

# BEAD SURETY BOND - SINGLE OBLIGEE

No. \_\_\_\_\_

\_\_\_\_\_ ("Principal"), with primary place of business at \_\_\_\_\_, and \_\_\_\_\_ ("Surety) a company having a certificate of authority to conduct surety insurance business issued in the jurisdiction of the agency awarding a subgrantee agreement, are held and firmly bound unto the \_\_\_\_\_ [Name of State Broadband Office] ("Obligee"), in the maximum penal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) ("Penal Sum").

**WHEREAS**, the above named Principal, has been awarded a subgrantee agreement, name \_\_\_\_\_, project \_\_\_\_\_, subgrant no. \_\_\_\_\_, under the \_\_\_\_\_ program [name of state program] (collectively, "Project"), under the applicable provisions of \_\_\_\_\_ [insert the pertinent state regulatory or statutory section reference], implementing the Broadband Equity, Access, and Deployment ("BEAD") Program, by Obligee under its selection process and is required to furnish security in the form of a surety bond to secure performance solely of the infrastructure build-out portion of the subgrantee agreement, as further described in the following specific subgrantee agreement provisions and exhibits: \_\_\_\_\_

\_\_\_\_\_ (the "Work").

For purposes of this Surety Bond, Work associated with this Project shall be deemed completed to a particular address location within the Project area when the Principal provides speed and latency tests from that address location to the Obligee that demonstrate Principal is providing Qualifying Broadband, as defined in the scope of the Work. No other contractual obligations of the subgrantee agreement shall be covered by this bond.

In accordance with the BEAD Notice of Funding Opportunity, qualifying broadband to an address location that is not a Community Anchor Institution (CAI) means the broadband

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service that the Principal provides under the Project that has (i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds; Qualifying Broadband to a CAI means broadband service that Principal provides under the Project that has (i) a speed of not less than 1 Gbps for downloads and uploads alike and (ii) latency less than or equal to 100 milliseconds.

**NOW, THEREFORE,** it is the condition of this Bond that, once the Principal completes the Work, as explained above, the Surety's obligations under this Surety Bond will terminate. Otherwise, the Surety's obligations shall remain in full force and effect. The Obligee may not invoke the provisions of this Surety Bond if the Obligee is in material breach of its obligations under the subgrantee agreement.

Regardless of the number of years this Surety Bond is in force or of the number of claims made under this Surety Bond, the Surety's aggregate liability under this Surety Bond shall not exceed the maximum Penal Sum stated above.

**SURETY OBLIGATIONS** If the Principal is in default pursuant to the terms of the subgrantee agreement regarding the said Work, and the Obligee has so declared the Principal in default, the surety promptly may remedy the default or shall:

1. Complete the Principal's obligations regarding said Work, with the consent of the Obligee, through the Principal; or
2. Arrange for completion of the Principal's obligations regarding said Work through another entity acceptable to the Obligee, and the Surety shall make sufficient funds available to the successor entity to pay for completion of the Principal's obligations up to the maximum Penal Sum of the Bond; or
3. Reimburse the Obligee the reasonable costs to complete the Principal's obligations regarding said Work, not to exceed the maximum Penal Sum of the Bond, less the subgrant amount balance.

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**DISPUTES** All disputes regarding this Bond shall be instituted in a federal district court in the jurisdiction in which the Principal is performing its obligations under the subgrantee agreement referenced herein and shall be commenced within one year after the Principal's default. If this provision is prohibited by law, the minimum period of limitation available to sureties in the jurisdiction shall be applicable.

**AMENDMENT** The Penal Sum of this Bond shall automatically be reduced as Work completion milestones are met by the Principal in accordance with the applicable surety bond provisions of the subgrantee agreement.

This Bond is entered this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**SURETY**

By

Print Name:

Title:

(Attach Power of Attorney) Witness:

**PRINCIPAL**

By

Print Name:

Title:

Witness: