

IRREVOCABLE LETTER OF CREDIT

California Mine ID No.: _____
Irrevocable Letter of Credit No.: _____
Expiration Date: _____
Permit No.: _____
Reclamation Plan Name/No.: _____

Beneficiary(ies):

(1) _____
(Name of LEAD AGENCY)

Address: _____

(2) California Department of Conservation,
Division of Mine Reclamation
715 P Street, MS 19-05
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 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), accompanied by this original Letter of Credit, a statement authorizing the release to the _____ signed by a duly authorized 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 Section 2773.1(b).

(Name of LEAD AGENCY)
The _____ has determined, following a noticed public hearing, that _____ is financially incapable of 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 that a copy of this statement has been forwarded

(Name of LEAD AGENCY)

by certified mail or courier service to the Department of Conservation, Division of Mine Reclamation.

(Name of LEAD AGENCY)

Date: _____

(Signature)

(Typed or Printed Name)

(Title)

(Phone)

(Email)

(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 _____, (Name of LEAD AGENCY) has determined, following a public hearing, that _____ (Name of APPLICANT) is financially incapable of 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 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 _____ (Name of LEAD AGENCY).

California Department of Conservation,
Division of Mine Reclamation

Date: _____

(Signature)

(Typed or Printed Name)

(Title)

(Phone)

(Email)

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 Reclamation that all of the obligations secured hereby have been performed;
(Name of LEAD AGENCY)
- 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 _____, or any extended date as hereinafter provided, at the counters of _____
(EXPIRATION DATE)

(FINANCIAL INSTITUTION AND ADDRESS)

(FINANCIAL INSTITUTION AND ADDRESS continued)

a financial institution authorized to do business in the State of California. 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)

(Name of LEAD AGENCY)

and the Department of Conservation, Division of Mine Reclamation by registered or certified mail that _____ elects not to extend. In that event, either the

(FINANCIAL INSTITUTION)

_____ or the Department of Conservation, Division

(Name of LEAD AGENCY)

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 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 Reclamation. _____ shall not be required to determine the satisfaction of conditions set forth in the Reclamation Plan.
(Name of LEAD AGENCY)
(FINANCIAL INSTITUTION)

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

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

[SEAL]

(Name of FINANCIAL INSTITUTION)

Date: _____

(Signature)

(Typed or Printed Name)

(Title)

(Phone)

(Email)