

**IRREVOCABLE LETTER OF CREDIT**

Letter of Credit No. \_\_\_\_\_

Dated \_\_\_\_\_

\_\_\_\_\_ (the "Issuing Bank") hereby issues this Irrevocable Letter of Credit (the "Letter of Credit") for the benefit of the Secretary of the Interior ("Beneficiary") and subject to the requirements of this Letter of Credit, available by Beneficiary's draft at sight, up to an amount not to exceed \_\_\_\_\_ (\$ \_\_\_\_\_), whether in part or in full, upon a formal written demand by the Beneficiary, acting by and through the Superintendent, Bureau of Indian Affairs, Osage Agency (the "Superintendent"), stating that the \_\_\_\_\_ (the "Principal") has:

(1) defaulted under the terms and conditions of: (a) that certain \_\_\_\_\_

\_\_\_\_\_ and/or

(b) \_\_\_\_\_ which \_\_\_\_\_ have been approved by the Beneficiary or his authorized representative, and that such defaults and any claims related thereto have been properly noticed and specified to Principal in accordance with the terms of said \_\_\_\_\_ and applicable regulations, and that said defaults remain uncured and claims remain unsatisfied; or

(2) notwithstanding any default as provided above, a statement in writing that the Beneficiary, or his authorized representative, has been notified by Issuing Bank upon at least 90-days prior notice (as provided below), that this Letter of Credit is not to be renewed and that Principal has not furnished the Beneficiary, or his authorized representative, prior to a date thirty (30) days before the expiration of this Letter of Credit, a substitute bond, cash, or other surety acceptable to the Beneficiary.

This Letter of Credit shall have an initial term of twelve (12) months from the date hereof (the "Original Term"), and shall automatically renew for a like period upon the same terms and conditions unless at least ninety (90) days prior to the expiration of the Original Term (or any renewal term), the Issuing Bank notifies the Superintendent by registered mail that it elects not to renew this Letter of Credit.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Issuing Bank at the address set forth above. All communications must make reference to the Letter of Credit number.

\_\_\_\_\_  
Bank Name Telephone No.

\_\_\_\_\_  
Bank Address

\_\_\_\_\_  
Bank Representative & Title

**APPROVED & ACCEPTED:**

Under the authority delegated by 200 DM 1, 209 DM 8, 230 DM 1, 3 IAM 4.1 and Muskogee Area Addendum 9901 to 3 IAM 4 issued June 22, 1999

\_\_\_\_\_  
Superintendent, Osage Agency

# **SAMPLE**

## **IRREVOCABLE LETTER OF CREDIT**

Letter of Credit No. \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_ *Insert Bank Name* (the "Issuing Bank") hereby issues this irrevocable letter of credit (the "Letter of Credit") for the benefit of the Secretary of the Interior ("Beneficiary") and subject to the requirements of this Letter of Credit, available by Beneficiary's draft at sight, up to an amount not to exceed *Insert written amount and the dollar figure in parenthesis i.e. ONE HUNDRED FIFTY THOUSAND AND NO/100 U.S. DOLLARS (\$150,000.00)*, whether in part or in full, upon a formal written demand by the Beneficiary, acting by and through the Superintendent, Bureau of Indian Affairs, Osage Agency (the "Superintendent"), stating that the *Individual or Company Name* (the "Principal") has:

(1) defaulted under the terms and conditions of: (a) that certain *Insert information as to what the Letter of Credit is to cover, be as specific as possible, i.e. BIA Lease number, date approved & legal description* and/or (b) *Insert information on a second lease as to what the Letter of Credit is to cover which Insert information on type of lease i.e. oil and gas lease(s)* have been approved by the Beneficiary or his authorized representative, and that such defaults and any claims related thereto have been properly noticed and specified to Principal in accordance with the terms of said *Insert information on type of lease i.e. oil and gas lease* and applicable regulations, and that said defaults remain uncured and claims remain unsatisfied; or

(2) notwithstanding any default as provided above, a statement in writing that the Beneficiary, or his authorized representative, has been notified by Issuing Bank upon at least 90-days prior notice (as provided below), that this Letter of Credit is not to be renewed and that Principal has not furnished the Beneficiary, or his authorized representative, prior to a date thirty (30) days before the expiration of this Letter of Credit, a substitute bond, cash, or other surety acceptable to the Beneficiary.

This Letter of Credit shall have an initial term of twelve (12) months from the date hereof (the "Original Term"), and shall automatically renew for a like period upon the same terms and conditions unless at least ninety (90) days prior to the expiration of the Original Term (or any renewal term), the Issuing Bank notifies the Superintendent by registered mail that it elects not to renew this Letter of Credit.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Issuing Bank at the address set forth above. All communications must make reference to the Letter of Credit number.

\_\_\_\_\_  
Bank Name Telephone No.

\_\_\_\_\_  
Bank Address

\_\_\_\_\_  
Bank Representative & Title

**APPROVED & ACCEPTED:**

Under the authority delegated by 200 DM  
1, 209 DM 8, 230 DM 1, 3 IAM 4.1 and  
Muskogee Area Addendum 9901 to 3 IAM  
4 issued June 22, 1999

\_\_\_\_\_  
Superintendent, Osage Agency

\*\*\*If this form is being utilized by a financial institution please prepare on letterhead. The issuing bank may use their own letter of credit form in lieu of this form. Forms used will need to be in compliance with the federal regulations as forth in 25 CFR Part 226.9 (5) (i)-(v).