

PERFORMANCE BOND TEMPLATE

Bond No.

KNOW ALL MEN BY THESE PRESENTS, that we,, (hereinafter called the Principal), and a company licensed to do business in the State of Arizona, (hereinafter called the Surety), are held and firmly bound unto, (hereinafter called the Obligee), in the penal sum of (\$), lawful money of the United States of America, for the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, and each of their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden Principal has by written agreement entered into a written Contract No. with the above named Obligee, for a period of, which contract is hereby referred to and made a part hereof.

WHEREAS, the Obligee has agreed to accept a bond guaranteeing the performance of said contract for a period of years.

NOW THEREFORE, if the Principal, its executors, administrators, successors and assigns shall promptly and faithfully perform each and every obligation in said Contract, according to the terms, stipulations or conditions thereof, then this obligation shall become null and void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is a subject to the following conditions and provisions:

1. This bond is for the term beginning and ending
2. This bond can be extended for additional terms at the option of the Surety, by continuation certificate executed by the Surety.
3. The bond shall have an immediate redemption value equal to or greater than the performance bond required at the time of purchase.
4. This bond cannot be withdrawn or released unless a written request is received by ADHS/DBHS from the Principal.
5. Neither non-renewal by the Surety, nor failure, nor inability of the Principal to file a replacement bond shall constitute a loss to the Obligee recoverable under this bond.
6. In the event of default by the Principal, Obligee shall deliver to Surety by certified mail, a written statement of the facts of such default, within thirty (30) days of the occurrence. The Surety will have the right and opportunity, at its sole discretion, to: a) cure the default; b) assume the remainder of the Contract and to perform or sublet same; c) or to tender to the Obligee funds sufficient to pay the cost of completion less the balance of the Contract price up to an amount not to exceed the penal sum of the bond. In no event shall the Surety be liable for fines, penalties, liquidated damages, or forfeitures assessed against the Principal.
7. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless same be brought or instituted upon the Surety within one year from termination or expiration of the bond term.
8. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.
9. The aggregate liability of the Surety is limited to the penal sum stated herein regardless of the number of claims brought against this bond and regardless of the period of time this bond remains in force.
10. If any conflict or inconsistency exists between the Surety's obligations or undertaking as described in the underlying document, then the terms of this bond shall prevail.
11. The bond shall not bind the Surety unless the bond is accepted by the Obligee. The acknowledgment and acceptance of this bond is demonstrated by signing where indicated below.
12. This bond cannot be changed in the amount, duration, scope or discontinued without the prior authorization of the Obligee, (ADHS/DBHS*).

Sealed with our seals and dated this day of

PRINCIPAL

SURETY

ACKNOWLEDGED AND ACCEPTED BY OBLIGEE:

BY: _____

DATE: _____

*The Arizona Health Care Cost Containment System, a State Agency, will become the obligee as of July 1, 2016.