

Liability Requirements for Transport, Storage, and Land Application of Biosolids
Form V - Irrevocable Letter of Credit

Director
Department of Environmental Quality
P.O. Box 1105
Richmond, VA 23218

Dear {Sir or Madam}:

We hereby establish our Irrevocable Letter of Credit No.... in the favor of any and all third party liability claimants and at the request of and for the account of (permit holder or applicant) for up to the amount of Two Million U.S. dollars \$2,000,000 per occurrence and the annual aggregate amount of Two Million U.S. dollars \$2,000,000 for clean up costs, personal injury, and property damage resulting from the transport, storage, and land application of biosolids in Virginia available upon presentation of a sight draft, bearing reference to this letter of credit No....and

(1) a signed certificate reading as follows:

Certificate of Valid Claim

The undersigned, as parties [insert permit holder or applicant] and [insert name and address of third party claimant(s)], hereby certify that the claim of clean up costs, personal injury, and property damage resulting from the transport, storage, and land application of biosolids in Virginia should be paid in the amount of \$[_____].

[Signatures]_____

permit holder or applicant _____

[Signatures]_____

Claimant(s)_____

or (2) a valid final court order establishing a judgment against the permit holder or applicant for clean up costs, personal injury, and property damage resulting from the transport, storage, and land application of biosolids in Virginia.

This letter of credit is effective as of [date] and shall expire on [date at least one year later], but such expiration date shall be automatically extended for a period of [at least one year] on [date and on each successive expiration date, unless, at least 120 days before the current expiration date, we notify you, the Director, Department of Environmental Quality, and [permit holder or applicant] by certified mail that we have decided not to extend this letter of credit beyond the current expiration date.

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.

In the event that this letter of credit is used in combination with another mechanism for liability coverage, this letter of credit shall be considered [insert "primary" or "excess" coverage]."

We certify that the wording of this letter of credit is identical to the wording specified in 9VAC25-32-840 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 [insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits, published and copyrighted by the International Chamber of Commerce," or "the Uniform Commercial Code"].