

**IRREVOCABLE STANDBY LETTER OF CREDIT**

Letter of Credit No.  
Date:  
Amount:  
Expiration:  
Account of:

Mississippi Department of Environmental Quality  
Office of Geology  
Mining and Reclamation Division  
700 North State Street  
Jackson, MS 39202

Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit No. \_\_\_\_\_ in your favor for the account of \_\_\_\_\_, in an amount not exceeding \_\_\_\_\_ available by your draft(s) on us at sight on the following conditions:

1. The amount and date of each negotiation of each draft drawn under this Letter of Credit must be endorsed on the back hereof by us and this Letter of Credit must be cancelled and attached to the draft, which exhausts the credit.
2. This Letter of Credit and all amendments thereof must be delivered to the Bank upon each draw for endorsement and returned to the beneficiary hereof. However, this Letter of Credit will not be returned to the beneficiary upon the final draw hereunder, but will be retained by the bank.
3. Drafts drawn under this Letter of Credit must be properly endorsed and marked "Drawn under \_\_\_\_\_ Bank,

\_\_\_\_\_  
(address of bank)  
Letter of Credit No. \_\_\_\_\_ dated \_\_\_\_\_."

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4. It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one (1) year from the expiry date hereof, or any future expiration date, unless Ninety (90) days prior to any expiration date we shall notify you and the party on whose behalf the Letter of Credit is established, by certified mail, that we elect not to consider this Letter of Credit renewed for any such additional period.
5. Each and every draft presented must be accompanied by a copy of a certified letter addressed to the party on whose behalf the Letter of Credit is established dated at least Forty-five (45) days prior to the drawing informing said party that the Department has determined that they are not in compliance with their surface mining permit and the Regulations and that they have failed to faithfully perform the reclamation plan approved by the Department on all affected lands covered by the permit in accordance with the Regulations and the conditions of the permit.
6. We hereby agree that all drafts drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation and delivery to our counters; Attention: \_\_\_\_\_, \_\_\_\_\_  
(address of bank)  
\_\_\_\_\_, in accordance with the terms hereof.
7. Except as otherwise expressly stated herein, this credit is subject to the Uniform Customs and Practice for Documentary Credits, 1993 Revision, ("UCP") International Chamber of Commerce Publication No. 500, which is incorporated into the text of this Letter of Credit by this reference. To the extent not inconsistent with the UCP, the provisions of Mississippi's Uniform Commercial Code – Revised Article 5, Letter of Credit, shall apply to this credit.

Yours very truly,

\_\_\_\_\_  
(name of bank)

By: \_\_\_\_\_  
(authorized signature)

\_\_\_\_\_  
(authorized name, printed or typed)

\_\_\_\_\_  
(title)

