

1301:7-9-05

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APPENDIX N

POLITICAL SUBDIVISION GUARANTEE WITHOUT STANDBY TRUST MADE
BY A POLITICAL SUBDIVISION

Guarantee made this [insert: Date] by [insert: name of the political subdivision that is the guaranteeing entity], a political subdivision organized under the laws of the State of Ohio, herein referred to as Guarantor, to the State Fire Marshal and to any and all third parties, and obliges, on behalf of [insert: name of the political subdivision owner or operator].

Recitals

(1) Guarantor meets or exceeds [insert: "the state or political subdivision bond rating test requirements of paragraph (S) of rule 1301:7-9-05 of the Ohio Administrative Code." or "the state or political subdivision financial test requirements of paragraph (T) of rule 1301:7-9-05 of the Ohio Administrative Code." or "the state or political subdivision fund requirements of paragraph (V) of rule 1301:7-9-05 of the Ohio Administrative Code."]

(2) [Insert: Name of the political subdivision owner or operator] owns or operates the following underground storage tank(s) covered by this guarantee: [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, list the tank identification number required in the annual registration application required by paragraph (B) of rule 1301:7-9-04 of the Ohio Administrative Code, and the name and address of the facility.] This guarantee satisfies the requirements of rule 1301:7-9-05 of the Ohio Administrative Code for taking corrective action and compensating third parties for bodily injury and property damage caused by accidental releases in the amount of at least [insert: applicable dollar amount from paragraph (H)(1) of rule 1301:7-9-05 of the Ohio Administrative Code in words] dollars per occurrence and [insert: applicable dollar amount from paragraph (J)(1) of rule 1301:7-9-05 of the Ohio Administrative Code in words] dollars annual aggregate arising from operating the above-identified underground storage tank(s).

(3) Incidental to our substantial governmental relationship with [insert: name of the political subdivision owner or operator], Guarantor guarantees to the State Fire Marshal and to any and all third parties that:

In the event that [insert: name of political subdivision owner or operator] fails to provide alternative coverage within sixty days after receipt of a notice of cancellation of this guarantee and the State Fire Marshal has determined or suspects that a release has occurred at an underground storage tank covered by this guarantee, the Guarantor, upon

instructions from the State Fire Marshal shall make funds available to pay for corrective actions and compensate third parties for bodily injury and property damage in an amount not to exceed the coverage limits specified above.

In the event that the State Fire Marshal determines that [insert: name of the political subdivision owner or operator] has failed to perform corrective action for releases arising out of the operation of the above-identified tank(s) in accordance with the requirements of rule 1301:7-9-13 of the Ohio Administrative Code, the Guarantor upon written instructions from the State Fire Marshal shall make funds available to pay for corrective actions in an amount not to exceed the coverage limits specified above.

If [insert: name of the political subdivision owner or operator] fails to satisfy a judgement or award based on a determination of liability for bodily injury or property damage to third parties caused by accidental releases arising from the operation of the above-identified tank(s), or fails to pay an amount agreed to in settlement of a claim arising from or alleged to arise from such injury or damage, the Guarantor, upon written instructions from the State Fire Marshal, shall make funds available to compensate third parties for bodily injury and property damage in an amount not to exceed the coverage limits specified above.

(4) Guarantor agrees that, if at the end of any fiscal year before cancellation of this guarantee, the Guarantor fails to meet or exceed the requirements of the financial responsibility mechanism specified in paragraph (1), Guarantor shall send within one hundred twenty days of such failure, by certified mail, notice to [insert: name of the political subdivision owner or operator], as evidenced by the return receipt.

(5) Guarantor agrees to notify [insert: name of the political subdivision owner or operator] by certified mail of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code naming Guarantor as debtor, within ten days after commencement of the proceeding.

(6) Guarantor agrees to remain bound under this guarantee notwithstanding any modification or alteration of any obligation of [insert: name of the political subdivision owner or operator] pursuant to Chapter 1301:7-9 of the Ohio Administrative Code.

(7) Guarantor agrees to remain bound under this guarantee for so long as [insert: name of the political subdivision owner or operator] must comply with the applicable financial responsibility requirements of rule 1301:7-9-05 of the Ohio Administrative Code for the above-identified tank(s), except that Guarantor may cancel this guarantee by sending notice by certified mail to [insert: name of the political subdivision owner or operator], such cancellation to become effective no earlier than one hundred twenty days after receipt of such notice by [insert: name of the political subdivision owner or operator], as evidenced

by the return receipt. If notified of a probable release, the Guarantor agrees to remain bound to the terms of this guarantee for all charges arising from the release, up to the coverage limits specified above, notwithstanding the cancellation of the guarantee with respect to future releases.

(8) The Guarantor's obligation does not apply to any of the following:

(a) Any obligation of [insert: name of the political subdivision owner or operator] under a workers' compensation, disability benefits, or unemployment compensation law or other similar law;

(b) Bodily injury to an employee of [insert: name of the political subdivision owner or operator] arising from, and in the course of, employment by [insert: name of the political subdivision 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 [insert: name of the political subdivision owner or operator] that is not the direct result of a release from a petroleum underground storage tank;

(e) Bodily damage or property damage for which [insert: name of the political subdivision 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 paragraph (H) of rule 1301:7-9-05 of the Ohio Administrative Code.

(9) Guarantor expressly waives notice of acceptance of this guarantee by the State Fire Marshal, by any or all third parties, or by [insert: name of the political subdivision owner or operator].

I hereby certify that the wording of this guarantee is identical to the wording specified in Appendix N of rule 1301:7-9-05 of the Ohio Administrative Code as such regulations were constituted on the effective date shown immediately below.

Effective Date: _____

[Insert: Name of the Political Subdivision acting as Guarantor]

[Authorized signature for Guarantor]

[Printed Name of Person Signing for the Guarantor]

[Official Title of Person Signing for the Guarantor]

Signature of witness or notary: _____