

# DRAFT

## IRREVOCABLE LETTER OF CREDIT

Irrevocable Letter of Credit Number \_\_\_\_\_  
Amount: \_\_\_\_\_  
Expiration Date: \_\_\_\_\_  
CA Mine ID #: \_\_\_\_\_

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 \_\_\_\_\_  
(LEAD AGENCY)

and the Department of Conservation, Division of Mine Reclamation when accompanied by the documents hereafter described and subject to the following conditions.

(1) \_\_\_\_\_ 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  
(LEAD AGENCY)  
representative of the Department 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,  
(LEAD AGENCY)  
following a public hearing, that \_\_\_\_\_ is  
(APPLICANT)  
financially incapable of performing reclamation in accordance with its approved reclamation plan, or has abandoned its surface mining operation without commencing reclamation, and \_\_\_\_\_ has  
(APPLICANT)  
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). The individual signing below certifies that the foregoing statements are true and correct and that the signatory is authorized to sign

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and deliver this statement on behalf of \_\_\_\_\_,  
(APPLICANT)

and 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), accompanied by a statement signed by a duly authorized representative of the \_\_\_\_\_  
(LEAD AGENCY)

authorizing the release to the Department of Conservation, Division of Mine Reclamation 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 \_\_\_\_\_  
(LEAD AGENCY)

has determined, following a public hearing, that \_\_\_\_\_  
(APPLICANT)

is financially incapable of performing reclamation in accordance with its approved reclamation plan, or has abandoned its surface mining operation without commencing reclamation, and notice and opportunity to cure have been given (with the cure period having expired), all in accordance with Public Resources Code Section 2773.1(b) and (d). 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  
(LEAD AGENCY)

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Mine Reclamation that all of the obligations secured hereby have been performed or **2)** until disbursement of the full amount of this Letter of Credit pursuant to the preceding paragraphs or **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  
(FINANCIAL INSTITUTION)

not to extend. In that event, the \_\_\_\_\_ and the Department  
(LEAD AGENCY)

of Conservation, Division of Mine Reclamation may draw hereunder on or prior to the then relevant expiration date, up to the full amount available hereunder, against the sight draft(s) on \_\_\_\_\_, bearing the number of this Letter of Credit.

\_\_\_\_\_  
(FINANCIAL INSTITUTION)

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 of Conservation, Division of Mine  
(LEAD AGENCY)

Reclamation. \_\_\_\_\_ shall not be required to determine the

\_\_\_\_\_  
(FINANCIAL INSTITUTION)

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, \_\_\_\_\_

\_\_\_\_\_  
(FINANCIAL INSTITUTION)

is hereby specifically authorized and agree 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)

\_\_\_\_\_  
(FINANCIAL INSTITUTION)

[SEAL]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_