



# SURETY BOND FORM FOR A REGISTERED SCRAP TIRE COLLECTION SITE PERFORMANCE BOND

**SCRAP TIRE COLLECTION SITE REGISTRATION OR WDS NO.** \_\_\_\_\_

*Required by Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.*

Those scrap tire collection sites which are subject to the requirements of Section 324.16903(1)(i) of Part 169 may satisfy the financial assurance provisions of Part 169 by providing to the Michigan Department of Environmental Quality (the "DEQ") a surety bond from a financial institution authorized to issue surety bonds in the state of Michigan. The form of the surety bond shall follow the surety bond format including, but not limited to the following:

Legal Description of Registered Tire Storage Area (the "Site") (as identified on annual site registration application form):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tire storage area (square feet of indoor storage, each one-quarter acre of outdoor storage area) covered by the Surety Bond:

\_\_\_\_\_

Total Penal Sum of Surety Bond: \$ \_\_\_\_\_ (calculated in accordance with Exhibit A)

Effective Date: \_\_\_\_\_

Surety Bond No.: \_\_\_\_\_ (the "Surety Bond")

Business Name: \_\_\_\_\_,

which is a:  corporation  partnership  individual, or  joint venture in the State of \_\_\_\_\_

located at: \_\_\_\_\_,

as principal (the "Principal"), and \_\_\_\_\_,

located at \_\_\_\_\_ (the "Surety"), an insurer authorized to transact the business of surety and fidelity insurance in the state of Michigan are firmly bound unto the Director of the DEQ, on behalf of the state of Michigan, in the above total penal sum, lawful money of the United States of America, for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally.

The Surety Bond shall be submitted to:

DIRECTOR OF THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY  
C/O SCRAP TIRE REGULATORY PROGRAM  
WASTE AND HAZARDOUS MATERIALS DIVISION  
P.O. BOX 30241  
LANSING MI 48909-7741

WHEREAS, the Principal is required under the Part 169 to register the Site with the DEQ on a form provided by the DEQ, and

WHEREAS, the Principal is required to provide financial assurance for cleanup and/or removal of scrap tires, for other costs of cleanup at the collection Site, for costs of fire suppression and costs associated with responding to a fire or an emergency at a collection Site, insolvency of the collection site owner, or other person who owns or operates the collection Site has failed to comply with the requirements of Section 16903 of Part 169, and has not caused the removal of the tires at the direction of a court of competent jurisdiction, pursuant to Section 16903(4) of Part 169.

NOW, THEREFORE, as long as 500 or more scrap tires remain on the Site, the conditions of this obligation are such, if the Principal shall register with the DEQ by January 31 of each year on forms provided by the DEQ, the Site for which this Surety Bond guarantees cleanup and/or removal of tires or other costs as allowed per Section 16903(1)(i) pursuant to Part 169.

And, if the Principal remains financially solvent as a scrap tire collection site owner/operator in that there has not been the filing of a voluntary or involuntary petition of bankruptcy by or against the Principal under the United States Bankruptcy Code or under Michigan law, nor has the Principal become insolvent or bankrupt or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or petitioned for or applied to any authority for the appointment of a receiver, liquidator, or trustee, or similar official for itself.

And, if the Principal owns the Site.

And, if the Principal operator complies with all the requirements of MCL 324.16903 et seq. of Part 169.

And, if an emergency, as declared by the Director of the DEQ, as a result of fire, uncontrolled disease vectors, or surface water or groundwater contamination, or other emergency or insolvency attributed to the Site, does not occur which requires the removal of any or all scrap tires collected at the Site; to pay fire suppression costs and costs associated with responding to a fire or other emergency or other costs of cleanup due to an emergency at the collection Site, as provided by Section 16903(1)(i) of Part 169.

The Surety shall become liable on this Surety Bond obligation only when the Principal has failed to fulfill any of the conditions described above. In the event that the Director of the DEQ determines that the Principal has failed to comply with the requirements of MCL 324.16903 et seq. of Part 169, or has failed to properly remove scrap tires from a Site in response to a declared emergency by the Director of the DEQ, an order by a court of competent jurisdiction, or has failed to pay for costs of the funding required to remove the scrap tires; to pay fire suppression costs and costs associated with responding to a fire or other emergency or other costs of cleanup due to an emergency at the collection Site; insolvency of the collection site owner; or other person who owns or operates the collection Site has failed to comply with the requirements of Section 16903 of Part 169, and has not caused the removal of the tires at the direction of a court of competent jurisdiction, as authorized by Section 16903(1)(i) of Part 169, then the Surety shall pay the costs guaranteed by this Surety Bond, not to exceed the penal sum.

The Surety hereby waives notification of amendments to the Site registration forms, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its obligation on this Surety Bond, except for a change in the acreage of the Site that causes an increase or decrease in the required penal sum contained herein and mandated by Part 169. There shall be no decrease in the required penal sum of this Surety Bond without the prior written consent of the Director of the DEQ.

If the Principal adds additional tire storage area adjacent to the Site which is not covered by this Surety Bond, then the Principal, before accumulating any scrap tires on this additional acreage, shall cause the penal sum of this Surety Bond to be increased in an amount that corresponds to the additional tire storage area bond amount referred to above and required by this Surety Bond and submit an amended Scrap Tire Registration with the evidence of the increased bond coverage to the Director of the DEQ. When the tire storage area at the Site is reduced and all the scrap tires have been removed from that portion of the registered Site and there is no evidence of a tire fire or other event that may have caused contamination and required additional cleanup, the Principal shall submit an amended Scrap Tire Registration application with evidence of the tire removal. If there is no evidence of a tire fire or other event having occurred that may require additional cleanup, the penal sum shall be reduced to the amount required by this Surety Bond and referred to above only after the written approval of the Director of the DEQ.

