



Michigan Department of Environmental Quality, Office of Waste Management and Radiological Protection

IRREVOCABLE LETTER OF CREDIT INSTRUCTIONS FOR ACCEPTANCE AS BOND FOR A SCRAP TIRE HAULER

Required by Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended

Those scrap tire haulers that are subject to the requirements of Section 324.16905(6) of Part 169 may satisfy the financial assurance provisions of Part 169 by providing to the Michigan Department of Environmental Quality (the "DEQ") an irrevocable Letter of Credit (the "LOC") from a financial institution authorized to issue LOCs in the state of Michigan. The LOC shall follow the LOC format including, but not limited to the following:

- *The LOC must be executed on the letterhead of the financial institution.*
- *The LOC shall not have an expiration date prior to January 31, of the year following the date of issuance.*
- *The LOC must identify the specific scrap tire hauler covered by the LOC.*
- ◆ *The LOC shall be submitted to:*

DIRECTOR OF THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
C/O SCRAP TIRE REGULATORY PROGRAM
OFFICE OF WASTE MANAGEMENT AND RADIOLOGICAL PROTECTION
P.O. BOX 30241
LANSING MI 48909-7741

Section 324.16905(6) of Part 169 establishes the amount of bond that a scrap tire hauler must maintain at \$10,000.

FINANCIAL INSTITUTION LETTERHEAD

IRREVOCABLE LETTER OF CREDIT NO: _____

DATE: _____

EXPIRATION DATE: _____

HAULER NAME: _____

WDS NO. _____

Director of the Michigan Department of Environmental Quality
C/O Scrap Tire Regulatory Program
Office of Waste Management and Radiological Protection
P.O. Box 30241
Lansing, Michigan 48909-7741

Dear Director:

We hereby issue our irrevocable Letter of Credit No. _____ in favor of the Director of the Michigan Department of Environmental Quality (the "DEQ"), on behalf of _____, (the "Company"), for a sum of \$10,000, (Ten thousand and 00/100 dollars), available by your drafts at sight drawn on our institution _____. Drafts must be marked "Drawn under _____, Letter of Credit No. _____," dated today's date. We are a bank or financial institution that has authority to issue Letters of Credit. Our Letter of Credit operations are regulated and examined by _____.

This Letter of Credit is issued to provide financial assurance to the State of Michigan pursuant to Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (MCL 324.16901 et seq.), for the scrap tire hauler known as, _____ (the "Hauler"), WDS No. _____, and located at _____.

Requests to draw on this Letter of Credit must be accompanied by the following documents:

1. Your signed statements as follows: "I certify that the funding is required to be utilized pursuant to Section 16905(8) of Part 169." And if applicable, "I further certify that, pursuant to Section 16905(10), I have issued a notice or order alleging that the Company is insolvent or failed to remove scrap tires as ordered by the Department of Environmental Quality and the Company has been provided an opportunity for an informal hearing at least seven days prior to the date of drawing on this Letter of Credit." or
2. Your signed statement as follows: I certify that the Company has failed to provide the DEQ with an extension of _____ Letter of Credit No. _____, or with other acceptable financial assurance under Part 169 not less than 30 days prior to its expiration of cancellation."

Partial drawings are permitted. This original Letter of Credit must be submitted to us together with any draws hereunder for our endorsement of any payments effected by us and/or for cancellation.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits No. 600 (2007 Revision), with the exception of Article 38(c). This Letter of Credit shall be deemed to be made under the laws of the State of Michigan, including Article 5 of the Michigan Uniform Commercial Code, and shall be governed by and construed in accordance with the laws of the State of Michigan. As to any matter of conflict between the provisions of the Uniform Customs and the laws of the State of Michigan, the laws of the state of Michigan shall govern this Letter of Credit.

This Letter of Credit is effective as of _____ 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 _____ and on each successive expiration date, unless the issuing institution has canceled the Letter of Credit by sending notice of cancellation by certified mail to the Director of the DEQ and the Company, 120 days in advance of cancellation. We agree that the 120-day period shall begin on the date when both the Director and the Company have received notice, as evidenced by return receipts.

In the event the DEQ is so notified, any unused portion of the Letter of Credit shall be available upon presentation of a sight draft for 120 days after the date of receipt by both the DEQ and the Company, as shown on the signed return receipts.

Whenever this Letter of Credit is drawn 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 in accordance with the Director's instructions.

This Letter of Credit shall be administered, construed, and enforced according to the laws of the State of Michigan.

We certify that the wording of this Letter of Credit is identical to the wording provided by the Director of the DEQ as of the date shown immediately below.

We certify to you that each draft drawn under and in compliance with the terms of this Letter of Credit will be duly honored on delivery of the documents as specified herein and presented to this office on or before _____, or any automatically extended date as provided in the Letter of Credit.

Signature: _____

Institution: _____

Title: _____

City, State, Zip: _____

Date: _____

Contact: _____

Telephone: _____