

Attachment 2– Proposed Bond Template

SITE CERTIFICATE BOND

Bond No. DRAFT TEMPLATE

KNOW ALL PERSONS BY THIS INSTRUMENT, THAT WE

SITE CERTIFICATE HOLDER (Hereinafter called Principal), as Principal and **INSURANCE COMPANY**, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon (hereinafter called "Surety") as Surety, are held and firmly bound unto the STATE OF OREGON, acting by and through the **ENERGY FACILITY SITING COUNCIL**, (Hereinafter called "Obligee"), as Obligee, in the penal sum of **WRITE OUT AMOUNT** Dollars, **(\$X,XXX,XXX)** good and lawful money of the United States of America, to be paid to the Obligee, for the payment of which, well and truly to be made, we bind ourselves, our heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the said Principal has been granted a Site Certificate for the **Project Name** dated **Month day, Year** ("Site Certificate"), and

WHEREAS, the Principal is required to provide and maintain financial security to the Obligee in the amount of **\$X,XXX,XXX (X Quarter, 20--dollars)** under Condition **Number** of the Site Certificate; and

WHEREAS, the Principal is required to retire the facility and restore the site according to a final retirement plan approved by the Council under Condition **Number** of the Site Certificate.

THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the said Principal complies with the conditions of the Site Certificate referenced above, OR, if the Principal obtains and provides alternate financial assurance approved by the Council then this obligation shall be void, otherwise this obligation will remain in full force and effect.

The Surety shall become liable on this bond obligation if the Principal fails to fulfill its obligations to comply with the conditions of the Site Certificate referenced above. Upon notification by the Obligee that the Principal has failed to perform as guaranteed by this bond, the Surety will be obligated to pay monies to the Obligee, limited to the penal sum of this bond, within 60 days.

PROVIDED, HOWEVER, THAT THIS BOND IS EXECUTED BY THE PRINCIPAL AND SURETY AND ACCEPTED BY THE OBLIGEE SUBJECT TO THE FOLLOWING EXPRESS CONDITIONS:

1. It is understood by all parties that the terms of this bond shall become effective on **Month Day, Year**.
2. The liability of the Surety shall in no event exceed the penal sum of the bond.
3. The Surety has no obligation to perform any restoration work and no responsibility to contract with any other party for restoration work at the site. The Surety's obligation under this bond consists solely of the payment of sums due the Obligee and no other obligation.
4. No right of action shall accrue under this bond to or for the use or benefit of anyone other than the named Obligee or its successors or assigns. No assignment by the Principal shall

be effective without the written consent of the Surety.

5. The Surety may cancel this bond at any time by giving the Principal and Obligee one hundred twenty (120) days written notice of the Surety's intent to cancel this bond. Notice to the Obligee must be sent to:

Oregon Energy Facility Siting Council
c/o Oregon Department of Energy
550 Capitol St. NE
Salem, OR 97301

6. If the Surety provides notice of intent to cancel this bond prior to the Principal fulfilling its obligation to retire the facility and restore the site, but Principal does not provide alternate financial assurance approved by the Council within 90 (ninety) days after the date the notice of intent to cancel is received by the Obligee from the Surety, the Surety will be obligated to pay monies to the Obligee, limited to the penal sum of this bond, upon demand by the Obligee prior to the effective date of the cancellation. .

7. If any conflict or inconsistency exists between the Surety's obligations as described in the bond and as described in the underlying Site Certificate, then the terms of the bond shall prevail.

8. No modification of the Site Certificate guaranteed by this bond shall be binding on the Surety or covered by this bond without the written consent of the Surety.

9. The Surety may issue a rider or riders annually to adjust the penal sum of the bond for inflation as consistent with Condition **Number** of the Site Certificate based on the U.S. Gross Domestic Product Implicit Price Deflator, chain weighted, as published in the Oregon Department of Administration Services' "Oregon Economic and Revenue Forecast," or by any successor agency ("the Index"). Any rider adjustment will be subject to normal underwriting procedures and approval by the Surety, and if approved by the Surety, will adjust the penal sum of the bond based on the percentage increase in the noted index. If at any time the index is no longer published, the Obligee shall select comparable calculation to adjust **#** Quarter **YEAR** dollars to present value under Condition **Number** of the Site Certificate.

10. The Surety agrees that it is liable for additional costs and expenses including reasonable attorneys' fees, awarded by a court to Obligee in successfully enforcing the obligation against the Surety in the event Surety wrongfully fails to pay sums owed as required under the bond.

11. This bond shall not bind the Surety unless the bond is accepted by the Obligee. The acknowledgment and acceptance of such bond is demonstrated by signing where indicated below. If this obligation is not accepted by way of signature of the Obligee below, this bond shall be deemed null and void.

IN WITNESS WHEREOF, said Principal and Surety have caused this instrument to be executed in their names and by their seals to be hereunder affixed on this **XX** day of **Month 20XX**.

Site Certificate Holder

ATTEST _____ BY _____

Principal

INSURANCE COMPANY

ATTEST _____ BY _____

Name

Witness as to Surety

Name, Attorney-in-Fact

The above terms and conditions of this bond have been reviewed and accepted by

_____, the Obligee

Acknowledged and Accepted:

By: _____

Printed Name: _____

Title: _____