



IRREVOCABLE LETTER OF CREDIT

State Form 6733 (R4 / 11-11) / Form LC-1
Approved by State Board of Accounts, 2011

INDIANA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF RECLAMATION
14619 W. State Road 48
Jasonville, IN 47438-7056

FOR OFFICIAL USE

INSTRUCTIONS: 1. Submit one (1) original and one (1) copy.

Irrevocable Letter of Credit number	Date (month, day, year)
ISSUING BANK	
Name of issuing bank	
Address (number and street, city, state and ZIP code)	
PERMITTEE	
Name of permittee	
Address (number and street, city, state and ZIP code)	
BENEFICIARY	
Department of Natural Resources Division of Reclamation 14619 W. State Road 48 Jasonville, Indiana 47438-7056	

WHEREAS, _____ (hereinafter "Permittee") desires to conduct surface coal mining and reclamation activities within the State of Indiana under Permit Number: _____, Pit Name: _____, and

WHEREAS, IC 14-34 and 312 IAC 25 require the Permittee to post a performance bond in favor of the Indiana Department of Natural Resources, Division of Reclamation (hereinafter "DNR") prior to the Permittee's commencement of surface coal mining and reclamation activities under the above-reference permit; and

WHEREAS, the Permittee desires to utilize an Irrevocable Letter of Credit issued by _____ (hereinafter "Issuing Bank") as the performance bond for the above-referenced permit,

NOW THEREFORE, in consideration of the premises, the mutual covenants contained herein and each act done pursuant hereto, the issuing Bank hereby issues to the DNR this Irrevocable Letter of Credit Number: _____ (hereinafter "Letter of Credit") in the amount of _____ (\$ _____) for the Permittee this _____ day of _____, 20____, under the following terms and conditions:

**IRREVOCABLE LETTER OF CREDIT
Form LC-1**

1. This Letter of Credit is a binding obligation on the Issuing Bank, independent of the acts and omissions of the Permittee, and is payable to the DNR by sight draft presented to the Issuing Bank for payment pursuant to the terms and conditions of this Agreement.
2. The Issuing Bank engages with drawers and/or bona fide holders that drafts drawn and negotiated in conformity with the terms and conditions of this Letter of Credit will be duly honored on presentation. This Letter of Credit shall be deemed to be executed in Greene County, Indiana, for the purposes of enforcement and any actions hereon shall be enforceable in the courts of Indiana and shall be construed under Indiana Law.
3. The Issuing Bank warrants and covenant that it is organized or authorized to do business in the United States.
4. This Letter of Credit is irrevocable prior to total release by the Director of the Department of Natural Resources.
5. Partial releases and drawings are permitted under this Letter of Credit.
6. This Letter of Credit is effective for the duration of one of the following terms *(please check one of the following)*:
 - a. Liability of the Issuing Bank under this Letter of Credit commences upon execution of this Letter of Credit and expires one (1) year following said date of execution. This Letter of Credit will automatically extend for additional successive terms of one (1) year each, unless the Issuing Bank does not wish to extend this Letter of Credit for an additional one (1) year term.
 - b. Liability of the Issuing Bank under this Letter of Credit commences upon execution of this Letter of Credit and shall continue until all reclamation, restoration and abatement work required of the Permittee under IC 14-34 et seq, 312 IAC 25 et seq, and provisions of the above-referenced permit and/or any other lawful requirements imposed by the DNR have been completed and the above-referenced permit is terminated by a release of the Permittee from any further reclamation liability.
7. If a term option under Paragraph 6 of this Letter of Credit is not selected, the provisions of Paragraph 6(b) shall apply.
8. This Letter of Credit is payable to the DNR in part or in full upon demand and receipt from the Director of the DNR, or one of the Director's duly authorized representatives, of a notice of forfeiture issued in accordance with 312 IAC 25-5-17.
9. The Director of the DNR, or one of the duly authorized representatives, is hereby authorized to draw upon this Letter of Credit, in full, to obtain cash collateral in the event that the Permittee has failed to furnish to the Director a replacement bond consistent with 312 IAC 25-5-1 through 25-5-19 at least thirty (30) days prior to the expiration of this Letter of Credit, and any such draft need not be accompanied by a notice of forfeiture in accordance with 312 IAC 25-5-17(d).
10. The Issuing Bank warrants and covenants that the total amount of Letters of Credit (including the present Letter of Credit) issued by the Issuing Bank to the Permittee on all permits held by the Permittee, does not exceed the Issuing Bank's maximum legal lending limit as required by the appropriate Indiana or Federal banking regulatory agency.
11. The Issuing Bank will give prompt notice to the Permittee and the Director of the DNR of any notice received or action filed alleging the insolvency or bankruptcy of the Issuing Bank, or alleging any violations of regulatory requirements that could result in suspension or revocation of the Issuing Bank's charter or license to do business.
12. In the event the Issuing Bank becomes unable to fulfill its obligations under this Letter of Credit for any reason, notice shall be given immediately to the Permittee and the Director of the DNR.
13. Upon the incapacity of a bank by reason of bankruptcy, insolvency, suspension or revocation of its charter or license, the Permittee shall be deemed to be without performance bond coverage in violation of 312 IAC 25-5-5(b).

