

NON-METALLIC MINING RECLAMATION
FINANCIAL ASSURANCE LANGUAGE

Trempealeau County
6/2013

Our corporation counsel reviews all Irrevocable Standby Letters of Credit and Bonds issued to Trempealeau County for reclamation of mining sites in our county in accordance with the Trempealeau County Non-metallic Mining Reclamation Ordinance and Wisconsin Administrative Code NR-135. This review approves all bonding language submitted prior to bond issuance. After bond issuance, we then request that the originals be in our possession. Below is a sample of the standardized language required, but may be customized for individual permits.

Letter of Credit Language (Letters of Credit cannot legally be issued for longer than 5 years):

Lender shall honor drafts submitted by Beneficiary under the following terms and conditions:

(1) Upon receipt of a written statement from the Trempealeau County Department of Land Management that indicates the mine operator or owner has failed to perform any requirements of Wisconsin Administrative Code NR-135, failed to perform any requirements of the Trempealeau County Reclamation Ordinance, or failed to perform any requirements of the approved reclamation plan for the _____ Sand Mine, site # _____.

or

(2) Upon receipt of a written statement from the Trempealeau County Department of Land Management that indicates that the Department of Land Management was not provided with adequate replacement financial assurance within thirty (30) days prior to expiration of the current letter of credit # _____.

Bond Language:

WHEREAS, The Principal has been issued a non-metallic mining reclamation permit and is subject to a non-metallic mining reclamation plan, dated _____ (hereinafter "Plan") for the _____ Sand Mine, site# _____.

AND WHEREAS, it is a term and condition of the Agreement that the Principal shall deposit bonding in the amount set out above to provide for the failure of the Principal to comply with the terms and conditions of the Agreement.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION, per Wisconsin Administrative Code NR 135.40 and Trempealeau County Comprehensive Zoning Ordinance, Section 20.14, is that, if the Principal shall faithfully perform all its duties and obligations under

the above-stated Wisconsin Administrative Code and Trempealeau County Zoning Ordinance and under said Plan, in the manner and time called for in said Plan, then this obligation shall be null and void, otherwise it shall remain in full force and effect, subject to the following conditions:

1. No assignment, modification, or change of the Plan, or change in the work covered thereby, or any extension of time for the completion of the Plan shall release the surety on this bond.
2. The Principal shall notify the Authority, by filing a notice of completion, at the time the Principal determines that reclamation is complete. The Authority shall inspect the site. If the Authority, in its sole discretion, determines that reclamation is complete, it shall issue a certificate of completion and shall release the financial assurance.
3. In the event that the Principal has its permit removed, ceases mining operations, and fails to reclaim the site or fails to perform any or all of its duties and obligations under the Plan, in the manner and time called for in the Plan, then the amount of this bond shall be paid over to the Regulatory Authority to cover the Authority's cost of reclamation.

This Financial Assurance Bond may not be canceled by the Surety, or other holder or issuer except after no less than a 90-day notice to the authority in writing by registered or certified mail. Not less than 30-days prior to the expiration of the above 90-day notice of cancellation, the Principal shall deliver to the Authority replacement financial assurance. If replacement financial assurance is not delivered to the Authority before 30-days prior to the expiration, then the amount of this bond shall be paid over to the Authority and shall be held as cash financial assurance for the performance of the Principal's above-stated duties and obligations."