

Bonds, Indemnity for Carey Lands. Contract, Collection of Bond on Breach. Carey Land Act Board, Bonds Running to.

The \$1500 bond given by Robert Jones to secure his performance of a contract with the Carey Board should be collected by giving notice to the surety company of the default and making demand for payment. In the event of non-payment suit should be commenced. The bond given to the Carey Board to secure the settlers having contracts with the contractor should be collected only when the amount of damage sustained by the settlers is ascertained.

January 26, 1911.

Carey Land Act Board,
Helena, Montana.

Gentlemen:

I am in receipt of your letter of January 24th, 1911, together with two bonds executed by Robert Jones, one conditioned upon the faithful

performance of the contract entered into between Jones and the Carey Land Act Board on May 13th, 1910, in the sum of \$1500.00; the other bond is for the protection of settlers who have made settlement and improvements upon the Dearborn Irrigation Project, and who might suffer loss through the failure of the Company to perform the conditions of the contract above mentioned.

You are advised that a notification to the Massachusetts Bonding and Insurance Company, the surety on the \$1500.00 bond would be proper and should be accompanied with the demand to pay that amount, and they should also be furnished with a copy of the minutes of the board showing the action taken in forfeiting this bond. As to the \$10,000.00 bond for the protection of the settlers on the project, notification of the action of the board should be given to the settlers themselves and an effort made to ascertain what, if any, damages, have been sustained by failure of the Company to perform its contract. When this data is at hand the board can then properly notify the principal and surety upon the bond of the amount claimed to be due therein.

You will notice that by the terms of the bond to protect the settlers, you have sufficient time in which to obtain the information, as the claims made thereunder must be presented not later than June 29th, 1913.

Yours very truly,
ALBERT J. GALEN,
Attorney General.