Georgia Department of Natural Resources

Environmental Protection Division • Surface Mining Unit
4244 International Parkway • Suite 104 • Atlanta • Georgia 30354
(404) 362-2692; Fax (404) 362-2693
Judson H. Turner, Director

MEMORANDUM

TO: Applicants for Surface Mining Permits

FROM: Jeffrey W. Cown, Chief, Land Protection Branch

SUBJECT: Letter of Credit Submitted in Lieu of Cash, Surety Bond Or Government Securities

In order to comply with O.C.G.A. 7-1-290(d) and to insure the Division's responsibility under the provisions of O.C.G.A. 12-4-75, the Georgia Surface Mining Act of 1968, the Law Department has provided the necessary legal contents and format for an acceptable Letter of Credit. Irrevocable letters of credit, **issued by banks domiciled in Georgia** may be accepted in lieu of any bond or surety required by the Surface Mining Act or the Surface Mining Rules. The format is attached and must be adhered to explicably in order for the Division to accept submittal of a Letter of Credit in lieu of cash, surety bond or government securities.

You should provide this information to your banking institution upon approval of your Surface Mining Land Use Plan and instruct them to remit the Letter of Credit to:

Surface Mining Unit
Georgia Environmental Protection Division
4244 International Parkway, Suite 104
Atlanta, Georgia 30354
ATTN: **Jeffrey W. Cown, Chief, Land Protection Branch**

Any deviation or omittance of any portion of any of the contents of the format will result in disapproval of same.

s:\jbrackman/money/forms/letter of credit memo revised 7-30-13

Surface Mining
Irrevocable Letter of Credit Format

Director
Environmental Protection Division
Georgia Department of Natural Resources
4244 International Parkway, Suite 104
Atlanta, Georgia 30354

Dear Director:

We hereby establish our Irrevocable Standby Letter of Credit No. _____ in your favor, at the request of and in lieu of surety bond for **[permittee's name and address]** in the full amount of **[in words]** U.S. Dollars $_____, available upon presentation by you, or any Environmental Protection Division ("Division") employee acting under your authority, of:

(1) Your sight draft, or demand for payment, bearing reference to this Letter of Credit No. _____;

(2) Your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to the Georgia Surface Mining Act of 1968, as amended, the regulations issued pursuant thereto and Mining Land Use Plan No. _____."

This letter of credit is effective as of **[date]** and shall expire on **[date at least one year later]**, but such expiration date shall be automatically extended for a period of **[at least one year]** on **[date]** and on each successive expiration date, unless, at least 120 days before the current expiration date, we notify both you and [operator's name] by certified mail that we have decided not to extend this letter of credit beyond the current expiration date. In the event you are so notified, the credit established by this letter shall be available upon presentation of your sight draft or demand for payment for 120 days after the date of receipt of such notice by both you and [operator's name], as shown on the signed return receipt.

The credit established by this letter and our obligation to pay same shall not be affected by the receivership, bankruptcy or insolvency of debtor or the attachment of his property. Nor shall this credit or our obligation to pay same be affected by any security agreement or other agreement between **[permittee's name]** and our bank.

Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall pay the amount of the draft directly to you, as Director of the Division or in accordance with your instructions.

This letter of credit is subject to the Uniform Customs and Practice of Documentary Credits International Chamber of Commerce Publication No. 600 or Uniform Commercial Code, latest edition.

Sincerely,

[Signature(s), and title(s) of official(s) or issuing institution]

[Date]

THIS LETTER OF CREDIT SHOULD BE SUBMITTED TO:

Solid Waste Management Program
Surface Mining Unit
Georgia Environmental Protection Division
4244 International Parkway, Suite 104
Atlanta, Georgia 30354