

Letter of Credit (and Standby Trust Fund)
OAC 1301:7-9-05(P)

[Note: An owner or operator who uses an irrevocable letter of credit to satisfy the requirements of paragraphs (H) to (H)(2) of this rule shall also establish a standby trust fund when the letter of credit is acquired and otherwise comply with the requirements of OAC 1301:7-9-05(P). Under the terms of the letter of credit, all amounts paid pursuant to a draft by the fire marshal shall be deposited by the issuing institution directly into the standby trust in accordance with the instructions from the fire marshal paragraphs (AA) to (AA)(3) of this rule. This standby trust fund shall meet the requirements specified in paragraphs (R) to (R)(5) of this rule. The letter of credit shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted.]

“Irrevocable Standby Letter of Credit

[Name and address of issuing institution].

[Name and address of the Ohio Fire Marshal].

Dear Sir or Madam: We hereby establish our Irrevocable Standby Letter of Credit No.[#] in your favor, at the request and for the account of **[owner or operator name]** of **[address]** up to the aggregate amount of **[in words of an amount equal to the per-occurrence amount required under paragraphs (H)(1) to (H)(1)(b) of this rule]** U.S. dollars **[insert dollar amount]**, available upon presentation by you of

- (1) Your signed draft, bearing reference to this letter of credit **[letter of credit #]**, and
- (2) Your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of section 3737.882 of the Ohio Revised Code."

This letter of credit may be drawn on to cover taking corrective action and compensating third parties for bodily injury and property damage caused by accidental releases from the underground storage tank(s) identified below in the amount of **[in words of an amount equal to the per-occurrence amount required under paragraphs (H)(1) to (H)(1)(b) of this rule]** U.S. dollars **[dollar amount]** per occurrence and **[in words of an amount equal to the per-occurrence amount required under paragraphs (H)(1) to (H)(1)(b) of this rule]** U.S. dollars **[dollar amount]** annual aggregate:

[List the number of tanks at each facility and the name(s) and address(es) of the facility(ies) where the tanks are located. If more than one instrument is used to assure different tanks at any one facility, for each tank covered by this instrument, describe the tanks covered and list the name and address of the facility.]

The letter of credit may not be drawn on to cover any of the following:

- (A) Any obligation of **[owner or operator]** under a workers' compensation, disability benefits, or unemployment compensation law or other similar law;

(B) Bodily injury to an employee of **[owner or operator]** arising from, and in the course of, employment by **[owner or operator]**;

(C) Bodily injury or property damage arising from the ownership, maintenance, use, or entrustment to others of any aircraft, motor vehicle, or watercraft;

(D) Property damage to any property owned, rented, loaned to, in the care, custody, or control of, or occupied by **[owner or operator]** that is not the direct result of a release from a petroleum underground storage tank;

(E) Bodily injury or property damage for which **[owner or operator]** is obligated to pay damages by reason of the assumption of liability in a contract or agreement other than a contract or agreement entered into to meet the requirements of paragraphs (H) to (H)(2) of rule 1301:7-9-05 of the Ohio Administrative Code.

This letter of credit is effective as of **[date]** and shall expire on **[date]**, but such expiration date shall be automatically extended for a period of **[at least the length of the original term]** on **[expiration date]** and on each successive expiration date, unless, at least one hundred twenty days before the current expiration date, we notify **[owner or operator]** by certified mail that we have decided not to extend this letter of credit beyond the current expiration date. In the event that **[owner or operator]** is so notified, any unused portion of the credit shall be available upon presentation of your sight draft for one hundred twenty days after the date of receipt by **[owner or operator]**, as shown on the signed return receipt.

Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall deposit the amount of the draft directly into the standby trust fund of **[owner or operator]** in accordance with your instructions.

We certify that the wording of this letter of credit is identical to the wording specified in paragraph (P)(2) of rule 1301:7-9-05 of the Ohio Administrative Code as such regulations were constituted on the date shown immediately below.

[Signature(s) and title(s) of official(s) of issuing institution]

[Date]

This credit is subject to **["the most recent edition of the Uniform Customs and Practice for Documentary Credits, published by the International Chamber of Commerce," or "the Uniform Commercial Code", or the applicable state statute]."**

[Note: A separate document for the Standby Trust (OAC 1301:7-9-05(R)) must also be prepared to meet all requirements associated with the "Letter of Credit" financial responsibility mechanism.]