

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
(LETTERHEAD - ADDRESS)

3104 (Office Code)

BLM Bond No

DECISION

Obligor: Lease Serial Number:  
Bond Amount:  
Financial Institution Execution Date:

Personal Bond and Letter of Credit Accepted for Individual Lease

On (Date), this office received a personal bond and a Letter of Credit (LOC) in the amount of \$10,000 for coverage of all operations conducted by or on behalf of the obligor on lease (Serial No.). The bond and LOC have been examined and found acceptable; therefore, the bond is accepted effective (Date).

The pledge for the bond is a LOC written by the financial institution named above. The document will be retained by the BLM until all terms and conditions of the lease have been fulfilled or until a satisfactory replacement bond has been accepted. The LOC will be returned to the financial institution when this office determines that the bond is no longer required.

The LOC will continue indefinitely in the absence of notice from the financial institution of its determination not to renew the letter. Such a notice must be received in this office at least 90 days prior to the original expiration date of (Date), or the automatic extension dates falling on the same day in subsequent years. A copy of such notice also needs to be provided to the obligor, who would then be responsible for providing a replacement security to the BLM. Unless the obligor provides a satisfactory replacement bond at least 30 days prior to the then fixed expiration date, BLM will demand that the financial institution pay the full amount of the credit to ensure continuing bond coverage of the obligor. Any such funds thus obtained will be retained, as long as none are required to correct defaults, until the bond is no longer required or until replacement bond coverage is accepted by the BLM.

NOTE: Add the following paragraph if the LOC has a drop dead clause:

Because LOC (Number) states that the credit will not automatically extend beyond (Date), the financial institution will be expected to notify this office at least 90 days prior to that date as to whether it will extend the LOC for additional time periods beyond (Date). As indicated in the preceding paragraph, if the financial institution elects to not renew the LOC, the obligor must furnish a replacement security no later than (Date), or the bank must pay the full amount of the LOC to the BLM.

Authorized Officer

Distribution:  
Obligor  
Financial Institution