

February 13, 2002

SURETY BOND QUICK CHECK LIST

1. The California Mine ID number and bond number must be correctly stated at the top of each page.
2. The bond or rider form must be completely executed; blank spaces are not acceptable. If there is no third party public agency involved, insert "N/A" in the space provided (throughout the form).
3. The penal sum must be correctly stated in words and numeric figure on page one.
4. The lead agency reclamation plan number and the local lead agency' s permit number (these may be the same in some instances if the reclamation plan approval is part of the mine permit approval process) must be correctly set out and consistent throughout the bond form.
5. The lead agency must be identified throughout the bond by lining out either "City" or "County" (as appropriate). Where the State Mining and Geology Board is the lead agency, both terms "City" and "County" should be lined out and the name "State Mining and Geology Board" inserted in place of the local agency designation.
6. The legal description in the bond form must conform to the legal description in the approved reclamation plan. If the legal description is lengthy it may be referenced as an exhibit (e.g. Exhibit A) to the bond form provided the exhibit itself is attached to the bond form. Be sure to provide the California Mine ID number, bond number and page number at the top of each page of the exhibit.
7. The names of both the principal and surety must be correctly described and consistently set out throughout the bond form.
8. Signatures for the principal and surety must be affixed to the bond with their names and titles provided in the space below each signature block.
9. The city, state and date(s) of execution of the principal' s and surety' s signatures must be provided on page four (the dates of the principal' s and surety' s signatures need not be identical).
10. The date of the principal' s and surety' s acknowledgements must not pre-date the date of their signatures on the bond. The notary' s commission date must not have expired.
11. The Power of Attorney must identify the name of the attorney-in-fact (the name must be spelled identically to that on the bond form). The conditions stated on the Power of Attorney must not prevent the attorney-in-fact from acting (e.g. a dollar limitation less than the penal amount of the bond). The Power of Attorney must be signed, sealed and dated at the bottom of the form with the date being identical to the date of the attorney-in-fact' s signature

on the bond. Refer to the following web sites to verify if a surety company is authorized to conduct business in California or has been approved by the U.S. Department of Treasury to issue bonds for operations on federal land:

California Department of Insurance – List of Authorized Insurers

[http://www4.insurance.ca.gov/wu/ncdw_alpha_co_line\\$.startup](http://www4.insurance.ca.gov/wu/ncdw_alpha_co_line$.startup)

(Choose "Fidelity & Surety" and sort alphabetically.)

U.S. Treasury Department – Circular 570

<http://www.fms.treas.gov/c570>