

HIDDEN SPLENDOR RESOURCES, INC.

57 West 200 South, Suite 400
Salt Lake City, Utah 84101
(801) 521-3292
(801) 521-3301 (Fax)

August 1, 2003

Ms. Pamela Grubaugh-Littig
Permit Supervisor
State of Utah
Department of National Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Original to

triproof

cc:

8/007/020

Re: Reclamation Bond

Dear Pamela:

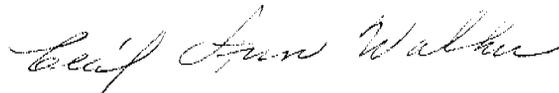
Hidden Splendor Resources, Inc. ("HRS") is submitting a request for a ^{SUBSTITUTION *CAW*} ~~substitution~~ on our reclamation bond. We would like to exchange our letter of credit with Bank One to a Trust Deed on our Condo in the American Towers Project.

Have enclosed the following Exhibits:

- A. Copy of letter of credit;
- B. Deed of Trust;
- C. Title commitment;
- D. Certificate of Liability Insurance policy for American Towers Building;
- E. Certificate of Liability Insurance policy on Personal Liability on Condo; and,
- F. Reclamation Agreement

Please call me with any questions or comments you may have.

Yours truly,



Cecil Ann Walker
President Hidden Splendor Resources, Inc.

CAW:dmr
Enclosures

EXHIBIT "A"



Bank One, NA
Global Trade Services
One Bank One Plaza
Mail Code IL1-0236
Chicago, IL 60670
Tel: (800) 634-1969 Fax: (312) 954-0203
SWIFT: FNBCUS44
Telex: ITT4330253 FNBCUI

DATE: MAY 14, 2003

BENEFICIARY:
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 WEST NORTH TEMPLE, SUITE 1210
SALT LAKE CITY, UT 84114

DRAFTS DRAWN MUST BE MARKED:
WITH OUR REF 00335483
OPENER'S REFERENCE NO. 00335483

GENTLEMEN:

BY THE ORDER OF:

APPLICANT:
ALEXANDER H. WALKER, JR.
AND CECIL ANN WALKER
FBO HIDDEN SPLENDOR RESOURCES, LTD.
57 WEST 200 SOUTH, SUITE 400
SALT LAKE CITY, UT 84101

WE HEREBY ISSUE OUR IRREVOCABLE CREDIT NO. 00335483 IN YOUR FAVOR FOR THE ACCOUNT OF ALEXANDER H. WALKER, JR. AND CECIL ANN WALKER FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLAR 342,000.00 (THREE HUNDRED FORTY TWO THOUSAND AND NO/100 U.S. DOLLARS) AVAILABLE BY YOUR DRAFTS AT SIGHT ON BANK ONE, NA, CHICAGO, ILLINOIS EFFECTIVE MAY 14, 2003 AND EXPIRING AT OUR COUNTERS ON APRIL 15, 2004.

FUNDS UNDER THIS CREDIT ARE AVAILABLE AGAINST YOUR DRAFT (S) MENTIONING OUR CREDIT NUMBER.

YOUR SIGNED AND DATED STATEMENT READING AS FOLLOWS:

"PURSUANT TO R645-301-800, HIDDEN SPLENDOR RESOURCES LTD., IS IN VIOLATION OF THE SURFACE MINING CONTROL AND RECLAMATION ACT THE REGULATORY SYSTEM THE PERMIT AND RECLAMATION PLAN."

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE (1) YEAR FROM THE EXPIRY DATE HEREOF OR ANY FUTURE EXPIRY DATE UNLESS AT LEAST NINETY (90) DAYS PRIOR TO SUCH EXPIRATION DATE WE NOTIFY YOU BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED OR HAND DELIVERED COURIER, THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD.

THE CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE-PUBLICATION NO.500.

