

PERFORMANCE BOND
Mineral Test Hole

Date bond executed: _____

Effective date: _____

Principal: (legal name and address of owner/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 of site: _____

Address of site: _____

Total penal sum of this 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 the Department), 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 said Principal is required, under the Mineral Test Hole Regulatory Act, as amended, to comply with the standards set for the proper plugging of mineral test holes located in the State of Tennessee,

WHEREAS said Principal is required to provide financial assurance for proper plugging of said holes as a condition of Department Rule 0950-01-02, and any/all applicable laws and or Rules,

NOW, THEREFORE, the conditions of this obligation are such that if the Principal shall perform proper plugging of each hole for which this bond guarantees proper plugging, in accordance with the permit and other requirements, as such permit may be amended, and pursuant to all applicable laws, statutes, 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 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 the Principal has been found in violation of the permit, the Act, or Rules promulgated pursuant thereto, the Principal shall, as directed by the Commissioner, perform plugging in accordance with the permit and other requirements, or forfeit all or a portion of the penal sum of this bond to the Department.

Upon notification by the Commissioner that the Principal has failed to provide alternate financial assurance and obtain written approval of such assurance from the Commissioner during the 90 days following receipt by both the Principal and the Commissioner of a notice of cancellation of the bond, the Surety(ies) shall forfeit the penal sum of this bond to the Department as directed by the Commissioner.

The Surety(ies) hereby waive(s) notification of amendments to the permit, 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 of 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 Commissioner.

IN WITNESS WHEREOF, the Principal has executed this PERFORMANCE BOND and has affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this performance bond on behalf of the Principal and that the wording of this performance bond is identical to the wording provided by the Department.

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: \$_____