

IRREVOCABLE LETTER OF CREDIT

Irrevocable Letter of Credit Number _____
Amount: _____
Expiration Date: _____
CA Mine ID #: _____
Permit #: _____
Reclamation Plan Name/#: _____

Beneficiary(ies): 1) _____

(LEAD AGENCY)
Address: _____

(2) California Department of Conservation,
Division of Mine Reclamation
801 K Street, MS 09-06
Sacramento, California 95814-3529

The amount of \$ _____ will be paid to the Beneficiary(ies) upon the
authorization and direction of a duly authorized representative of the _____
_____ or the Department of Conservation, Division of Mine
(LEAD AGENCY)

Reclamation when accompanied by the documents hereafter described and subject to the following
conditions.

(1) The _____ may draw hereunder by means of its draft(s),

(LEAD AGENCY)
accompanied by this original Letter of Credit, a statement authorizing the release to the
_____ signed by a duly authorized representative of the Department
(LEAD AGENCY)
of Conservation, Division of Mine Reclamation, and the following signed and dated statement,
appropriately completed:

The amount of our accompanying draft \$ _____ represents a
sum due to the _____ pursuant to Public Resources Code
(LEAD AGENCY)

Section 2773.1(b). The _____ has determined, following a
(LEAD AGENCY)
noticed public hearing, that _____ is financially incapable of
(APPLICANT)

performing reclamation in accordance with its approved reclamation plan, or has abandoned
its surface mining operation without completing reclamation. The individual signing below
certifies that the foregoing statements are true and correct and that the signatory is authorized
to sign and deliver this statement on behalf of the _____, and
(LEAD AGENCY)

that a copy of this statement has been forwarded by certified mail or courier service to the Department of Conservation, Division of Mine Reclamation.

(LEAD AGENCY)
By: _____
Name: _____
Title: _____

(2) The Department of Conservation, Division of Mine Reclamation may draw hereunder by means of its draft(s) and the following signed and dated statement appropriately completed (the original Letter of Credit need not accompany the draft(s)):

The amount of our accompanying draft \$ _____ is due to the Department of Conservation, Division of Mine Reclamation pursuant to Public Resources Code Section 2773.1(b). The State Mining and Geology Board, or the _____, has determined, following a public hearing, that

(LEAD AGENCY) _____ is financially incapable of performing (APPLICANT) _____ reclamation in accordance with its approved reclamation plan, or has abandoned its surface mining operation without completing reclamation. The individual signing below certifies that the foregoing statements are true and correct and that the signatory is authorized to sign and deliver this statement on behalf of the Department of Conservation, Division of Mine Reclamation and that a copy of this statement has been forwarded by certified mail or courier service to the _____.

(LEAD AGENCY)

California Department of Conservation,
Division of Mine Reclamation
By: _____
Name: _____
Title: _____

In no event shall the aggregate amount drawn hereunder by either or both of the Beneficiaries exceed the amount of this Letter of Credit first set forth above.

This Letter of Credit shall be in full force and effect until the earliest of the following events:

1) receipt of a written statement by a duly authorized representative of both the _____ and the Department of Conservation, Division of Mine
(LEAD AGENCY)

Reclamation that all of the obligations secured hereby have been performed;

2) until disbursement of the full amount of this Letter of Credit pursuant to the preceding paragraphs;

3) until the Expiration Date hereunder.

The Letter of Credit shall expire on _____ at the counters of _____
(Expiration Date)

(FINANCIAL INSTITUTION AND ADDRESS)

or any extended date as hereinafter provided. It is a condition of this Letter of Credit that it shall be automatically extended upon the Expiration Date or extended Expiration Date for additional periods, each of one year, unless at least one hundred twenty (120) days prior to the then relevant expiration date _____ has advised the

(FINANCIAL INSTITUTION)

and the Department of Conservation, Division of Mine

(LEAD AGENCY)

Reclamation by registered or certified mail that _____ elects not

(FINANCIAL INSTITUTION)

to extend. In that event, either the _____ or the Department of

(LEAD AGENCY)

Conservation, Division of Mine Reclamation may draw hereunder on or prior to the then relevant expiration date upon written concurrence of the other entity, up to the full amount available hereunder, against the sight draft(s) on _____, bearing the number of

(FINANCIAL INSTITUTION)

this Letter of Credit.

The amount of this Letter of Credit may be reduced in accordance to conditions set forth in the Reclamation Plan, provided that any such reduction shall be made only with the written approval of a duly authorized representative of both the _____ and the Department

(LEAD AGENCY)

of Conservation, Division of Mine Reclamation. _____ shall not be

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required to determine the satisfaction of conditions set forth in the Reclamation Plan.

This agreement shall be governed by and construed in accordance with the laws of the State of California. This credit shall be subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication Number 600 notwithstanding Article 36 of said publication. If this Letter of Credit expires during an interruption of business as described in Article 36, _____ is hereby specifically

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authorized and agrees to effect payment if the letter is drawn within thirty (30) days after the resumption of business.

This shall constitute an irrevocable commitment of funds which shall not be subject to recall by _____ before the Expiration Date hereunder.

(FINANCIAL INSTITUTION)

[SEAL]

(FINANCIAL INSTITUTION)

By:

Name:

Title: