

RECLAMATION BOND AGREEMENT

A Reclamation Bond is hereby given by _____ as principal and _____, as Indemnifier, to the Arkansas Department of Environmental Quality (the "Department") in the form marked below (hereinafter referred to as the "Bond")

____ Surety Bond

____ Certificate of Deposit

____ Irrevocable Letter of Credit

WHEREAS, the Principal has shown interest to the Department for the granting of a permit to conduct open-cut mining and reclamation operations within the State of Arkansas in accordance with the Arkansas Open-Cut Land Reclamation Act (the "Act") and the regulations promulgated thereunder (the "Code"), as evidenced by the application documents (hereinafter referred to as the "Application") which includes a map of the area to be affected (the "Mining Area") submitted to the Department; and

WHEREAS, the granting of the Permit is conditioned on the Principal's giving bond to insure the reclamation of the Mining Area; and

WHEREAS, the Indemnifier agrees to be bound to the Department for the payment of a certain sum in the event the Principal fails to perform in accordance with the Act and the Code, and to the applicable requirements of the Act and the Code; and

WHEREAS, the Department agrees to accept this Bond (Attachment I) as sufficient surety of performance by the Principal, subject, however, to the Department's right to adjust the amount of the bond as the acreage in the Mining Area is revised, methods of mining operation change, standards of reclamation change, or when the cost of future reclamation, restoration, or abatement work changes;

Now, therefore, it is agreed as follows:

1. The Principal and the Indemnifier are bound into the Department in the sum of _____ (the "Bond Amount"), for the payment of which the Principal and Indemnifier hereby jointly and severally bind themselves, their respective successors and assigns.
2. The Bond cannot be canceled or withdrawn without giving at least ninety (90) days notice of such intent to the Department. In no event shall the Bond be canceled or withdrawn on a Mining Area that at the time of cancellation has become affected land under the provisions of the Act or the Code.
3. The Indemnifier will give prompt notice to the Principal and the Department of inability of the Indemnifier for any reason to fulfill its obligations under this agreement.
4. The condition of this obligation is such that if the Principal promptly and faithfully performs all the requirements of the Act, the Code, and the approved plan of reclamation upon completion of mining, then this obligation shall be terminated by notice from the Department; but otherwise this obligation shall remain in full force and effect.
5. The Indemnifier will honor the Department's request up to the aggregate amount of the bond upon proof of forfeiture and formal request by the Director of the Department.
6. This agreement is an Arkansas agreement, and is to be construed in accordance with and governed by Arkansas law.

IN WITNESS WHEREOF, the parties hereto have set their hand and seals.

Principal: _____

Indemnifier: _____

Officer signature: _____

Officer signature: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED BY:

Arkansas Department of Environmental Quality

Representative signature: _____

Title: _____

Date: _____