Printed name and official title of authorized representative of Issuing Bank	
Signature of authorized representative of Issuing Bank	
Authorized signature of Division of Reclamation Department of Natural Resources	Date accepted <i>(month, day, year)</i>

**INSTRUCTIONS FOR COMPLETING FORM LC-1
IRREVOCABLE LETTER OF CREDIT**

This form may only be used for bonding permanent program permits issued in accordance with IC 14-34. Bond for permits issued in accordance with IC 13-4-6 must be submitted on a different form. Do not make any entries in the space identified "FOR OFFICIAL USE".

The following explanations are numbered to correspond to the numbered items on the attached Form LC-1:

1. Letter of Credit Number - This number is to be selected and assigned by the financial institution.
 2. Date - Insert the date this Letter of Credit is signed.
 3. Name and Address of Issuing Bank - Type or print the name and address of the bank issuing the Letter of Credit. This is the address to which the Division of Reclamation will send all correspondence concerning the Letter of Credit.
 4. Name of Address of Permittee - Type or print the name and address of the Permittee. The name must be identical to the name used in the permit. This is the address to which the Division of Reclamation will send all correspondence concerning this Letter of Credit.
 5. Permittee - Type or print the name of the Permittee.
 6. Permit Number - This number is assigned by the Division of Reclamation and should be inserted in this blank.
 7. Pit Name - Type or print the name of the mine.
 8. Issuing Bank - Type or print the name of the bank issuing this Letter of Credit.
 9. Letter of Credit Number - This number must be the same as in (1) above.
 10. Amount - Type in words the amount of the Letter of Credit.
 11. Amount - Type in figures the amount of the Letter of Credit.
 12. Date - Type in the date of the issuance of the Letter of Credit.
 13. Selection of Term of Letter of Credit - Check this box IF the Letter of Credit is to be issued for one year and automatically renewed thereafter.
 14. Selection of Term of Letter of Credit - Check this box IF the Letter of Credit is to continue in force from execution until termination of the Permit.
15. & 16. Must be completed by an authorized responsible official of the bank.

Please be sure to SUBMIT ONE (1) ORIGINAL AND ONE (1) COPY of the fully executed document.

Upon acceptance of the document, the Division of Reclamation will retain the original document, a copy will be returned to the bank and a copy will be sent to the permittee.



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INSTRUCTIONS: 1. Submit one (1) original and one (1) copy.

Irrevocable Letter of Credit number (1)	Date (month, day, year) (2)
ISSUING BANK	
Name of issuing bank (3)	
Address (number and street, city, state and ZIP code)	
PERMITTEE	
Name of permittee (4)	
Address (number and street, city, state and ZIP code)	
BENEFICIARY	
Department of Natural Resources Division of Reclamation 14619 W. State Road 48 Jasonville, Indiana 47438-7056	

WHEREAS, **(5)** (hereinafter "Permittee") desires to conduct surface coal mining and reclamation activities within the State of Indiana under Permit Number: **(6)**, Pit Name: **(7)**, and

WHEREAS, IC 14-34 and 312 IAC 25 require the Permittee to post a performance bond in favor of the Indiana Department of Natural Resources, Division of Reclamation (hereinafter "DNR") prior to the Permittee's commencement of surface coal mining and reclamation activities under the above-reference permit; and