The liability of the Surety shall not be discharged by any payment(s) unless and until such payment(s) shall be equal to the aggregate penal sum of this Surety Bond, but in no event shall the obligation of the Surety hereunder exceed the amount of said penal sum.

The Surety may cancel this Surety Bond by sending the notice of the cancellation by certified mail to the Principal and to the Director of the DEQ, and the Principal and the Director of the DEQ shall have received the notification no less than 120 days prior to the effective date of such cancellation. The date of the notice shall be evidenced by the return receipts.

This Surety Bond may be drawn upon and the Surety agrees to honor this Surety Bond should the Principal fail to provide the Director of the DEQ with an extension of this Surety Bond, or replacement bond acceptable to the Director of the DEQ, or another type of financial assurance as required pursuant to Section 16903(1)(i) of Part 169, (not less than 60 days prior to the expiration or cancellation hereof).

The Principal may terminate this Surety Bond by sending written notice to the Surety provided, however, that termination will not be effective until the Surety receives written authorization for termination of this Surety Bond from the Director of the DEQ.

This Surety Bond shall be, and continue to be, in force for a period beginning with the effective date of this Surety Bond and terminating on the same date (\_\_\_\_\_) year(s) hence. This Surety Bond may be extended by continuation or extension certificate signed by the Principal and the Surety to continue coverage of the Site, provided that any continuation or extension provides, at a minimum, the same coverage provided under this Surety Bond. Upon determination of the Director of the DEQ that any of the foregoing conditions have not been complied with, he or she shall have recourse to the rights created under this Surety Bond.

The persons whose signatures follow hereby certify that they are authorized to execute this Surety Bond on behalf of the Principal and Surety, respectively, and that the wording of this Surety Bond is identical to the wording provided by the Director of the DEQ on the date this Surety Bond was executed.

In witness whereof, the Principal and Surety have executed this Surety Bond and have affixed their seals and have attached the justification or power of attorney as of the day and date first above written.

This Surety Bond shall be administered, construed, and enforced according to the laws of the State of Michigan.

**Sealed with our seals, dated the \_\_\_\_\_ day of \_\_\_\_\_ (year).**

**PRINCIPAL**

SIGNATURE: \_\_\_\_\_

NAME (Please Print): \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

NAME (Please Print): \_\_\_\_\_

CORPORATE SEAL:

**SURETY**

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

STATE OF INCORPORATION: \_\_\_\_\_

LIABILITY LIMIT: \$ \_\_\_\_\_

SIGNATURE(S): \_\_\_\_\_

NAME(S) (Please Print): \_\_\_\_\_

TITLE(S): \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_ TELEPHONE NUMBER \_\_\_\_\_

CORPORATE SEAL:

BOND PREMIUM: \_\_\_\_\_

\_\_\_\_\_  
WITNESS TO SIGNATURE OF PRINCIPAL

\_\_\_\_\_  
AUTHORIZED AGENT AND ATTORNEY IN FACT

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY  
Waste and Hazardous Materials Division

EXHIBIT A

**DETERMINATION OF BOND AMOUNT**

Use the following to assist in determining the bond required pursuant to Section 16903(4) of Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, for outdoor and indoor storage areas. Please note that an acre is defined as 43,560 square feet.

The following applies to collection sites where the total number of scrap tires stored outside (this includes tires stored in vehicles) exceeds 2,500 scrap tires. There is no maximum bond limit.	AMOUNT OF BOND
<b>OUTDOOR TIRE STORAGE AREA:</b> Less than one-quarter (1/4) of an acre.	\$ 25,000.00
One-quarter (1/4) of an acre or more, but less than one-half (1/2) of an acre.	50,000.00
One-half (1/2) of an acre or more, but less than three-quarters (3/4) of an acre.	75,000.00
Three-quarters (3/4) of an acre or more, but less than one (1) acre.	100,000.00
Each one (1) acre parcel.	100,000.00
<b>INDOOR TIRE STORAGE AREA:</b> For indoor scrap tire storage area.	\$2.00/square foot

For any parcel of an outdoor scrap tire storage area exceeding one (1) acre or any integral multiple thereof, the amount of the bond shall include the required minimum for each acre plus the following:

PARCEL OF TIRE STORAGE AREAS EXCEEDING ONE (1) ACRE OR ANY INTEGRAL MULTIPLE THEREOF	ADDITIONAL AMOUNT OF BOND
Less than one-quarter (1/4) of an acre.	\$ 25,000.00
One-quarter (1/4) of an acre or more, but less than one-half (1/2) of an acre.	50,000.00
One-half (1/2) of an acre or more, but less than three-quarters (3/4) of an acre.	75,000.00
Three-quarters (3/4) of an acre or more, but less than one (1) acre.	100,000.00

The following applies to collection sites where the total number of tires stored outside is greater than 500 but less than 2,500 scrap tires. The MAXIMUM amount of bonding required for these collection sites is \$2,500.00.	AMOUNT OF BOND
<b>OUTDOOR TIRE STORAGE AREAS:</b> For outdoor scrap tire storage area.	\$2,500.00