



SURETY BOND FORM FOR A REGISTERED COLLECTION SITE

This information is required under the provisions of Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Providing false information may result in civil or criminal penalties.

WDS NO. _____

Those scrap tire collection sites that are subject to the requirements of Section 16903(4) of Part 169 may satisfy the financial assurance provisions of Part 169 by providing to the Michigan Department of Environment, Great Lakes, and Energy ("EGLE") 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 collection 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 the 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 EGLE ("Director"), 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:

**MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
MATERIALS MANAGEMENT DIVISION
C/O SCRAP TIRE REGULATORY PROGRAM
P.O. BOX 30241
LANSING MI 48909-7741**

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

WHEREAS, the Principal is required to provide financial assurance for: removing of scrap tires from the Site; bringing the Site into compliance with Part 169; cleanup at the Site; and fire suppression and other costs associated with responding to a fire or an emergency at the Site, including reimbursement to any local unit of government that incurred those costs.

NOW, THEREFORE, if the Principal remains financially solvent 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, there is no fire or other emergency involving the Principal or a site where scrap tires have been accumulated or deposited by the Principal;

And, the Principal causes the removal of scrap tires as ordered by EGLE or a court of competent jurisdiction;

Or, if the Principal shall extend or renew this Surety Bond or establish alternate financial assurance acceptable to the Director at least 30 days before the expiration date or cancellation date of this Surety Bond, 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 Surety Bond obligation only when the Principal has failed to fulfill any of the conditions described above.

In the event that the Director issues a notice of violation or order in accordance with Part 169 alleging that the Principal has become insolvent or failed to remove scrap tires as ordered by EGLE, the Surety shall make payment of the amount guaranteed under this Surety Bond to the Director.

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The Director may draw on this Surety Bond for removing scrap tires from the Site; bringing the Site into compliance with Part 169; cleanup at the Site; and fire suppression or other costs associated with responding to a fire or other emergency at the Site, including reimbursement to any local unit of government that incurred those costs; pursuant to Section 16903(7) of Part 169.

The Surety hereby waives notification of amendments to scrap tire collection site registration forms and applicable laws, statutes, rules, and regulations, and agrees that no such amendment shall in any way alleviate its obligation on this Surety Bond

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. 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 EGLE.

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, and the Principal and the Director 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 with an extension of this Surety Bond, or alternate financial assurance under Part 169 acceptable to the Director, not less than 30 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.

This bond shall be and continue in force for a period beginning with the effective date of the bond and terminating when canceled by the Surety in accordance with the cancellation provisions above, or when the Surety receives written authorization for termination of the bond from the Director. Upon determination of the Director or his authorized representative that any of the foregoing conditions have not been complied with, he shall have recourse to the rights created under this 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 EGLE on the date this Surety Bond was executed.

In witness whereof, the Principal and Surety have executed this Surety Bond, 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 day of MONTH YEAR.

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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:

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**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.

OUTDOOR TIRE STORAGE AREA	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
Each one (1) acre parcel	\$100,000.00
INDOOR TIRE STORAGE AREA	AMOUNT OF BOND
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.

OUTDOOR TIRE STORAGE AREAS	AMOUNT OF BOND
For outdoor scrap tire storage	\$2,500.00