



Michigan Department of Environmental Quality, Waste and Hazardous Materials Division

CERTIFICATE OF DEPOSIT PROVISIONS FOR ACCEPTANCE AS BOND

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 (4) of Part 169, may satisfy the financial assurance provisions of Part 169 by depositing funds in a Certificate of Deposit (the "Certificate"), and submitting the Certificate to the Michigan Department of Environmental Quality (the "DEQ") as follows:

The Certificate must be in the sole name of the Director of the DEQ. The Certificate must show the DEQ's tax identification number, 38-6000134. The instrument shall not have a maturity date of less than one year and shall provide for automatic renewal in increments of one year. All interest accruing to the certificate will be maintained as part of the renewed Certificate.

A Certificate of Deposit Acceptance Agreement, signed by the applicant, the financial institution, and the DEQ, must be completed and signed before the DEQ will accept the Certificate as a performance bond required by Part 169.

The Certificate and the signed "Agreement of Acceptance" 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

The Director of the DEQ may cash the Certificate covering a scrap tire collection site to remove scrap tires from the scrap tire collection site, 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, in case of emergency at the collection site, insolvency of the collection site owner, or if the owner or operator of the collection site fails to comply with the requirements of Part 169, or does not cause the removal of the tires at the direction of a court of competent jurisdiction for the failure to comply with the requirements of Section 324.16903 of Part 169.

Section 324.16903(1)(i) of Part 169 establishes the minimum amount of bond required by a scrap tire collection site to cover indoor and outdoor tire storage areas. Exhibit A, "DETERMINATION OF BOND AMOUNT," shall be used to determine the required amount of the Certificate necessary to bond the scrap tire collection site.



ACCEPTANCE OF CERTIFICATE OF DEPOSIT AS BOND FOR A SCRAP TIRE COLLECTION SITE

It is agreed between the State of Michigan, Department of Environmental Quality (the "DEQ"), and _____, (the "Applicant"), that Certificate of Deposit No. _____, (the "Certificate"), in the amount of \$ _____, issued by _____, (the "Institution"), address, _____, on this date _____, in the name of and for the sole benefit of the Director of the DEQ, (the "Director"), is accepted as a bond required by Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL 324.16901 et seq., for the tire storage area(s) on the scrap tire collection site known as, _____ (the "Site"), Registration or WDS No. _____, and located at _____, and shall be available to the state of Michigan, DEQ, for all purposes for which this bond is required. It is agreed that the Certificate is subject to forfeiture, claim, or return in like manner as a performance bond.

- A. The Certificate, will mature on _____, and will be renewed automatically in increments of one year. All interest accruing to the Certificate shall be maintained as part of a renewed Certificate until the bond is released by the Director. The Applicant shall receive any accrued interest on the Certificate upon release of the bond by the Director of the DEQ.
- B. The Director is the only person who may cash the Certificate. The Director may cash the Certificate by submitting the Certificate to the institution, accompanied by the following document:

Your signed statement as follows: I certify that funding is required to remove the scrap tires, to pay fire suppression costs and costs associated with responding to a fire or an emergency or other costs of cleanup due to an emergency at the collection Site; insolvency of the collection site owner; or the 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.

In the event that the Certificate is cashed by the Director prior to maturity, all accrued interest shall be paid to the Director.

Should cashing of this Certificate result in surplus funds (i.e., funds in excess 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), these funds will be placed in a cash bond account credited to the same scrap tire collection Site. These funds plus any accrued interest, as provided for by Part 169 will be released to the Applicant upon expiration of the current scrap tire collection Site registration (January 31 of the following year) and upon written approval of the Director of the DEQ, provided that no scrap tires remain on the Site on that date and provided further that no evidence of a tire fire or other event having occurred that may require additional cleanup.

This Certificate of Deposit shall be administered, construed, and enforced according to the laws of the State of Michigan

Michigan Department of Environmental Quality

By: _____

Title: _____

Date: _____

Applicant:

By: _____

Title: _____

Date: _____

Acknowledge:

Institution: _____

By: _____

Title: _____

Date: _____

Contact/Telephone _____

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
OUTDOOR TIRE STORAGE AREA: 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
INDOOR TIRE STORAGE AREA: 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
OUTDOOR TIRE STORAGE AREAS: For outdoor scrap tire storage area.	\$2,500.00