

CASH BOND AGREEMENT

A cash reclamation bond is hereby given by

Name of Principal

as Principal to the Arkansas Department of Environmental Quality (the "Department").

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 Surface Coal Mining and Reclamation Act (the "Act") and the regulation promulgated thereunder (the "Regulation"), as evidenced by the application documents submitted with this Reclamation Bond to the Department; and

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

WHEREAS, the Department agrees to accept this Cash Bond in the amount of

_____ dollars
(\$ _____) 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 condition of this obligation is such that if the Principal promptly and faithfully performs all the requirements of the Act, the Regulation, 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.
2. This Cash Bond will be forfeited upon notice of bond forfeiture signed by the Director of the Department for failure of the Principal to perform all of the requirements of the Act, the Regulation and the approved plan of reclamation.
3. 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:

Principal

Signature of Officer

Name of Officer

Title of Officer

Date: _____

Arkansas Department of Environmental Quality

Representative's Signature

Name of Representative

Title of Representative

Date: _____