

PERFORMANCE BOND
(Texas Health & Safety Code, §712.067)

BOND NUMBER _____

KNOW ALL MEN BY THESE PRESENTS: That (name of cemetery corporation) (“Cemetery”), having a place of business in _____, _____ County, Texas, as principal, and (name of surety) (“Surety”), authorized to conduct and carry on a general surety business in the State of Texas, as surety, are held and firmly bound unto the Banking Commissioner of Texas (“Commissioner”) and his successors in office, in the sum of _____ Dollars (\$_____), for the payment of which Cemetery and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Cemetery offers to sell or plans to offer for sale, directly or through one or more duly authorized agents, mausoleum space prior to the construction of such space (“Undeveloped Mausoleum Space”), which Undeveloped Mausoleum Space is to be in a mausoleum physically located at _____ and includes ____ casket crypt spaces and ____ niche spaces; and

WHEREAS, Cemetery is subject to Texas Health & Safety Code (“Code”), Chapter 712, Subchapter D, relating to the Sale of Undeveloped Mausoleum Space, including without limitation §712.064, which requires Cemetery to commence and complete construction of the Undeveloped Mausoleum Space in accordance with the time periods established in that section or, upon the request of the buyer, refund the entire amount paid for the Undeveloped Mausoleum Space and, if applicable, the net income earned; §712.066, which requires that sales contracts for Undeveloped Mausoleum Spaces include certain disclosures; and §712.067, which authorizes Cemetery to post a bond in lieu of establishing the preconstruction trust otherwise required by the Code; and

WHEREAS, Cemetery is required and agrees to enter into a written sales contract (“Contract”) with each buyer of Undeveloped Mausoleum Space that includes the disclosures required by §712.066 of the Code and to comply with the terms of the Contract and the substantive requirements of such disclosures.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Cemetery promptly and faithfully performs its obligations under a Contract, then this obligation shall be null and void; otherwise, it shall remain in full force and effect for a period commencing on the ____ day of _____, _____ and continuing until cancelled in accordance with the terms hereof.

Whenever the Cemetery shall be, and is declared by the Commissioner to be, in default of an obligation under a Contract or the substantive requirements of the disclosures required by §712.066 of the Code, Surety, promptly upon receipt of the Commissioner’s sworn notice of default, must refund to the Contract buyer the amount due under §712.064 as determined by the

Commissioner and reflected in the Commissioner's notice of default.

This Bond is a continuing obligation and shall remain in full force and effect until cancelled as provided for below, provided that, regardless of the number of years this Bond remains in effect, in no event shall the aggregate liability of the Surety exceed the sum of this Bond.

Surety hereby waives notice of an extension of time granted by the Commissioner.

This Bond may be cancelled upon Surety's receipt of written notice of release signed by the Commissioner, upon the Commissioner's finding that construction of the Undeveloped Mausoleum Space is complete, that Cemetery has established a preconstruction trust that meets the requirements of §712.063 of the Code and is substituting such trust for the Bond, or that Cemetery has provided a Performance Bond with a successor surety that is acceptable to the Commissioner.

IN WITNESS WHEREOF, we have duly executed the foregoing obligation this ____ day of _____, _____, to be effective _____.

Cemetery

Surety

By: _____
Name Title

By: _____
Attorney in Fact

Street & Number City State Zip

Street & Number City State Zip

(Seal)