

DRAFT

CA Mine Name/ID #: _____

CERTIFICATE OF DEPOSIT

~~WRITTEN~~ INSTRUCTIONS ~~FOR TO ACCOMPANY~~ THE ESTABLISHMENT AND ENCASHMENT OF A CERTIFICATE OF DEPOSIT FOR THE RECLAMATION OF MINED LANDS PURSUANT TO CALIFORNIA PUBLIC RESOURCES CODE SECTION 2710 ET SEQ. (THE SURFACE MINING AND RECLAMATION ACT). ~~TO BE ISSUED FOR~~ Applicant _____.

~~The~~This certificate of deposit (CD) (account or deposit number) is ~~to be established~~issued on behalf of _____ and may (APPLICANT) only be released or encashed through the following procedures:

_____, organized and existing under the laws (FINANCIAL INSTITUTION) of the State of _____, and licensed to do business in the State of California, ~~Applicant's~~ bank or financial institution will ~~issue~~issues a this CD (account or deposit number), in the amount of \$ _____, which ~~will be~~ automatically ~~renewed~~renews each year, unless released or encashed according to the terms and conditions set forth below. This CD is for the benefit of payees _____ and the Department of

(LEAD AGENCY) Conservation, Division of Mine Reclamation. _____

(APPLICANT) hereby consents to the provision by _____ to the (FINANCIAL INSTITUTION) and the Department of Conservation, _____

(LEAD AGENCY) Division of Mine Reclamation of such information concerning the CD as the _____ and the Department of Conservation, _____

(LEAD AGENCY) Division of Mine Reclamation may request in writing information regarding the status of the CD, including but not limited to the amount, the account number, the maturity date, and the rate of interest, ~~through the year~~ _____ unless it is determined pursuant to the terms of the California Surface Mining and Reclamation Act (SMARA), Public Resources Code Section 2710 et seq., that the financial assurance should be adjusted. Should this occur, applicant will be required to make the necessary adjustment and submit a new CD. The certificate itself will bear a notation evidencing automatic renewal and will name both the Lead Agency and, in the alternative, the Department of Conservation as payees.

~~The bank or financial institution~~ _____ shall be (FINANCIAL INSTITUTION) authorized to encash the CD at any time at the request of both the

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~~Lead Agency~~ _____ and/or the Department
(LEAD AGENCY)
of Conservation, Division of Mine Reclamation, and to deliver such funds to the ~~Lead Agency~~,
(LEAD AGENCY)
Conservation, Division of Mine Reclamation upon written certification from both
the ~~Lead Agency~~ _____ and/or the
(LEAD AGENCY)

Department of Conservation, Division of Mine Reclamation that ~~Applicant~~
_____ has ~~failed to perform any applicable~~
(APPLICANT)
requirement of Reclamation Plan Number _____ been provided with notice
and opportunity to cure (which cure period has expired), all in accordance with
the provisions of Public Resources Code Section 2773.1(b).

~~Encashment of the CD by the Lead Agency or the Department of~~
~~Conservation is predicated upon the Lead Agency or the State Mining~~
~~and Geology Board following the noticing and hearing procedures set forth in~~
~~SMARA Section 2773.1, and upon its written certification that such procedures~~
~~have been followed.~~

~~The bank or financial institution~~ _____ shall be
(FINANCIAL INSTITUTION)
authorized to encash the CD at the instance and request of ~~Applicant~~
_____, and to deliver such funds to ~~Applic~~
(APPLICANT)
~~ant~~ _____, only upon receipt of a written
(APPLICANT)
release from both the Lead Agency _____
(LEAD AGENCY)
and the Department of Conservation, Division of Mine Reclamation relinquishing
their claim and interest to ~~the~~ this CD.

Interest earned under this CD is not subject to the terms and conditons above
and may be paid to _____ at any time.
(APPLICANT)

~~The bank or financial institution shall provide a letter (signed by a duly authorized~~
~~officer of the financial institution) to the Lead Agency and the Department~~
~~of Conservation verifying the CD and the procedures by which the CD may be~~
~~encashed.~~

The individuals signing below certify they agree to the terms mentioned above
and that the signatories are authorized to sign this agreement on behalf of their
respective entity.

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(APPLICANT)

(LEAD AGENCY)

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

(FINANCIAL INSTITUTION)

By: _____

[SEAL]

Name: _____

Title: _____