

IRREVOCABLE LETTER OF CREDIT

WE ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT NO. _____ IN FAVOR OF THE ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY FOR THE FINANCIAL ASSURANCE THAT _____ WILL COMPLY WITH THE RECLAMATION REQUIREMENTS OF THE ARKANSAS QUARRY OPERATION, RECLAMATION AND SAFE CLOSURE ACT (ACT) ON ALL LANDS AFFECTED BY QUARRY OPERATIONS, UP TO THE AGGREGATE AMOUNT OF _____ AVAILABLE BY YOUR DRAFTS AT SIGHT ON US.

DRAFTS MUST BE ACCOMPANIED BY:

1. YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. _____;
2. A NOTICE OF BOND FORFEITURE SIGNED BY THE DIRECTOR OF THE ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT ON ITS EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE (1) YEAR AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST NINETY (90) DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND _____ BY CERTIFIED MAIL THAT WE HAVE DECIDED NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. HOWEVER, THIS LETTER OF CREDIT SHALL NOT BE CANCELED AND SHALL CONTINUE IN FULL FORCE AND EFFECT WITH RESPECT TO LANDS WHICH HAVE BECOME AFFECTED LANDS UNDER THE PROVISIONS OF THE ACT PRIOR TO EXPIRATION OF THE NINETY (90) DAY NOTICE PERIOD UNLESS AN ACCEPTABLE ALTERNATIVE BOND HAS BEEN SUBMITTED AND APPROVED BY THE DEPARTMENT.

WE HEREBY AGREE THAT DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH TERMS OF THIS CREDIT WILL BE DULY HONORED UPON PRESENTATION AND DELIVERY OF THE DOCUMENTS AS SPECIFIED.

Signature _____

TITLE _____

Name of Bank / Financial Institution _____

Date _____