

**FINANCIAL GUARANTEE BOND
(SURETY BOND)**

Date bond executed: _____

Bond No.: _____

Effective date: _____

Principal: [enter the legal name and business address of license]

Type of organization: (insert 'proprietorship', 'joint venture', 'partnership', or 'corporation')

State of incorporation: _____ (if applicable)

Texas Department of Health Radio active Material License Number LOXXX issued to [enter name of licensee]

_____ for the [identify facility] _____

located at [enter facility address] _____ and amount for decommissioning activity guaranteed by this bond.

Surety(ies) name(s): _____

Business Address(es): _____

Type of organization: (insert 'proprietorship', 'joint venture', 'partnership', or 'corporation')

State of incorporation: _____ (if applicable)

Surety's qualification in jurisdiction where licensed facility is located.

Surety's bond number: _____

Total penal sum of bond: () dollars

Know all persons by these presents, that we, the Principal and Surety (ies) hereto, are firmly bound to the Texas Department of Health (Agency) 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 co-sureties, 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 which 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 Agency pursuant to Chapter 401 of the Health and Safety Code, as amended, has promulgated rules in part 11, 12, 13, 22, 41 and 46 of the Texas Regulations for Control of Radiation applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will available when needed for facility decommissioning;

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before he beginning of decommissioning of each facility identified above, fund the Radiation and Perpetual Care Fund or a standby trust fund approved by the Agency in the amount identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount after an order to begin facility decommissioning is issued by the Agency or a court or competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance and obtain the written approval of the Agency of such assurance, within 30 days after the date a notice of cancellation from the Surety (ies) is received by both the

Principal and the Agency, 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 Agency 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 Radiation and Perpetual Care Fund or a standby trust fund approved by the Agency.

The liability of the Surety shall not be discharged by any payment or succession of payments hereunder, unless and until such 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.

The Surety may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the Agency 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 Agency, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Agency and to 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 Agency.

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 Agency.

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

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

[Signature (s)] _____ Date _____
[Print Name (s)] _____ Date _____
[Title (s)] _____ Date _____

[Affix Corporate Seal]

Corporate Surety (ies)

[Enter Name and Address]

State of Incorporation: _____

[Signature (s)] _____ Date _____
[Enter Name (s) and title (s)] _____ Date _____

[Affix Corporate Seal]

[For every co-surety, provide signature (s), corporate seal, and other information in the same manner as for Surety (ies) above.]

Bond Premium: _____