

On the FINANCIAL INSTITUTION'S Letterhead, all of the following or equivalent*:

ISSUING FINANCIAL INSTITUTION:

*Name and
address of
financial institution*

IRREVOCABLE STANDBY LETTER OF
CREDIT NUMBER _____

DATE OF ISSUE _____

EXPIRATION DATE _____

PURPOSE: Conformance bond pursuant to:
PART 637 SAND DUNE MINING,
1994 PA 451, as amended
MINING SITE _____

BENEFICIARY:

Director
Michigan Department of Environmental Quality
Office of Oil, Gas, and Minerals
525 West Allegan, 1st Floor, South Tower
Lansing, MI 48933

APPLICANT:

*Name and
address of
credit applicant*

We hereby issue our Irrevocable Letter of Credit # _____ in your favor on behalf of
_____, hereinafter known as the Company, for a
sum of \$ _____ and _____/100 dollars), available by
your drafts at sight drawn on our institution _____. Drafts
must be marked "Drawn under _____ Letter of Credit
_____ dated _____.

This letter of credit is issued to provide financial assurance to the State of Michigan for the sand dune
mining site identified as follows: _____

The Department of Environmental Quality may draw on this Letter of Credit in the event (1) that the
Department of Environmental Quality issues a Notice of Violation indicating that the Company has
failed to comply with the provisions of Part 637, Sand Dune Mining, 1994 PA 451, as amended or (2)
that the Company fails to provide the Director with an extension of this Letter of Credit or other
financial assurance; or (3) that the Company is adjudged insolvent or bankrupt. The Company shall
be deemed, for purposes of this letter of credit, adjudged bankrupt upon any petition under Title 11 of
the United States Code, filed on the Debtors behalf, and an order for relief granted by any of the
United States District or Bankruptcy Courts.

If any provision of this Letter of Credit is construed as ineffective by a court of competent jurisdiction,
all other provisions of this Letter of Credit shall remain in full effect and be enforceable pursuant to the
effective provisions contained herein.

This Letter of Credit is subject to the "Uniform Customs and Practices for Documentary Letters of
Credits", 1993 revision of the International Chamber of Commerce, Publication No. 500, and as to
matters not governed by the Uniform Customs and Practice for Documentary Credits,
aforementioned, shall be governed by, and construed in accordance with the Uniform Commercial
Code of the State of Michigan.

Partial drawings are permitted without canceling the Letter of Credit balance. This original Letter of
Credit must be submitted to us together with any drawings thereunder for our endorsement of any
payments affected by us and or cancellation.

It is a condition of this Letter of Credit that it shall be automatically extended for additional terms of one (1) year from the present or each future expiration date unless we give the Director, Department of Environmental Quality and the Company, at least ninety (90) days before said expiration date, written notice by certified mail, return receipt requested, or hand delivery, that we elect to terminate this Credit at the end of its then current term.

In the event we give notice of our election to terminate this Letter of Credit and _____ fails to replace this Letter of Credit with other financial assurances acceptable to the Department of Environmental Quality, you may draw on this Letter of Credit, up to the aggregate amount, less any prior drafts presented by the Department of Environmental Quality and paid by us, not sooner than thirty (30) days after the date of such notice by presentation of a draft marked Drawn under, _____, Letter of Credit No. _____, accompanied by a statement purportedly signed by an authorized representative of the Department reading as follows:

“The Michigan Department of Environmental Quality is making this drawing because _____, has failed to replace this Letter of Credit with other financial assurances acceptable to the Department.”

We hereby engage with you that drafts in conformity with the terms of this Letter of Credit shall be duly honored upon presentation and delivery of documents as specified to our office located at _____ on or after _____, 20__, and on or before _____ 20__ or any future expiration date. The amount of each draft must be endorsed on the reverse of this Letter of Credit by the negotiating financial institution.

Financial Institution Authority signature

Financial Institution Authority Name

Financial Institution Authority Title

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* Please do not change the language of the letter of credit in any way. Alterations may not be acceptable to the Department.

BENEFICIARY MAILING ADDRESS:	BENEFICIARY STREET ADDRESS:
Permits & Bonding Unit	Permits & Bonding Unit
Office of Oil, Gas, and Minerals	Office of Oil, Gas, and Minerals
Michigan Department of Environmental Quality	Michigan Department of Environmental Quality
PO Box 30256	South Tower 1st Floor
Lansing, MI 48909-7756	525 West Allegan St
	Lansing, MI 48933