



## LETTER FROM OWNER/OPERATOR REFERRING TO EXECUTED LETTER OF CREDIT

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October 7, 2014

Con 12-1-1  
Doc # 81538

Iowa Department of Natural Resources  
Planning, Permitting & Engineering Services  
Wallace State Office Building  
502 East 9<sup>th</sup> Street  
Des Moines, IA 50319

31-SOP-17-12

Dear Sir or Madam:

This letter shall serve as notice, pursuant to IAC 567 Chapter 105.14(5)"d", That Dupaco Community Credit Union is providing financial assurance by Letter of Credit No. 500165741 established on October 7, 2014 for Midwest Organic Solutions, LLC in an amount of one hundred thousand dollars (\$100,000) lawful money of the United States. These funds are restricted for closure care of the Midwest Organic Solutions, LLC property located at 10166 Hartbecke Rd., Farley, IA 52046

The name and Address of the lending institution is as follows:

Dupaco Community Credit Union

**Institution**

3299 Hillcrest Rd

**Address**

Dubuque, IA 52004

**City, State**

(563) 557-7600, ext. 203

**Phone**

A copy of the executed Letter of Credit has been enclosed with this correspondence and a copy has been retained in our office.

If you have any questions regarding this letter or the executed Letter of Credit, please contact Pete Weber, (563) 557-7600, ext. 2815.

Sincerely,

Pete Weber

Enclosure

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# **SOLID WASTE COMPOSTING FACILITY IRREVOCABLE LETTER OF CREDIT**

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Letter of Credit No.: 500165741

Date: October 7, 2014

This Irrevocable Letter of Credit is being provided to Borrower, Midwest Organics Solutions, LLC by Lender, Dupaco Community Credit Union for the exclusive purpose of meeting financial assurance requirements required by the Iowa Department of Natural Resources, "IDNR", as set forth in IAC 567 Chapter 105.14 for closure care of Midwest Organics Solutions, LLC property located at 10166 Hartbecke Rd, Farley, IA 52046.

Pursuant to IAC 567 Chapter 105.14(5)"d", Dupaco Community Credit Union hereby certifies to IDNR that, as the issuing institution, has the authority to issue Letters of Credit and that their operations are regulated and examined by a Federal or State Agency. The Letter of Credit in this matter is issued for a sum of up to an aggregate amount not to exceed one hundred thousand dollars (\$100,000.00) lawful money of the United States.

This irrevocable Letter of Credit is effective as of October 7, 2014, and shall expire on October 7, 2015. However, the said expiration date shall be automatically extended for a period of at least one year from the original expiration date or thereafter from any extended expiration date, unless at least 90 days prior to such date, Dupaco Community Credit Union notifies Midwest Organic Solutions, LLC and IDNR in writing, by certified mail, that the Dupaco Community Credit Union elects not to renew the Letter of Credit for such additional period.

Within 60 days of receipt of such notification, as evidence by the signed return receipt, Midwest Organic Solutions, LLC shall provide IDNR adequate proof of alternative financial assurance in accordance with IAC 567 Chapter 105.14. If Midwest Organic Solutions, LLC does not extend the expiration date or establish alternative financial assurance within 60 days after receipt of an expiration or submit a cancellation notice by Dupaco Community Credit Union, the issuer of the Letter of Credit shall deposit a sum equal to the full available to be drawn under the Letter of Credit into a secured trust fund established by the Borrower. The provision of funds by the issuer of the Letter of Credit shall be considered an issuance of a loan to the Borrower, and the terms of that loan shall be governed by this Letter of Credit or subsequent agreement with Dupaco Community Credit Union. The Lender and Borrower acknowledge that each will be bound by the further requirements of IAC 567 Chapter 105.14(5)"d" in the event that proof of alternate financial assurance is not provided.

In the event that either Lender or Borrower is purchased by another entity, the subsequent entity shall assume all responsibilities under this Letter of Credit. Neither party shall take any action which may prevent it from fulfilling its responsibilities under this Letter of Credit, including, but not limited to, altering its business practices to render incapable of making payments or provide guarantees as provided for herein.

We undertake to promptly honor your sight draft(s) drawn on us, indicating our Credit No. 500165741 for all or part of this Credit if presented to our office on or before the expiry date or any automatically extended expiry date. The IDNR may draw on this Letter of Credit in full or in part.

Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of Dupaco Community Credit Union under this Letter of Credit is the individual obligation of Dupaco Community Credit Union and is in no way contingent upon reimbursement with respect thereto.

In witness thereof, the Lender and Borrower have executed this Letter of Credit under their respective hands and seals, this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

The persons whose signatures appear below hereby certify that they are authorized to execute this Letter of Credit on behalf of the Borrower and Lender.

Midwest Organic Solutions LLC  
**Borrower** [Corporate Seal]  
Signature: [Signature]  
Name: DAVE HERMSER Title: Member/Manager  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

Dupaco Community Credit Union  
**Lender** [Corporate Seal]  
Signature: [Signature]  
Name: Peter J. Welch Title: V.P. Business Lending  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_