

CA Mine ID #: _____
Reclamation Plan #: _____
Letter of Credit #: _____

IRREVOCABLE LETTER OF CREDIT

Irrevocable Letter of Credit Number: _____

Expiration Date: _____

As set out below

Beneficiary(ies):

- (1) County of San Bernardino
Land Use Services Department
385 North Arrowhead Avenue
San Bernardino, California 92415

- (2) California Department of Conservation
Office of Mine Reclamation
801 K Street, MS 09-06
Sacramento, California 95814-3529

This will serve as notice and agreement that _____, a Financial Institution subject to regulation by the State of _____, and duly authorized to do business in the State of California has on deposit the necessary amount of \$_____ pledging and guaranteeing these funds to the County of San Bernardino and the Department of Conservation to meet the obligations of _____ to establish and perform a reclamation plan and mitigation measures pursuant to Mining/Reclamation Plan Number _____ approved by the County of San Bernardino on _____.

The \$_____ will be distributed to the Beneficiary(ies) upon the authorization and direction of a duly authorized representative of the County of San Bernardino or the Department of Conservation, which accompanied by the documents hereafter described and subject to the following conditions:

- (1) The County of San Bernardino may draw hereunder by means of its draft(s), accompanied by this original Letter of Credit and the following signed and dated statement, appropriately completed:

The amount of our accompanying draft \$_____ represents a sum due to the County of San Bernardino pursuant to Public Resources Code Section 2773.1(b). The County of San Bernardino has determined, following a public hearing, that _____ is financially incapable of performing reclamation in accordance with its approved reclamation plan, or has abandoned its surface mining operation without commencing reclamation, and _____ has 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 and deliver this statement on behalf of the County of San Bernardino, and that a copy of this statement has been forwarded by certified mail or courier services to the Department of Conservation.

County of San Bernardino

By: _____

Name: _____

Title: _____

- (2) The Department of Conservation may draw hereunder by means of its draft(s), accompanied by the following signed and dated statement, appropriately completed (the original Letter of Credit need not accompany the draft(s)):

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The amount of our accompanying draft \$ _____ is due to the Department of Conservation pursuant to Public Resources Section 2773.1(b). The State Mining and Geology Board, or the County of San Bernardino or has abandoned its surface mining operation without commencing reclamation, _____ 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, and that a copy of this statement has been forwarded by certified mail or courier service to the County of San Bernardino.

California State Department of Conservation

By: _____
Name: _____
Title: _____

This Letter of Credit shall be in full force and effect until receipt of a written statement by a duly authorized representative of the County of San Bernardino or the Department of Conservation that all of the obligations secured hereby have been performed or until disbursement of all funds pledged and guaranteed hereunder pursuant to the preceding paragraphs or until the Expiration Date hereunder.

The Letter of Credit shall expire _____ at the counters of _____, or any extended date as hereinafter provided. It is a condition of this Letter of Credit that it shall be automatically extended 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 County of San Bernardino and the Department of Conservation by registered or certified mail that the _____ elects not to extend. In that event, the County of San Bernardino and/or the Department of Conservation 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.

The amount of this Letter of Credit may be reduced in accordance to conditions set forth in the above reference Mining/Reclamation Plan Number _____, provided that any such reduction shall be made only with the written approval of a duly authorized representative of the County of San Bernardino and/or the Department of Conservation.

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 (1993 Revision), International Chamber of Commerce Publication Number 500 notwithstanding Article 19 of said publication. If this Letter of Credit expires during an interruption of business as described in Article 19, _____ 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)
By: _____
Name: _____
Title: _____

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT OF PERMITTEE

State of _____
County of _____

On _____ before me, _____, Notary Public (Insert Name and Title of the Officer) personally appeared _____ (Name of Signer(s)), who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary's Signature

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT OF INSTITUTION

State of _____
County of _____

On _____ before me, _____, Notary Public (Insert Name and Title of the Officer) personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary's Signature

NOTE: Please identify the agent acting on behalf of the surety, if applicable.

AGENT _____ PHONE _____
ADDRESS _____