(CONTINUED)

PAGE 1 OF 2



Bank One, NA
Global Trade Services
One Bank One Plaza
Mail Code IL1-0236
Chicago, IL 60670
Tel: (800) 634-1969 Fax: (312) 954-0203
SWIFT: FNBCUS44
Telex: ITT4330253 FNBCUI

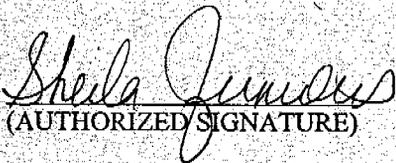
OUR REF: 00335483

DATE: MAY 14, 2003

WE ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN CONFORMITY WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION IF PRESENTED TO: BANK ONE, NA, ATTN: STANDBY LETTER OF CREDIT UNIT, 300 S. RIVERSIDE PLAZA, MAIL CODE IL1- 0236, CHICAGO, IL 60606-0236, ON OR BEFORE THE EXPIRY DATE. THE ORIGINAL LETTER OF CREDIT AND AMENDMENT(S), IF ANY, MUST ACCOMPANY THE DOCUMENTS REQUIRED UNDER THIS CREDIT.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS LETTER OF CREDIT TO BANK ONE, NA, ATTN: STANDBY LETTER OF CREDIT UNIT, 300 S. RIVERSIDE PLAZA, MAIL CODE IL1-0236, CHICAGO, IL 60606-0236, MENTIONING OUR REFERENCE NUMBER AS IT APPEARS ABOVE.

VERY TRULY YOURS,


(AUTHORIZED SIGNATURE)

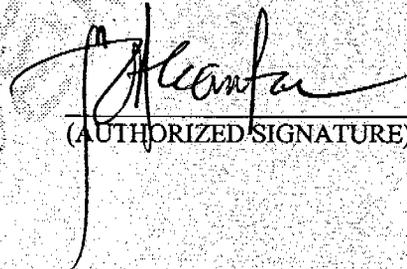

(AUTHORIZED SIGNATURE)

EXHIBIT "B"

MNT: 03036268

WHEN RECORDED MAIL TO:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS & MINING
1594 West South Temple, Suite 1210
Salt Lake City, Utah 84114-5802

Parcel Number: 15-01-283-325

DEED OF TRUST

With Assignment of Rents

This Deed of Trust with Assignment of Rents, made this _____ day of July 2003, between ALEXANDER H. WALKER, JR. and CECIL ANN WALKER, husband and wife, as TRUSTORS, whose address is 48 West 300 South, #2404N, Salt Lake City, Utah 84101, METRO NATIONAL TITLE, as TRUSTEE, and STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL, GAS & MINING, as BENEFICIARY whose address is 1594 West South Temple, #1210, Salt Lake City, Utah 84114-5802.

WITNESSES: That Trustors CONVEY AND WARRANT TO TRUSTEE IN TRUST, WITH POWER OF SALE, the following described property, situated in Salt Lake County, State of Utah:

LEGAL DESCRIPTION IS ATTACHED HERETO AS EXHIBIT "A"
AND BY THIS REFERENCE IS MADE A PART HEREOF

Together with all buildings, fixtures and improvements thereon and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter used or enjoyed with said property, or any part thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits;

FOR THE PURPOSE OF SECURING (1) timely completion of the reclamation obligations for the Horizon Mine in Carbon County, Utah; Permit No. C/007/020, as evidenced by the Reclamation Contract dated June 11, 2003, which obligates the Trustors to perform reclamation as set forth therein or to forfeit and pay to the Beneficiary the cost of said reclamations in an amount of \$342,000.00, together with any additional amount required pursuant to any extensions and/or renewals or modifications thereof; (2) the performance of each agreement of Trustor herein contained; (3) and the payment of such additional sums as may be required as a result of mining I operations and the consequent reclamation obligations for the Horizon mine hereafter.

TO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR AGREES:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting said property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to do all other acts which from the character or use of said property may be reasonably necessary, specific enumerations herein not excluding the general

2. To provide and maintain insurance, of such type or types and amounts as Beneficiary may require, on the improvements now existing or hereafter erected or placed on said property. Such insurance shall be carried in companies approved by Beneficiary with loss payable clauses in favor of and in form acceptable to Beneficiary. In the event of loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to

thereof, may be applied by Beneficiary, at its option, to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event that the Trustor shall fail to provide satisfactory hazard insurance, the Beneficiary may procure, on the Trustor's behalf, insurance in favor of the Beneficiary alone. If insurance cannot be secured by the Trustor to provide the required coverage, this will constitute an act of default under the terms of this Deed of Trust.

