

Payment Bond
Department of Environment and Conservation, Division of Solid Waste Management,
Hazardous Waste Program

A surety bond, as specified in Rule 0400-12-01-.05(8)(n)9 or part (n)9 of this paragraph, must be worded as follows except that instructions in parentheses are to be replaced with the relevant information and the parentheses deleted:

PAYMENT BOND

Surety Bond No. (Insert Number)

Parties (insert name and address of owner or operator), Principal, incorporated in (Insert State of incorporation) of (Insert city and State of principal place of business) and (Insert name and address of surety company(ies)), Surety Company(ies), of (Insert surety(ies) place of business).

Installation Identification Number, name, and address for each facility guaranteed by this bond:

	Sudden Accidental Occurrences	Nonsudden Accidental Occurrences
Penal Sum per Occurrence	(insert amount)	(insert amount)
Annual Aggregate	(insert amount)	(insert amount)

Purpose:

This is an agreement between the Surety(ies) and the Principal under which the Surety(ies), its (their) successors and assignees, agree to be responsible for the payment of claims against the Principal for bodily injury and/or property damage to third parties caused by ("sudden" and/or "nonsudden") accidental occurrences arising from operations of the facility or group of facilities in the sums prescribed herein; subject to the governing provisions and the following conditions:

Governing Provisions:

- (i) Sections 68-212-107 and 68-212-108 of the Hazardous Waste Management Act of 1977, as amended (Tennessee Code Annotated, Title 68, Chapter 212, Part 1).
- (ii) Rules and regulations of the Tennessee Division of Solid Waste Management, particularly ("Rule 0400-12-01-.05(8)(n)" or "Rule 0400-12-01-.06(8)(n)") (if applicable).

- (iii) Applicable rules and regulations of the Tennessee Department of Commerce and Insurance and any other applicable laws or regulations.

Conditions:

- (i) The Principal is subject to the applicable governing provisions that require the Principal to have and maintain liability coverage for bodily injury and property damage to third parties caused by ("sudden" and/or "nonsudden") accidental occurrences arising from operations of the facility or group of facilities. Such obligation does not apply to any of the following:
 - (I) Bodily injury or property damage for which (insert principal) is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that (insert principal) would be obligated to pay in the absence of the contract or agreement.
 - (II) Any obligation of (insert principal) under a workers' compensation, disability benefits, or unemployment compensation law or similar law.
 - (III) Bodily injury to:
 - I. An employee of (insert principal) arising from, and in the course of, employment by (insert principal); or
 - II. The spouse, child, parent, brother or sister of that employee as a consequence of, or arising from, and in the course of employment by (insert principal). This exclusion applies:
 - A. Whether (insert principal) may be liable as an employer or in any other capacity; and
 - B. To any obligation to share damages with or repay another person who must pay damages because of the injury to persons identified in sections A and B.
 - (IV) Bodily injury or property damage arising out of the ownership, maintenance, use, or entrustment to others of any aircraft, motor vehicle or watercraft.
 - (V) Property damage to:
 - I. Any property owned, rented, or occupied by (insert principal);
 - II. Premises that are sold, given away or abandoned by (insert

principal) if the property damage arises out of any part of those premises;

III. Property loaned to (insert principal);

IV. Personal property in the care, custody or control of (insert principal);

V. That particular part of real property on which (insert principal) or any contractors or subcontractors working directly or indirectly on behalf of (insert principal) are performing operations, if the property damage arises out of these operations.

(ii) This bond assures that the Principal will satisfy valid third party liability claims, as described in condition (I).

(iii) If the Principal fails to satisfy a valid third party liability claim, as described above, the Surety(ies) becomes liable on this bond obligation.

(iv) The Surety(ies) shall satisfy a third party liability claim only upon the receipt of one of the following documents:

(I) Certification from the Principal and the third party claimant(s) that the liability claim should be paid. The certification must be worded as follows, except that instructions in parentheses are to be replaced with the relevant information and the parentheses deleted:

Certification of Valid Claim

The undersigned, as parties (insert name of Principal) and (insert name and address of third party claimant(s)), hereby certify that the claim of bodily injury and/or property damage caused by a (sudden or nonsudden) accidental occurrence arising from operating (Principal's) hazardous waste treatment, storage, or disposal facility should be paid in the amount of \$(_____).

(Signature) _____
Principal)

Subscribed and sworn to before me this _____ day of _____, _____

Notary Public

My commission expires on the _____ day of _____,

Or

- (II) A valid final court order establishing a judgment against the Principal for bodily injury or property damage caused by sudden or nonsudden accidental occurrences arising from the operation of the Principal's facility or group of facilities.
- (v) In the event of combination of this bond with another mechanism for liability coverage, this bond will be considered (insert "primary" or "excess") coverage.
- (vi) 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. In no event shall the obligation of the Surety(ies) hereunder exceed the amount of said annual aggregate penal sum, provided that the Surety(ies) furnish(es) notice to the Division Director forthwith of all claims filed and payments made by the Surety(ies) under this bond.
- (vii) The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and the Division Director, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and the Division Director, as evidenced by the return receipt.
- (viii) The Principal may terminate this bond by sending written notice to the Surety(ies) and to the Division Director.
- (ix) The Surety(ies) hereby waive(s) notification of amendments to applicable laws, statutes, rules and regulations and agree(s) that no such amendment shall in any way alleviate its (their) obligation on this bond.
- (x) This bond is effective from (insert date) (12:01 a.m., standard time, at the address of the Principal as stated herein) and shall continue in force until terminated as described above.

In Witness Whereof, the Principal and Surety(ies) have executed this 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 is identical to the wording specified in Tennessee Rule 0400-12-01-.06(8)(p)12, as such regulations were constituted on the date this bond was executed.

PRINCIPAL

(Signature(s)) _____

(Name(s)) _____

(Title(s)) _____

(Corporate Seal)

CORPORATE SURETY(IES)

(Name and address)

State of incorporation: _____

Liability Limit: \$ _____

(Signature(s)) _____

(Name(s) and title(s))

(Corporate seal)

(For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.)

Bond premium: \$ _____