

APPENDIX A1: Letter of Bond Commitment

SURETY PROVIDER Letterhead

PERFORMANCE BOND COMMITMENT LETTER

DATE

Issuing Surety Provider Name

Address of Issuing Surety Provider

Amount: \$

To whom it may concern:

Please be advised that (GRANTEE) has arranged to obtain bid, performance, and payment bonds with (SURETY PROVIDER NAME) in connection with its application for awards under the Alaska Broadband Grant Program.

It is hereby agreed, at the request and for the account of (GRANTEE) to issue a Performance Bond Commitment Letter ("Bond Commitment Letter"), in favor of the State of Alaska, Department of Commerce, Community & Economic Development, Alaska Broadband Office ("Beneficiary").

An aggregate bonding capacity of (\$ AMOUNT) has been established.

It is understood that under the terms of the Alaska Broadband Grant Program, (GRANTEE) is not required to obtain bonds until the Alaska Broadband Office selects the (GRANTEE) for a conditional award. Review requests for such bonds are subject to favorable underwriting factors at the time the request is received from (GRANTEE). These factors include but are not limited to a satisfactory review of all contract terms and conditions.

The Surety intends to issue annual performance bonds for the duration of the project, subject to underwriting review and approval each year. Each bond will be issued for a one-year term and may be renewed annually at the Surety's discretion.

The Surety's obligation shall be limited to the term of each issued bond. In the event the Surety elects not to renew a bond for any subsequent term, the surety shall provide Beneficiary ten days advance written notice of such nonrenewal. The surety's decision to not renew the bond, in and of itself, shall not constitute an event of default or give rise to a claim under the bond solely for non-renewal.

The Grantee/Principal acknowledges that it is responsible for maintaining continuous bond coverage as required by the Alaska Broadband Grant Program NOFO and Grant Agreement and agrees to secure replacement bonding or other financial assurance acceptable to Beneficiary prior to the effective date of the bond termination in the event of non-renewal. Failure to provide replacement bonding or other financial assurance acceptable to Beneficiary constitutes an event of default under the Grant Agreement.

Please do not hesitate to contact (SURETY PROVIDER CONTACT INFORMATION) should you have any questions.

Sincerely,
Issuing Surety Provider Signature
Printed Name of Signatory
Title of Officer