**Section 848.APPENDIX A Financial Assurance Forms**

**Section 848.ILLUSTRATION B Surety Bond Guaranteeing Payment**

**Surety Bond Guaranteeing Payment**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date bond executed: | |  | | |
| Effective date: | |  | | |
| Principal: | |  | | |
| Type of Organization: | |  | | |
| State of incorporation: | |  | | |
| Surety(ies): | |  | | |
|  | | | |
|  | | | |
|  | | | |
|  | | | |
|  | | | Removal Amount |  |
| Illinois EPA I.D. No. | |  | | |
| Name | |  | | |
| Address | |  | | |
| City | |  | | |
| Illinois EPA I.D. No. | |  | | |
| Name | |  | | |
| Address | |  | | |
| City | |  | | |

Please attach a separate page if more space is needed for all facilities.

|  |  |
| --- | --- |
| Total penal sum of bond:  $ |  |
| Surety's bond number: |  |

Know All Persons By These Presents, That we, the Principal and Surety(ies) hereto are firmly bound to the Illinois Environmental Protection Agency (hereinafter called Illinois EPA), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas, the Illinois Pollution Control Board (IPCB), has established certain regulations applicable to the Principal, requiring that an owner or operator of a used or waste tire storage or disposal site provide assurance that funds will be available when needed for removal of used and waste tires from the site; and

Whereas said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance.

The bond must guarantee that the Principal will perform removal in accordance with the removal plan and guarantee that, within 90 days after receipt by both the Principal and the Illinois EPA of a notice of cancellation of the bond from the Surety(ies), provide alternate financial assurance in accordance with 35 Ill. Adm. Code 848, Subpart D and obtain the Illinois EPA's written approval of the assurance provided.

The surety will become liable on the bond obligation when, under the term of the bond, the owner or operator fails to perform as guaranteed by the bond. The owner or operator fails to perform when the owner or operator does any one or more of the following:

A) abandons the site;

B) is adjudicated bankrupt;

C) within 30 days after the date on which the known final volume of used or waste tires is received, either (i) fails to complete removal or (ii) fails to submit a removal plan that is approved by the Illinois EPA in accordance with 35 Ill. Adm. Code 848.506;

D) fails to initiate removal when ordered to do so by the IPCB pursuant to Title VIII of the Illinois Environmental Protection Act, or when ordered to do so by a court of competent jurisdiction;

E) fails to complete removal in accordance with the approved removal plan; or

F) fails, within 90 days after receipt by both the owner or operator and the Illinois EPA of a notice of cancellation of the surety bond, to provide alternate financial assurance and obtain the Illinois EPA's written approval of the assurance provided.

If the Principal provides alternate financial assurance, as specified in 35 Ill. Adm. Code 848, Subpart D as applicable, and obtains the Illinois EPA Director's written approval of such assurance, within 90 days after the date notice of cancellation is received by both the Principal and the Illinois EPA from the Surety(ies), then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the Illinois EPA Director that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund as directed by the Illinois EPA Director.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the Illinois EPA Director, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the Illinois EPA Director, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the Illinois EPA Director.

(The following paragraph is an optional rider that may be included but is not required.)

Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new removal amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the Illinois EPA Director.

In Witness Whereof, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) and that the wording of this surety bond was not altered or modified in any way other than as intended to complete the surety bond.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Principal Signature(s) | |  | | | | | |
| Name(s) | |  | | | | | |
| Title(s) | |  | | | | | |
| Corporate seal | |  | | | | | |
| Corporate Surety(ies) | |  | | | | | |
| Name | |  | | | | | |
| Address | |  | | | | | |
| State of incorporation: | |  | | | | | |
| Liability limit: | | $ | | | | | |
| Signature(s) | |  | | | | | |
| Name(s) | |  | | | | | |
| Title(s) | |  | | | | | |
| Corporate seal | |  | | | | | |
| Co-surety(ies) | |  | | | | | |
| Name | |  | | | | | |
| Address | |  | | | | | |
| State of incorporation: | |  | | | | | |
| Liability limit: | | $ | | | | | |
| Signature(s) | |  | | | | | |
| Name(s) | |  | | | | | |
| Title(s) | |  | | | | | |
|  | |  | | | | | |
| Bond premium: | | $ | | |  |
|  |  | | of |  | | |  | |
|  |  | |  |  | | | | |

(Source: Old Appendix A, Illustration B repealed, and new Appendix A, Illustration B added, at 39 Ill. Reg. 12934, effective September 8, 2015)