3. To deliver to, pay for and maintain with Beneficiary until the indebtedness secured hereby is paid in full, such evidence of title as Beneficiary may require, including abstracts of title or policies of title insurance and any extensions or renewals thereof or supplements thereto.

4. To appear in and defend any action or proceeding purporting to affect the security hereof, the title to said property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.

5. To pay at least 10 days before delinquency all taxes and assessments affecting said property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with said property; to pay, when due, all encumbrances, charges, and liens with interest, on said property or any part thereof, which at any time appear to be prior or superior hereto; to pay all costs, fees, and expenses of this Trust.

6. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title, employ counsel, and pay his reasonable fees.

7. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate of TEN PERCENT (10.0%) per annum on the unpaid balance, and the repayment thereof shall be secured hereby.

IT IS MUTUALLY AGREED THAT:

8. Should said property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorney's fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require.

9. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Deed of Trust and the note for endorsement (in case of full reconveyance, for cancellation and retention) without affecting the liability of any person for the payment of the indebtedness secured hereby, and without releasing the interest of any party joining in this Deed of Trust, Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; (d)

grant any extension or modification of the terms of this loan; (e) reconvey, without warranty, all or any part of said property. The grantee in any reconveyance may be described as "the person or persons entitled thereto", and the recitals therein of any matters of facts shall be conclusive proof of the truthfulness thereof. Trustor agrees to pay reasonable trustee's fees for any of the services mentioned in this paragraph.

10. As additional security, Trustor hereby assigns to Beneficiary, during the continuance of these trusts, all rents, issues, royalties, and profits of the property affected by this Deed of Trust and of any personal property located thereon. Until Trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties, and profits earned prior to default as they become due and payable. If Trustor shall default as aforesaid, Trustor's right to collect any of such moneys shall cease and Beneficiary shall have the right, with or without taking possession of the property affected hereby, to collect all rents, royalties, issues, and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such moneys shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Deed of Trust to any such tenancy, lease or option.

11. Upon any default by Trustor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect said rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

12. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of said property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

13. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent default.

14. Time is of the essence hereof. Upon default by Trustor in the performance of any obligation of the Reclamation Contract, or any agreement hereunder, the Beneficiary may after notice and opportunity for hearing before the Board of Oil, Gas and Mining, and a finding by the Board that the Trustors have failed to cure the default within 30 days, find the trustors to be in default. In the event of such default, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause said property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein said property or some part or parcel thereof is situated. Beneficiary also shall deposit with Trustee, the note and all documents evidencing expenditures secured hereby.

15. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property on the date and at the time and place designated in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Trustor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the sale from time to time until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, if the sale is postponed for longer than one day beyond the day designated in the notice of sale, notice thereof shall be given in the same manner

as the original notice of sale. Trustee shall execute and deliver to the purchaser its Deed conveying said property so sold, but without any covenant of warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale to payment of (1) the cost and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees; (2) cost of any evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at twelve percent (12.00%) per annum from date of expenditure; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the County Clerk of the county in which the sale took place.

16. Upon the occurrence of any default hereunder, Beneficiary shall have the option to declare all sums secured hereby immediately due and payable and foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recover in such proceedings all costs and expenses incident thereto, including a reasonable attorney's fee in such amount as shall be fixed by the court.

17. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of each county in which said property or some part thereof is situated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed to all the powers, duties, authority and title of the trustee named herein or of any successor trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

18. This Deed of Trust shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including any pledgee, of the note secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

19. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

20. This Deed of Trust shall be construed according to the laws of the State of Utah.

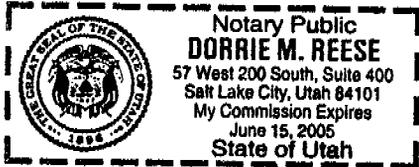
21. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

TRUSTORS: 
ALEXANDER H. WALKER, JR.


CECIL ANN WALKER

STATE OF UTAH)
)ss.
COUNTY OF SALT LAKE)

On the 1ST day of ^{August}~~July~~ 2003, personally appeared before me ALEXANDER H. WALKER, JR. and CECIL ANN WALKER, the signers of the foregoing instrument, who upon being duly sworn, did acknowledge to me that they executed the same.



