

IRREVOCABLE LETTER OF CREDIT

Date: _____

We establish our Irrevocable Letter of Credit No. _____ in favor of the Arkansas Department of Environmental Quality (Department) for the financial assurance that _____ will comply with the

Name of Operator

reclamation requirements of the Arkansas Open-Cut Land Reclamation Act (Act) and the Arkansas Open-Cut Mining and Reclamation Code (Code) on all lands affected by mining operations at the _____ mine up to the aggregate amount

Name of Mine

of _____ available by your sight drafts on us.

Drafts for payment must be accompanied by:

1. Your sight draft, bearing reference to this Letter of Credit No. _____; and
2. A notice of bond forfeiture signed by the Director of the Department.

It is a condition of this Letter of Credit that it will not expire for a period of no less than five (5) years upon issuance and that it will be automatically extended for a period of one (1) year upon each successive expiration date until such time that the mining operation has been fully reclaimed and released by the Department.

If at least ninety (90) days before the current expiration date, we notify both the Department and _____ by Certified Mail that we will not

Name of Operator

extend this Letter of Credit beyond the current expiration date and

_____ provides an acceptable alternative bond as a

Name of Operator

replacement, this Letter of Credit can be withdrawn upon written release from the Department otherwise the Letter of Credit must remain in full force.

We hereby agree that drafts drawn under and in accordance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the documents as specified above.

Signature _____

Title _____

Name of Bank/ Financial Institution _____

Address _____
