

DECOMMISSIONING BOND

KNOW ALL BY THESE PRESENTS: That we, _____ as Principal, and , _____, an _____ corporation duly authorized under the laws of the State of _____, as Surety, are held and firmly bound unto _____ as Obligee in the maximum aggregate penal sum of _____ Dollars (\$_____.00), lawful money of the United States of America, to be paid to the said Obligee, successors or assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors, successors, administrators and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE OBLIGATION IS SUCH THAT:

Whereas, the Principal and Obligee have entered into an agreement whereby principal agrees to complete decommissioning in accordance with the _____, which said agreement, dated _____, is hereby referred to and made a part hereof; and

Whereas, said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of the decommissioning referred to in said agreement.

Now, Therefore, the condition of this obligation is such that if the above bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all thing stand to and abide by, and well and truly keep and perform the decommissioning provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Obligee, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

PROVIDED HOWEVER, that this bond is executed subject to the following express provisions and conditions:

1. In the event of default by the Principal, Obligee shall deliver to Surety by certified mail, a written statement of the facts of such default, within thirty (30) days of the occurrence.
2. The obligation of Surety shall arise when Principal is notified to cure a default, with concurrent notice to Surety, and does not cure the default within the timeframe required under the decommissioning Agreement, such cure period not to exceed 30 days.
 - a.) If there is no Obligee Default, the Surety's obligation under this Bond shall arise after:
 - i) The Obligee has notified the Principal and the Surety that the Obligee is considering declaring a Principal Default and has requested and attempted to arrange a conference with the Principal and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the decommissioning Agreement. If the Obligee, the Principal and the Surety agree, the Principal shall be allowed a reasonable time to perform the Agreement, but such an agreement shall not waive the Obligee's right, if any, subsequently to declare a Principal Default, and

- ii) The Obligee has declared a Principal Default and formally terminated the Principal's right to complete the Decommissioning Agreement. Such Principal Default shall not be declared earlier than Thirty days (30) after the Principal and the Surety have received notice, and
 - iii) The Obligee has agreed to pay the Remaining Balance Due under the Agreement to the Surety in accordance with the terms of the Agreement or to an entity selected to perform the Agreement in accordance with the terms of the Agreement with the Obligee.
3. When the Obligee has satisfied the conditions of Paragraph 2, the Surety will have the right and opportunity, at its sole discretion to promptly take one of the following actions:
 - a) cure the default;
 - b) assume the remainder of the Decommissioning Agreement and to perform or sublet same
 - c) tender to the Obligee funds sufficient to cure the default, up to an amount not to exceed the penal sum of the bond. In no event shall the Surety be liable for fines, penalties, liquidated damages, or forfeitures assessed against the Principal.
 4. After the Obligee has terminated the Principal's right to complete the Decommissioning Agreement, and if the Surety elects to act under Paragraph 3a, 3b or 3c above, then the responsibilities of the Surety to the Obligee shall not be greater than those of the Principal under the decommissioning Agreement, and the responsibilities of the Obligee to the Surety shall not be greater than those of the Obligee under the Agreement
 5. No assignment by the Principal shall be effective without the written consent of the surety.
 6. This bond may be terminated or canceled by surety by giving not less than sixty (60) days written notice to the Obligee, stating therein the effective date of such termination or cancellation. Such notice shall not limit or terminate any obligations resulting from default by the Principal that may have accrued under this bond as a result of default by Principal prior to the effective date of such termination.
 7. Neither cancellation nor termination of this bond by Surety, nor inability of Principal to file a replacement bond or replacement security for its obligations, shall constitute a loss to the Obligee recoverable under this bond.
 8. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.
 9. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.

10. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.
11. The Surety's liability under this bond shall not extend in any manner nor will the Surety be responsible to pay any sums due related to hazardous waste cleanup, wetlands mitigation, remediation actions or removal or responsibility for any of these pollution risks whatsoever or for tort liability.
12. In no event shall this bond guarantee the Principal's obligations under said agreement relating to lease or rent payments.
13. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall prevail in all respects.
14. This bond shall not bind the Surety unless the bond is accepted by the Oblige. If the Oblige objects to any language contained herein, within 30 days of the date this bond is signed and sealed by the Surety, Oblige shall return this bond, certified mail or express currier, to the Surety at its address at:

RLI Commercial Surety

Attention: (underwriter's name)

Branch Address

Failure to return the bond as described above shall constitute Oblige's acceptance of the terms and conditions herein.

IN WITNESS WHEREOF, the signature of said Principal is hereto affixed and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact, this ____ day of _____, 20__.

Bond No.

By: _____

By: _____

, Attorney-in-Fact