

APPENDIX F

CERTIFICATE OF DEPOSIT

WRITTEN INSTRUCTIONS FOR THE ESTABLISHMENT AND ENCASHMENT OF A CERTIFICATE OF DEPOSIT TO BE ISSUED FOR Applicant.

The certificate of deposit (CD) is to be established and encashed through the following procedures:

Applicant's bank or financial institution will issue a CD in the amount of \$ _____, which will be automatically renewed each year through the year _____ unless it is determined pursuant to the terms of the California Surface Mining and Reclamation Act (SMARA), Public Rescues 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 authorized to encash the CD at any time at the request of the Lead Agency and/or the Department of Conservation, and to deliver such funds to the Lead Agency, or the Department of Conservation upon written certification from the Lead Agency and/or the Department of Conservation that Applicant has failed to perform any applicable requirement of Reclamation Plan Number _____.

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 authorized to encash the CD at the instance and request of Applicant, and to deliver such funds to Applicant, only upon receipt of a written release from the Lead Agency and the Department of Conservation relinquishing their claim to the CD.

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.