

PAYMENT SURETY
BOND

Date bond executed: _____
Effective date: _____
Surety's bond number: _____

PRINCIPAL: [Insert legal name and business address of licensee]
Type of organization: [Insert "proprietorship," "partnership," or "corporation"]
State of incorporation: (if applicable)

SURETY: [Insert legal name and business address]
Type of organization: [Insert "proprietorship," "partnership," or "corporation"]
State of incorporation: (if applicable)
[Insert Surety's qualification in ND.]

License number, name, and address of facility, and amount for decommissioning activities guaranteed by this bond: _____

Total penal sum of bond: \$ _____

KNOW ALL PERSONS BY THESE PRESENTS, that we, the PRINCIPAL and SURETY hereto, are firmly bound to the North Dakota Department of Health on behalf of the State of North Dakota (hereinafter called the DEPARTMENT) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally; provided that, where the Sureties are corporations acting as cosureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS, the DEPARTMENT, an agency of the State of North Dakota, pursuant to North Dakota Century Code, Chapters 23-20 and 23-20.1, has promulgated a rule, Section 33-10-03.1-01 of the North Dakota Administrative Code, adopting by reference 10 C.F.R. § 30.35. This rule, which is applicable to the PRINCIPAL, requires a license holder or an applicant for a materials license to (1) provide financial assurance that funds will be available when needed for facility decommissioning and (2) establish a standby trust fund when a surety bond is used to provide financial assurance;

NOW, THEREFORE, the conditions of this obligation are such that if the PRINCIPAL shall:

- (1) faithfully, before the beginning of decommissioning of the facility identified above, fund the standby trust fund in the amount identified above for the facility; OR

(2) fund the standby trust fund in such amount after an order to begin facility decommissioning is issued by the DEPARTMENT or a court of competent jurisdiction; OR

(3) provide alternative financial assurance, and obtain the DEPARTMENT's written approval of such assurance, within 30 days after the date a notice of cancellation from the SURETY is received by both the PRINCIPAL and DEPARTMENT

then this obligation shall be null and void; otherwise, it is to remain in full force and effect.

The SURETY shall become liable on this bond obligation only when the PRINCIPAL has failed to fulfill the conditions described above. Upon notification by the DEPARTMENT that the PRINCIPAL has failed to perform as guaranteed by this bond, the SURETY shall place funds in the amount guaranteed for the facility into the standby trust fund.

The PARTIES further agree that:

Termination: The PRINCIPAL may terminate this bond by sending written notice to the DEPARTMENT and to the SURETY 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the SURETY receives written authorization for termination of the bond from the DEPARTMENT.

Cancellation: The SURETY may cancel the bond by sending notice of cancellation by certified mail to the PRINCIPAL and to the DEPARTMENT provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the PRINCIPAL and the DEPARTMENT, as evidenced by the return receipts.

Aggregate Liability: The liability of the SURETY shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the SURETY hereunder exceed the amount of said penal sum.

Waiver: The SURETY hereby waives notification of amendments to closure plans, permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its obligation on this bond.

Modification: The PRINCIPAL and SURETY agree that they shall not amend, modify or vary any term of this bond without prior written consent of the DEPARTMENT.

Warranties: The SURETY hereby represents and warrants that is in full compliance with the provisions of the State of North Dakota.

Penal Sum Adjustment: The PRINCIPAL and SURETY hereby agree to adjust the

penal sum of the bond yearly so that it guarantees a new amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the DEPARTMENT.

Severability: If any part of this agreement is invalid, it shall not affect the remaining provisions that will remain valid and enforceable.

Governing Law: North Dakota law governs this bond.

In Witness Whereof, the PRINCIPAL and SURETY have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the PRINCIPAL and SURETY.

PRINCIPAL

By:
Title:

[Corporate seal]

CORPORATE SURETY

Liability limit: \$ _____

By:
Title:

[Corporate seal]

[For every co-surety, provide signatures, names and titles, corporate seal, and other information in the same manner as for the Sureties above.]

Bond Premium: \$ _____

ACKNOWLEDGEMENT OF PRINCIPAL (if an Individual)

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me on _____ [date] by _____ [name of individual].

Notary Public
My Commission Expires: _____ (Seal)

ACKNOWLEDGEMENT OF PRINCIPAL (if a Business Entity)

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me on _____ [date] by _____ [name of individual], the _____ [type of authority, such as officer] of _____ [name of party on behalf of whom record was executed], on behalf of the [type of business entity].

Notary Public
My Commission Expires: _____ (Seal)

ACKNOWLEDGMENT OF SURETY

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me on _____ [date] by _____ [name of individual], the _____ [type of authority, such as officer or attorney-in-fact] of _____ [name of party on behalf of whom record was executed], Surety, on behalf of the Surety.

Notary Public
My Commission Expires: _____ (Seal)