

PERFORMANCE BOND

Tennessee Department of Environment and Conservation, Division of Water Resources, Sewerage Systems

Date bond executed: \_\_\_\_\_

Effective date: \_\_\_\_\_

Principal: (legal name and business address of owner or operator)

Type of organization: (insert "individual," "joint venture," "partnership," or "corporation")

State of incorporation: \_\_\_\_\_

Surety(ies): (Name(s) and business address(es)) \_\_\_\_\_

Permit number, name, address, and bond amount(s) for the facility guaranteed by this bond: \_\_\_\_\_

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 Tennessee Department of Environment and Conservation (hereinafter called Department), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assignees 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 said Principal is required, under the Tennessee Water Quality Control Act, Section 69-3-121 as amended, to have a permit in order to construct and/or to operate the sewerage system identified above, and

WHEREAS said Principal is required, under Tennessee Water Quality Control Act, Section 69-3-122 to provide a bond for the construction and proper operation of the facility,

NOW, THEREFORE, the conditions of this obligation are such that if the Principal shall properly construct and operate the facility for which this bond guarantees proper construction and operation, in accordance with the requirements of the permit as such permit may be amended, pursuant to all applicable laws, statues, rules, and regulations, as such laws, statutes, rules, and regulations may be amended, OR, if the Principal shall provide alternate financial assurance and obtain the written approval of such assurance from the Commissioner of the Department (hereinafter called Commissioner), within 90 days after the date of notice of cancellation is received by both the Principal and the Commissioner 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 Commissioner that:

1. the Principal has been found in violation of his permit, the Act, or Rules promulgated pursuant thereto and that the facility covered by the bond poses a threat to the public health or is causing a violation of water quality standard promulgated by the Water Quality Control Board; or
2. the Principal has failed to provide alternate bonding or financial security and obtain written approval of such bonding or financial security from the Commissioner during the 90 days following receipt by both the Principal and the Commissioner of a notice of cancellation of the bond,

then, the Commissioner may petition the Chancery Court for forfeiture as provided in T.C.A. §69-3-122(c).

The Surety(ies) hereby waive(s) notification of amendments to the permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

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 the said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the owner or operator and to the Commissioner, 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 Commissioner, as evidenced by the return receipts.

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

IN WITNESS WHEREOF, The Principal and Surety(ies) have executed this PERFORMANCE 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 provided by the Commissioner.

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: \$\_\_\_\_\_