

INSTRUCTIONS Performance Guaranty

Land Use Bond (Corporate Surety)

- The performance guaranty requirement of 11 AAC 96.060(a)(1)(B) may be satisfied by the posting of a Surety Bond. The Surety on a bond may be any corporation authorized to issue performance and reclamation bond in the State of Alaska. This form may be used in conjunction with material sale contacts, rights-of-way, land use permits, industrial leases, and any similar contracts, permits, and leases involving the use of State land administered by the Division of Mining, Land and Water.
- 2. If the Principal is a sole proprietor, partnership, or limited liability corporation, the individual owner, partner, or member names shall appear in the space provided or by securely attached addendum, with the recital that they are the owner, partners, or members comprising the firm by name, and all shall execute the performance guaranty as individuals. Where a limited liability corporation is managed by a manager or managing member, the manager or managing member may execute the performance guaranty provided they submit certified evidence in writing of his/her authority to act for the corporation, which shall be attached to the bond.
- 3. If the Principal or Surety is a corporation, the bond must be executed by a duly authorized officer of the corporation acting as Surety or as Principal, and the individual who signs must submit certified evidence in writing of his/her authority to act for the corporation, which shall be attached to the bond.
- 4. When any of the parties execute this bond through an agent, a power of attorney or other evidence of authority must accompany the bond.
- 5. This form is to be used in accordance with the regulations of the Department of Natural Resources regarding bonds and bonding requirements.
- 6. AS 38.05.035(a) authorized the director to decide what information is needed to process an application for the sale or use of State land and resources. This information is made a part of the State public land records and becomes public information under AS 40.25.110 and AS 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9)) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.



Division of Mining, Land and Water

Northern Region
3700 Airport Way
Fairbanks, AK 99709
907-451-2705
nro.lands@alaska.gov

Southcentral Region
550 West 7th Avenue, Suite 900
Anchorage, AK 99501-3577
907-269-8503
dnr.scro.permitting@alaska.gov

Southeast Region
P. O. Box 111020
400 Willoughby # 400
Juneau, AK 99801
907-465-3400
sero@alaska.gov

Statewide TTY – 771 for Alaska Relay or 1-800-770-8973

LAND USE PERFORMANCE GUARANTY (CORPORATE SURETY)

Contract, Permit, or Lease – State File # _____

Surety Bond No. _____

Know all people by these presents, that the undersigned

______, a (corporation / partnership / sole proprietor / LLC / Joint Venture - *check one*), organized and existing under the laws of the

State of ______, as Principal, and ______

organized and existing under the laws of the State of ______ and licensed to do business in the State of Alaska, as Surety, are held and firmly bound unto the State of Alaska, Department of Natural Resources, in the sum of

DOLLARS, (\$_____

for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns.

THE OBLIGATIONS of this bond are as follows:

1. The Principal is by written agreement entering into a contract, permit, or lease with the State of Alaska ("the State") involving State land, which agreement is identified as

_____ (*State file # and agreement type*), hereinafter "the agreement," and is, by reference, incorporated fully herein in all its terms and made a part of this bond.

- 2. In accordance with State regulations at 11 AAC 96.060, the Alaska Department of Natural Resources ("the department") has determined that the Principal is required to furnish the State of Alaska a corporate surety bond, acceptable to the department and conditioned upon compliance with all terms of the agreement.
- 3. The Principal has chosen to post this corporate surety bond with the department as a guarantee that the obligations, terms, and conditions of the agreement will be completed as required by the Alaska Land Act, AS 38.05, and attendant regulations at 11 AAC 96.
- 4. The coverage of this bond extends to the Principal's obligations under the agreement and under applicable laws and regulations, to assure that all of the activities on and uses of the land subject to the agreement are conducted by the Principal in compliance with the obligations, terms, and conditions of the agreement.
- 5. Upon a determination by the State that the Principal has satisfactorily complied with the obligations, terms and conditions of the agreement pertaining to activities on and uses of the land, and the applicable laws and

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regulations, then the obligations of this bond shall be released; otherwise, this bond shall remain in full force and effect until released in writing by the State.

- 6. The Principal and Surety agree that:
 - a. unless the Principal has replaced this bond with other guaranty acceptable to the department conditioned upon compliance with all terms of the agreement, coverage under this bond shall extend to and include any extension(s) in time of the agreement, such coverage to continue irrespective of the expiration of the obligations, terms, and conditions originally set forth in the agreement; the Surety shall not cancel this bond unless released in writing by the State;
 - b. notwithstanding any modifications of the agreement approved by the department, this bond remains in full force and the Surety waives, as a defense against the State, any right to notice of any such modifications;
 - c. the department shall review this bond from time to time and may require an adjustment in the amount of the bond. No increase in bond amount shall bind the surety without the surety's written consent;
 - d. the neglect or forbearance of the State in enforcing against the Principal performance by the Principal of any obligation, term, or condition of the agreement shall not in any way release the Principal or Surety from liability under this bond;
 - e. whenever the Principal shall be, and is declared by the State to be, in default under the obligations, terms, and conditions of the agreement, the State shall notify the Principal and Surety. Upon receipt of a notice of the Principal's default from the State and demand by the State for performance or payment, the Surety shall promptly pay the face value of this bond to the State, or in lieu of paying the face amount, the director may approve the Surety's remedy of the default by the Surety fully completing the performance of the Principal's obligations under the agreement. The Surety's completion of the performance of the Principal's obligations under the agreement does not relieve the Principal of its obligations under the agreement;
 - f. the Principal or the Surety must promptly notify the department and the principal of any action filed alleging the insolvency or bankruptcy of the Surety or the Principal or alleging any violations which could result in suspension or revocation of the surety's right to do business in the State of Alaska; and
 - g. upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage in violation of 11 AAC 96.060 and AS 38.05 and subject to enforcement actions described therein.

[Copy, fill-out, and attach the below if more signatures are necessary]

	<u>P</u>	RINCIPAL		
Sign	ed and executed this day of		_, 20	
BY:				
	(Print name)	(Title)		
(Adc	Iress of Principal)			
By:				
2,.	(Signature of Officer/owner/partners/members/ma	naging member)	(Seal)	
	ACKNOWLEDG	EMENT OF PRINCI	PAL	
The	foregoing instrument was acknowledged before me	by		
	this	day of _		, 20
	me of Individual)			
Witr	ness my hand and official seal			
			(Signature of Notary Public)	
	(Seal)		My Commission Expires:	
		SURETY		
Sign	ed and executed this day of		, 20	
BY:				
	(Print name)	(Title)		
(Add	lress of Surety)			
By:				
Dy.	(Signature of Officer)		(Seal)	
	ACKNOWLED	GEMENT OF SURE	TY	
The	foregoing instrument was acknowledged before me	by		
	this	day of		, 20
	ne of Individual)			
Witr	ness my hand and official seal		(Signature of Notary Public)	
	(Seal)		My Commission Expires:	
	APPROVAL AND ACCEPT			
	DEPARTMENT O	F NATURAL RESOL	JRCES	
BY:				
	(Signature of Authorized State Representative) (***	Title)	(Date)	
			State File #	
			Bond No	