



Bond No. \_\_\_\_\_

**KNOW ALL BY THESE PRESENTS,**

1.

That we, \_\_\_\_\_, as  
 (Name of applicant)

Principal, \_\_\_\_\_, a  
 (Name of surety)

corporation organized under the laws of the State of \_\_\_\_\_, and authorized to transact surety consideration, are held and firmly bound unto the State of California, Office of Spill Prevention and Response, as Obligee in the just and full amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) to be made, we bind ourselves, our heirs, legal representatives, successors and assigns, jointly and severally, firmly by these presents;

**WHEREAS,**

2. \_\_\_\_\_, as Principal, is owner or operator of  
 (Name of principal)

the  vessel  facility specified in the attached schedule, and desires to establish financial responsibility in accordance with the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act (the "Act"); commencing with Government Code section 8670.37.51, and Title 14, California Code of Regulations, commencing with section 791, et. seq. (the "Regulations").

**WHEREAS,**

3. Government Code section 8670.37.51 and the Regulations require proof of financial responsibility in the event of a spill of oil upon or into waters of the State of California from a scheduled vessel or facility;

**WHEREAS,**

4. Government Code section 8670.37.54 and Title 14, California Code of Regulations, section 795(c)(5) provides for the posting of a Surety Bond to demonstrate financial responsibility;



**NOW THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT,**

5. If \_\_\_\_\_ shall pay, pursuant to existing law  
(Name of Principal)  
the cost of cleanup and removal of all oil spilled into or on waters of the State of California including spills which could impact waters of the State of California, all damages as defined by Government Code section 8670.56.5 including costs or expenses incurred in the restoration or replacement of natural resources damaged or destroyed, and all other claims under the Act that \_\_\_\_\_ as a legal liability to pay when it is  
(Name of Principal)  
determined that \_\_\_\_\_ is the party responsible  
(Name of Principal)  
for the spill of oil, then this obligation shall be void, otherwise to remain in full force and effect;
6. Subject to the provisions of this instrument, \_\_\_\_\_  
(Name of Surety)  
as Surety, agrees, to discharge the Principal's legal liability with respect to any claim arising under the Act, for cleanup and damages specified in Government Code section 8670.56.5, resulting from oil spilled in or on waters of the State of California, or spills that could impact waters of the State of California, where the herein named Principal is determined to be the responsible party;
7. Surety's liability attaches upon receiving notice from the Administrator of the Office of Spill Prevention and Response (the "Administrator") that the Principal is the responsible party with respect to a spill of oil, as specified in paragraph 6, and has failed to pay or perform pursuant to existing law;
8. Any claim for which liability may be lawfully established against the Principal as a responsible party may be asserted directly by the Administrator against the Surety subject to the terms and conditions of the instrument;
9. During the effective period of this Bond, if the Principal named herein requests that a vessel or facility owned or operated by the herein named Principal, and not specified in the attached schedule, become the subject of this Bond, and if the inclusion of that vessel or facility does not increase the required amount of the Bond, then that vessel or facility is considered to be subject to this Bond;
10. Surety agrees to remain bound under this Bond for so long as the Principal named herein must comply with the financial responsibility requirement of the Regulations for the vessels or facilities listed in the attached schedule, except that the Surety may terminate this Bond at any time prior to the expiration date set forth in item 11 below by notifying the Administrator in writing. The termination date shall be thirty (30) days after written notice, that the Surety has elected to terminate and has so notified the herein named Principal, is received by the Administrator, as evidenced by a United States Postal Return Receipt. With respect to any vessels, rolling stock, or pipelines covered by the Bond which are carrying oil in bulk as cargo and which were loaded prior to the termination date, termination shall not take effect earlier



than (30) days from the receipt by the Administrator of the notice prescribed above and furthermore not until either (1) completion of the discharge of such cargo, or (2) until sixty (60) days after the receipt of the prescribed notice by the Administrator, whichever is earlier;

11. This Bond expires on \_\_\_\_\_;  
(Date)

12. This Bond shall be subject to and governed by the laws of the State of California;

13. This Bond is executed by the Surety to comply with the provisions of Article 5.5 (commencing with section 8670.37.51) of Chapter 7.4 of Division 1 of Title 2 of the Government Code; Title 14, California Code of Regulations, section 791, et. seq.; and Chapter 2 (commencing with section 995.010) of Title 14 of Part 2 of the Code of Civil Procedure, and said Bond shall be subject to all of the terms and provisions thereof;

14. The Surety designates \_\_\_\_\_ with  
(Name of agent for service of process)  
offices at \_\_\_\_\_, California  
(Address)  
as the Surety's agent in the State of California for service of process for purposes of the Act.

**PROVIDED, HOWEVER, THAT**

15. Any and all payments hereunder shall be deposited into the standby trust fund established in accordance with Title 14, California Code of Regulations, section 795(c)(5) unless otherwise directed by the Administrator;
16. This Bond shall constitute one continuing obligation unless otherwise canceled by the Surety. The Surety shall have the right to cancel this Bond by providing notice as set forth in paragraph 10 above;
17. In no event shall the aggregate liability of the Surety hereunder exceed the penal sum of the Bond.



**EFFECTIVE DATE:** \_\_\_\_\_  
 (Month/Day/Year)

Name of Principal \_\_\_\_\_

Address of Principal \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 (Authorized signature of Principal) (Title)

Executed at \_\_\_\_\_, on \_\_\_\_\_  
 (City and State) (Date)

Name of Surety \_\_\_\_\_

Address of Surety \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I declare under penalty or perjury, under the laws of the State of California, that the foregoing is true and correct and that (insert either: "I have executed the foregoing Bond under an unrevoked power of attorney" or "I am an officer or director of Surety with authority to bind Surety to the foregoing Bond and I have executed the foregoing Bond under such authority under the laws of the State of California.")

Executed at \_\_\_\_\_, on \_\_\_\_\_  
 (City and State) (Date)

\_\_\_\_\_  
 (Signature of Attorney-in-Fact for Surety or officer or director of Surety)

\_\_\_\_\_  
 (Printed or Typed Name of Attorney-in-Fact for Surety or name and title of officer or director of Surety)

**AFFIX CORPORATE SEAL (if applicable)** (If person signing on behalf of Surety is not Surety's attorney-in-fact, include title and resolution of the Board of Directors giving authority to bind Surety.)



**ACKNOWLEDGMENT**

State of \_\_\_\_\_

County of \_\_\_\_\_

on \_\_\_\_\_, before me \_\_\_\_\_  
(Date) (Name, title of officer-e.g., "Jane Doe, Notary Public")

Personally appeared \_\_\_\_\_,

\_\_\_\_\_ personally known to me, or

\_\_\_\_\_ proved to me on the basis of satisfactory evidence,

to be the person whose name is subscribed to this instrument and acknowledged to me that he/she executed it in his/her authorized capacity, and that by his/her signature, on this instrument the person, or entity upon behalf of which the person acted, executed the instrument.

[Notary Seal]

Witness my hand and official seal.

\_\_\_\_\_  
(Signature of notary)

Notary Public for the State of \_\_\_\_\_

My commission expires: \_\_\_\_\_

**SCHEDULE OF FACILITIES/UNITS/VESSELS**

Specific Type (e.g. production facility, pipeline, railroad, vessel, MTU):

Common Name:

Identification No. (e.g. IMO, veh. license, well #, line section):

Location (e.g. city, home port)

<u>Specific Type</u>	<u>Common Name</u>	<u>ID No.</u>	<u>Location</u>
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