



IRREVOCABLE STANDBY LETTER OF CREDIT

Date: _____ Expiration Date: _____

We establish our Irrevocable Letter of Credit No. _____ in favor of the Arkansas Department of Energy & Environment (Department) for the financial assurance that _____

Name of Operator

will comply with the reclamation requirements of the Arkansas Open-Cut Land Reclamation Act (Act) and the Arkansas Open-Cut Mining and Reclamation Rule (Rule) on all lands affected by mining operations at the _____ mine up to the

Name of Mine

aggregate amount of _____ dollars (\$ _____) 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 Secretary of the Department.

It is a condition of this Letter of Credit that it will not expire for a period of no less than one (1) year 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. We agree that we will provide the Department and the Operator with a verification of the annual extension to this Letter of Credit.

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 _____

Name of Operator

provides an acceptable alternative bond as a replacement, this Letter of Credit can be withdrawn upon written release from the Department otherwise the Letter of Credit must remain in full force.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.

Bank/Financial Institution

Official's Signature: _____
Official's Name: _____
Official's Title: _____
Institution's Name: _____
Street Address: _____
Phone Number: _____