

## Appendix A

### GROSS INCOME STATEMENT

The amount of the surety bond shall equal at least ten percent of the preceding year's gross income from North Dakota student tuition, fees, and other required institutional charges, except that no institution may submit a bond in an amount less than \$10,000, regardless of income. An institution may provide a bond in a greater amount than ten percent of its gross income at its own discretion. An institution whose gross income from students enrolled in North Dakota exceeds \$1,500,000 must submit a bond in the amount of at least \$150,000.

An institution, in each annual application for authorization to operate, must compute the amount of the surety bond and verify that the amount of the surety bond complies with this rule.

Please identify the 12 month period used to determine the institution's gross income:

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month / day                      to                      month / day

Please provide the school's gross income for the past year from the following sources:

1. Tuition from students enrolled in North Dakota: \_\_\_\_\_
2. Fees, including lab, computer rental, etc. from students enrolled in North Dakota: \_\_\_\_\_
3. Other required charges received from students enrolled in North Dakota: \_\_\_\_\_
- 4. Total Gross Income from students enrolled in North Dakota:** \_\_\_\_\_
- 5. Total Gross Income from students enrolled in North Dakota:** \_\_\_\_\_
- 6. Ten percent of Gross Income from students enrolled in North Dakota:** \_\_\_\_\_

Applicants must bond at a minimum of \$10,000 regardless of the result of the final calculation, above. Applicants seeking an initial, provisional authorization to operate must provide a bond of at least \$10,000.

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION**

**POSTSECONDARY EDUCATIONAL SCHOOL/INSTITUTION PERFORMANCE BOND**

BOND NO: \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That we \_\_\_\_\_

\_\_\_\_\_  
(Name of School or Institution)

located at \_\_\_\_\_ as principal (hereinafter  
(Street) (City) (State) (Zip)

called Principal), and \_\_\_\_\_ of \_\_\_\_\_  
(Name of Surety Company) (Street) (City) (State) (Zip)

a corporation duly licensed to do business in the state of North Dakota, as Surety (hereinafter called Surety), are held and firmly bound unto the STATE OF NORTH DAKOTA, (hereinafter called Obligee), in the sum of \_\_\_\_\_ DOLLARS, lawful money of the United States of America, for payment of which, well and truly to be made, we bind ourselves, each of our heirs, executors, administrators, representatives, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION that whereas the Principal has been duly authorized to operate, has applied or intends to apply for authorization to operate a postsecondary educational institution pursuant to Chapter 15-18.1 of the North Dakota Century Code.

NOW, THEREFORE, if the Principal and its employees shall faithfully and honestly comply with all of the provisions under said law, all rules and regulations promulgated in pursuance thereof, and shall faithfully perform all contracts and agreements entered into between the Principal and all persons enrolling as students with the Principal, then this obligation shall be void, otherwise, the obligation shall remain in full force and effect.

Any person injured by the breach of conditions of such bond may bring an action on the paid Bond in the name of the State of North Dakota for the use of such person so injured to recover legal damages suffered by reason of such breach; provided, however, that the aggregate liability of the Surety for all such damages shall, in no event, exceed the sum of said bond.

This bond is a continuing obligation and shall cover the full period or periods of said authorization of the Principal under NDCC 15-18.1, including the present and all renewal authorizations which the Principal may be granted; provided, however, that it is expressly agreed that nothing contained herein shall be construed to reduce the liability of the Principal or Surety below the penal sum set forth above for each and every period for which the Principal received authorization the same as if a new bond in the said penal sum were entered into for each and every separate period.

This bond may be cancelled at any time by the Surety giving written notice of such cancellation by registered mail to the North Dakota State Board of Higher Education and to the Principal, and all liability hereunder shall terminate ninety (90) days after receipt by the North Dakota State Board of Higher Education such notice, except that the liability of the Principal and Surety shall apply as provided herein to any acts or omissions which may have occurred prior to the effective date of such cancellation.

SIGNED AND SEALED with our seals and dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(Name of Principal)

by:

(Signature for Principal)

Countersigned by:

(Title of Person Signing)

(North Dakota Resident Agent)

(Name of Surety Company)

by: \_\_\_\_\_ (Agent's Address)

(Attorney-in-Fact/Surety)

Attorney-in-Fact must attach a valid Power of Attorney from the Surety.

If Principal is a corporation, officer signing must attach resolution authorizing execution.

**ACKNOWLEDGEMENT OF PRINCIPAL**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

IF BY INDIVIDUAL                      before me appeared, the undersigned, a Notary Public in and for  
USE THIS FORM                      said County and State, personally appeared \_\_\_\_\_,  
known to me to be the person who is described in and who executed the within instrument as principal, and  
he acknowledged to me that he executed the same.

- OR -

IF BY CO-PARTNERSHIP              personally appeared \_\_\_\_\_  
USE THIS FORM                      known to me to be one of the members of the co-partnership of \_\_\_\_\_  
and the person who is described in and who executed the within instrument for and in behalf of said co-  
partnership as principal, and he acknowledged to me that he executed the same for said co-partnership.

- OR -

IF BY CORPORATION                personally appeared \_\_\_\_\_  
USE THIS FORM                      known to be to be the \_\_\_\_\_  
of the corporation that is described in and that executed the within instrument as principal, and he  
acknowledged to me that such corporation executed the same.

(SEAL)

NOTARY PUBLIC

My commission expires \_\_\_\_\_

**ACKNOWLEDGEMENT OF SURETY**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

before me, the undersigned, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, and \_\_\_\_\_

known to me to be the \_\_\_\_\_, and \_\_\_\_\_ respectively of the corporation that is described in and that executed the within instrument as surety, and they acknowledged to me that such corporation executed the same.

- OR -

personally appeared \_\_\_\_\_ known to me to be the person who is described in and whose name is subscribed to the within instrument

as the attorney-in-fact of \_\_\_\_\_, and he acknowledged to me that he subscribed the name of \_\_\_\_\_ thereto as surety, and his own name as attorney-in-fact

(SEAL)                      NOTARY PUBLIC \_\_\_\_\_

(SEAL)                      My commission expires \_\_\_\_\_