

**Performance Bond
General Information
Form G**

Before receiving approval of final plans by the ARC and in accordance with these Guidelines and the Declaration, the Owner's building contractor shall deliver to the ARC a duly issued performance bond, irrevocable letter of credit or certificate of deposit ("CD") in the amount of Fifty Thousand and no/ 100 Dollars (\$50,000.00) (the "Performance Bond", "Letter of Credit" or "CD"). The Performance Bond, Letter of Credit or CD shall be purchased solely for the protection of the Association and shall secure the Owner's building contractor full and faithful compliance with all approvals given by the ARC.

The Performance Bond, Letter of Credit or CD shall remain in full force and effect until such time as the approved improvements (including clean up) are completed. All premiums associated with the acquisition and maintenance of the Performance Bond, Letter of Credit or CD shall be borne by the Owner's building contractor or Owner. The Performance Bond shall be executed solely by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona (said certificate issued by the Director of the Arizona Department of Insurance pursuant to Title 20, Chapter 2, Article 1 of the Arizona Revised Statutes). The Letter of Credit or CD shall be executed solely by an Arizona bank. Furthermore, the surety company and the bank shall be acceptable to the ARC in its sole and absolute discretion.

The Performance Bond, Letter of Credit or CD shall be in substantially the same form as Forms G-1, G-2, and G-6 respectively, attached hereto or such other form or forms as are acceptable to the ARC in its sole discretion.

Alternatively, the Owner may submit a written request to the ARC to post a \$50,000.00 deposit (the "Cash Performance Deposit") in lieu of the Performance Bond. The ARC will approve or disapprove such request within five (5) days of receipt of such request. The Cash Performance Deposit shall secure Owner's and the Owner's building contractor's full and faithful compliance with all approvals given by the ARC. The Cash Performance Deposit shall remain in full force and effect until such time as the approved improvements (including clean up) are completed. Furthermore, if the ARC approves the Owner's use of the Cash Performance Deposit in lieu of the Performance Bond, the Owner must execute and submit ARC Forms G-3 and G-4.