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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

*Mine file*

Norman H. Bangerter  
Governor  
Dee C. Hansen  
Executive Director  
Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

May 25, 1990

Mr. Tom Coleman, Vice President  
Zions First National Bank  
Loan Department  
P. O. Box 25822  
Salt Lake City, Utah 84125

Dear *Tom* Mr. Coleman:

Re: Assignment of Certificate of Deposit, Sunnyside Reclamation and Salvage, Inc., Sunnyside Mine, ACT/007/007, Folder #4, Carbon County, Utah

Enclosed are three originals of the agreement entitled "Assignment of Certificate of Deposit and Deposited Money as Collateral Security" for Sunnyside Reclamation and Salvage, Inc. Please sign all copies and complete the information, "C.D. Number" and "Issuance Date" on the first page. Keep one original for your files and return the other originals to Sunnyside Reclamation and Salvage, Inc. and the Division (envelopes enclosed).

Thank you for your assistance with this matter.

Best regards,

Dianne R. Nielson  
Director

PGL/djh  
Enclosures (3)  
cc: L. Braxton, DOGM  
P. Grubaugh-Littig, DOGM  
Mine File  
AT45/123

ASSIGNMENT OF CERTIFICATE OF DEPOSIT  
AND DEPOSITED MONEY AS COLLATERAL SECURITY

THIS AGREEMENT is made this 30th day of March, 1990, by and among the UTAH DIVISION OF OIL, GAS & MINING ("DOGM"); SUNNYSIDE RECLAMATION & SALVAGE, INC., a Colorado corporation, with its principal place of business at 1113 Spruce Street, Boulder, Colorado 80302 ("Operator"); and ZIONS FIRST NATIONAL BANK, a National Banking Association authorized to do business in the State of Utah, with its principal place of business at Salt Lake City, Utah 84125 ("Bank").

WHEREAS, Operator desires to assign and pledge the following Certificate of Deposit issued by Bank in the amount indicated (the "CD"):

<u>CD No.</u>	<u>Issuance Date</u>	<u>Dollar Amount</u>	<u>Interest</u>	<u>Maturity Date</u>
Zions First National Bank # _____		\$78,051.37	7.95%	8/27/90

to DOGM and the Office of Surface Mining Reclamation and Enforcement ("OSM"), as collateral security pursuant to Section 7 of the certain Agreement and Release of Reclamation Contract between DOGM and Operator dated August 28, 1989 (the "Agreement"); and

WHEREAS, Bank desires to act as the custodian for the benefit of DOGM and OSM of the money represented by the CD and subject to the terms and conditions contained herein; and

WHEREAS, Bank agrees to hold the money represented by the CD in trust for DOGM and OSM.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Assignment and Pledge. Operator assigns and pledges the CD, any renewals thereof and the deposited money upon which the CD was issued, to DOGM and OSM as collateral security as provided in Section 7 of the Agreement.

2. Operator Authorization to DOGM. Subject to the provisions of Section 5 hereof, Operator hereby authorizes DOGM or OSM to withdraw any portion or all of the money on deposit with Bank pursuant to the CD, at any time and from time to time, to defray environmental control and maintenance costs incurred by DOGM or OSM upon and following a default by Operator in the performance of its reclamation obligations under Permit No. ACT/007/007, Sunnyside Mine, Carbon County, Utah.

3. Operator Authorization to Bank. Operator hereby authorizes Bank, upon written demand by DOGM or OSM, to pay to DOGM or OSM, as is applicable, any portion or all of the money

on deposit with Bank pursuant to the CD, at any time and from time to time, without further notice to, consent of or endorsement by Operator.

4. Extent of DOGM and OSM Rights in the CD and the Deposited Money. Operator does hereby agree, represent and warrant that, except as assigned and pledged herein; the CD and the money thereby represented are assigned and pledged herewith free and clear of any and all liens, encumbrances, pledges, restrictions, security interests and agreements, and will not be sold, assigned, transferred, pledged or promised as a security interest in any manner whatsoever without written consent of DOGM.

5. Bank Fiduciary Responsibilities. Bank hereby acknowledges the assignment and pledge of the CD to DOGM and OSM and agrees to record the assignment upon the backs of the CD and upon the books of Bank. Further, Bank acknowledges and agrees that it shall hold the moneys represented by the CD as a fiduciary custodian and agent for DOGM and OSM and shall be liable to DOGM and OSM for any and all losses to the principal amount of the CD caused in any manner whatsoever during the term of this Assignment. No withdrawal will be permitted prior to the maturity date of the existing CD (August 27, 1990). On August 27, 1990, the deposited money upon which the CD was issued will be automatically transferred by the Bank to a Bank Money Market Account so that withdrawals may thereafter be made by DOGM or OSM, as is applicable, at any time without penalty.

6. Bank Waiver of Setoff and Lien Rights. Bank hereby waives, for the duration of this Assignment, all rights of setoff or liens or any other claims which it now has or might, in the future, have against the CD, the deposited money upon which the CD was issued, and the deposited money standing in the Bank Money Market Account. Any conditions pertaining to the CD to the contrary are hereby expressly rescinded.

7. Bank's Obligation to Hold Deposited Money. Bank hereby agrees to hold the deposited money in the Bank Money Market Account until DOGM releases the Operator in writing from its obligations under the Agreement.

8. Interest. Bank agrees to collect, from time to time, all interest on the CD and the deposited money standing in the Bank Money Market Account and pay the same, when and as collected, as agent for DOGM and OSM, to Operator.

9. Delay in Enforcement of Rights. Bank and Operator agree that any delay by DOGM or OSM in enforcing its rights to the CD or the deposited money standing in the Bank Money Market Account pursuant to the Agreement shall not affect DOGM's or OSM's rights in the CD or the deposited money.

10. Termination of Assignment. This Assignment shall terminate upon written release by DOGM.

11. Amendment. This Assignment may be amended only by written instrument signed by DOGM.

12. Governing Law. This Assignment is made in, and shall be governed by and construed in accordance with the laws of, the State of Utah.

13. Headings. The paragraph headings herein are for descriptive purposes only and are intended to have no legal force or effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals, intending to legally bind themselves, their heirs, executors, administrators, successors, or assigns, the day and year first written above.

SUNNYSIDE RECLAMATION & SALVAGE, INC.

ATTEST:

By: *Kenneth R. Oldham*  
Kenneth R. Oldham  
Assistant Secretary

By: *James T. Cooper*  
James T. Cooper, President

ZIONS FIRST NATIONAL BANK

By: \_\_\_\_\_  
Vice President

UTAH DIVISION OF OIL, GAS & MINING

By: *Dianne R. Nielson*  
Director *5/25/90*



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
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Norman H. Bangerter  
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355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

*mine file*

May 25, 1990

Mr. James T. Cooper, President  
Sunnyside Mines, Inc.  
The Registry  
1113 Spruce Street  
Boulder, Colorado 80302

Dear *Jim* Mr. Cooper:

Re: Assignment of Certificate of Deposit, Sunnyside Reclamation and Salvage, Inc., Sunnyside Mine, ACT/007/007, Folder #4, Carbon County, Utah

This is to inform you that the Division has signed the agreement entitled "Assignment of Certificate of Deposit and Deposited Money As Collateral Security." The originals have been sent to Tom Coleman at Zions First National Bank with instructions that he will return a fully executed original to you.

Thank you for your help with this matter.

Best regards,

Dianne R. Nielson  
Director

PGL/djh  
cc: L. Braxton, DOGM  
P. Grubaugh-Littig, DOGM  
Mine File  
AT45/122