WHEREAS, the Permittee desires to utilize an Irrevocable Letter of Credit issued by **(8)** (hereinafter "Issuing Bank") as the performance bond for the above-referenced permit,

NOW THEREFORE, in consideration of the premises, the mutual covenants contained herein and each act done pursuant hereto, the issuing Bank hereby issues to the DNR this Irrevocable Letter of Credit Number: **(9)** (hereinafter "Letter of Credit") in the amount of **(10)** (\$ **(11)**) for the Permittee this **(12)** day of _____, 20____, under the following terms and conditions:

**IRREVOCABLE LETTER OF CREDIT
Form LC-1**

1. This Letter of Credit is a binding obligation on the Issuing Bank, independent of the acts and omissions of the Permittee, and is payable to the DNR by sight draft presented to the Issuing Bank for payment pursuant to the terms and conditions of this Agreement.
2. The Issuing Bank engages with drawers and/or bona fide holders that drafts drawn and negotiated in conformity with the terms and conditions of this Letter of Credit will be duly honored on presentation. This Letter of Credit shall be deemed to be executed in Greene County, Indiana, for the purposes of enforcement and any actions hereon shall be enforceable in the courts of Indiana and shall be construed under Indiana Law.
3. The Issuing Bank warrants and covenant that it is organized or authorized to do business in the United States.
4. This Letter of Credit is irrevocable prior to total release by the Director of the Department of Natural Resources.
5. Partial releases and drawings are permitted under this Letter of Credit.
6. This Letter of Credit is effective for the duration of one of the following terms (*please check one of the following*):
 - (13) a. Liability of the Issuing Bank under this Letter of Credit commences upon execution of this Letter of Credit and expires one (1) year following said date of execution. This Letter of Credit will automatically extend for additional successive terms of one (1) year each, unless the Issuing Bank does not wish to extend this Letter of Credit for an additional one (1) year term.
 - (14) b. Liability of the Issuing Bank under this Letter of Credit commences upon execution of this Letter of Credit and shall continue until all reclamation, restoration and abatement work required of the Permittee under IC 14-34 et seq, 312 IAC 25 et seq, and provisions of the above-referenced permit and/or any other lawful requirements imposed by the DNR have been completed and the above-referenced permit is terminated by a release of the Permittee from any further reclamation liability.
7. If a term option under Paragraph 6 of this Letter of Credit is not selected, the provisions of Paragraph 6(b) shall apply.
8. This Letter of Credit is payable to the DNR in part or in full upon demand and receipt from the Director of the DNR, or one of the Director's duly authorized representatives, of a notice of forfeiture issued in accordance with 312 IAC 25-5-17.
9. The Director of the DNR, or one of the duly authorized representatives, is hereby authorized to draw upon this Letter of Credit, in full, to obtain cash collateral in the event that the Permittee has failed to furnish to the Director a replacement bond consistent with 312 IAC 25-5-1 through 25-5-19 at least thirty (30) days prior to the expiration of this Letter of Credit, and any such draft need not be accompanied by a notice of forfeiture in accordance with 312 IAC 25-5-17(d).
10. The Issuing Bank warrants and covenants that the total amount of Letters of Credit (including the present Letter of Credit) issued by the Issuing Bank to the Permittee on all permits held by the Permittee, does not exceed the Issuing Bank's maximum legal lending limit as required by the appropriate Indiana or Federal banking regulatory agency.
11. The Issuing Bank will give prompt notice to the Permittee and the Director of the DNR of any notice received or action filed alleging the insolvency or bankruptcy of the Issuing Bank, or alleging any violations of regulatory requirements that could result in suspension or revocation of the Issuing Bank's charter or license to do business.
12. In the event the Issuing Bank becomes unable to fulfill its obligations under this Letter of Credit for any reason, notice shall be given immediately to the Permittee and the Director of the DNR.
13. Upon the incapacity of a bank by reason of bankruptcy, insolvency, suspension or revocation of its charter or license, the Permittee shall be deemed to be without performance bond coverage in violation of 312 IAC 25-5-5(b).

Printed name and official title of authorized representative of Issuing Bank	
(15)	
Signature of authorized representative of Issuing Bank	
(16)	
Authorized signature of Division of Reclamation Department of Natural Resources	Date accepted (<i>month, day, year</i>)