, otherwise, it shall remain in full force and effect; **SUBJECT, HOWEVER**, to the following express conditions precedent and definitions:

- (1) A "Claimant" is defined as one having a direct contract with the Subcontractor, or with a subcontractor of the Subcontractor, for labor, material or both, used or reasonably required for use in the performance of the Contract.
- (2) The Subcontractor, the Surety and the Obligee hereby agree, jointly and severally, and the Surety hereby undertakes, that every Claimant as hereinabove defined, who has not been paid in full before the expiration 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 thereafter sue on this bond for the use of such Claimant, prosecute suit to final judgment for such sum or sums as may be justly due Claimant, and have execution thereon; as further expressly conditioned herein below. The Obligee shall not be liable for the payment of any costs or expenses of any such suit.
- (3) No Claimant shall be entitled to any recovery against the Surety hereunder, and no suit or action shall be commenced hereunder by any Claimant, unless and until the following express conditions precedent have been met or performed by the Claimant, and/or as otherwise limited herein below:



(3a) The Claimant, as hereinabove defined, shall have given written notice to the Subcontractor, the Obligee and the Surety within 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, stating with substantial accuracy the amount claimed, describing the work or labor performed and/or the materials provided, and providing the name of the person or entity to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail, return receipt requested, in envelopes addressed to the Subcontractor, the Obligee and the Surety at any place where they or each of them regularly maintain any office for the transaction of business, or served on the Subcontractor, the Obligee and the Surety in any manner in which legal process may be served in the state in which the aforesaid Project is located, save that such service need not be made by a public officer;

(3b) Any suit on this Bond must be commenced, if at all, within one (1) year following the date on which the Claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made; 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;

(3c) Any suit on this Bond must be brought 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 liability and the undertaking of the Surety hereunder shall in no event exceed the Penal Sum set forth hereinabove.

(5) The amount of this bond shall be reduced by and to the full extent of any and all payments made by the Surety in good faith hereunder, inclusive of the payment by the Surety of any mechanics' liens which may be filed of record against the Project, whether or not the claim for the amount of such lien be presented under and against this bond, and whether or not any payments made in good faith by the Surety hereunder were actually due, subject to defense, set-off, contested or uncontested by any party.

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

\_\_\_\_\_  
**Witness**

BY: \_\_\_\_\_

\_\_\_\_\_  
Principal

ITS: \_\_\_\_\_

**The Guarantee Company of North America USA**

BY: \_\_\_\_\_

\_\_\_\_\_  
Attorney-In-Fact

\_\_\_\_\_  
**Witness**