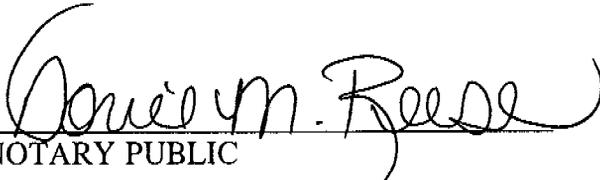

NOTARY PUBLIC

EXHIBIT "C"



July 17, 2003

Pam Grubaugh-Littig
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Cecil Ann Walker
Metro File Number: 03036268

Dear Ms. Grubaugh-Littig:

At the request of Ann Walker, this office has prepared a title commitment on the condominium unit owned by her and her husband in the American Towers Project the original of which you will find enclosed herewith.

Please call me if you have any questions.

Sincerely,

Metro National Title Company

A handwritten signature in dark ink, appearing to read "R. Pipella", written over a horizontal line.

Rodney M. Pipella
Commercial Escrow Officer.

Cc: Ann Walker

CHICAGO TITLE INSURANCE COMPANY

Red P.

SCHEDULE A

ORDER NO.: 03036268

1. Effective date: JULY 10, 2003 at 7:45 a.m.
2. Policy or policies to be issued: Amount of insurance Rate Type REISSUE

A. ALTA Owners Policy (10-17-92)
Proposed insured:

B. ALTA Loan Policy (10-17-92) \$ 342,000.00 \$ 958.00
Proposed insured:

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES,
DIVISION OF OIL, GAS & MINING

Other coverages and/or charges:

| | | | |
|-------------------|-----------------|----|-------|
| ENDORSEMENT 100 | FOR LOAN POLICY | \$ | 20.00 |
| ENDORSEMENT 116.2 | FOR LOAN POLICY | \$ | 10.00 |
| ENDORSEMENT 8.1 | FOR LOAN POLICY | \$ | 15.00 |

3. The estate or interest in the land described or referred to in the Commitment and covered herein is:

FEE SIMPLE

4. Title is at the effective date vested in:

ALEXANDER H. WALKER, JR. and CECIL ANN WALKER,
husband and wife

5. The land referred to in this commitment is in the STATE OF UTAH, County of SALT LAKE, and is described as follows:

Unit No. R-2404-N, contained within the AMERICAN TOWERS CONDOMINIUM, as the same is identified in the Record of Survey Map, and in the Declaration of Covenants, Conditions and Restrictions and Bylaws of the AMERICAN TOWERS CONDOMINIUMS, recorded in Salt Lake County, Utah, on July 30, 1982, as Entry No. 3697665, in Book 5400, at Page 292, and in Book 82-7 of Plats, at Page 64 of Official Records.

TOGETHER WITH: (a) The undivided ownership interest in said

CHICAGO TITLE INSURANCE COMPANY

CONTINUATION SHEET

SCHEDULE A

ORDER NO.: 03036268

Condominium Project's Common Areas and Facilities which is appurtenant to said Unit, (the referenced Declaration of Condominium providing for periodic alteration both in the magnitude of said undivided ownership interest and in the composition of the Common Areas and Facilities to which said interest relates); (b) The exclusive right to use and enjoy each of the Limited Common Areas which is appurtenant to said Unit, and (c) The non-exclusive right to use and enjoy the Common Areas and Facilities included in said Condominium Project (as said Project may hereafter be expanded) in accordance with the aforesaid Declaration and Survey Map (as said Declaration and Map may hereafter be amended or supplemented) and the Utah Condominium Ownership Act.

Property Address:

48 WEST 300 SOUTH #2404N
SALT LAKE CITY, UT 84101

CHICAGO TITLE INSURANCE COMPANY

SCHEDULE B - SECTION 1

ORDER NO. : 03036268

COMMITMENT NO. : C-9912-36268

REQUIREMENTS

THE FOLLOWING REQUIREMENTS MUST BE MET AND COMPLETED TO THE SATISFACTION OF THE COMPANY BEFORE ITS POLICY OF TITLE INSURANCE WILL BE ISSUED:

[General Requirements]

1. Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest, mortgage or lien to be insured.
2. Furnish proof of payment of all bills for labor and material furnished or to be furnished in connection with improvements erected or to be erected.
3. Pay all general and special taxes now due and payable.
4. Any matter in dispute between you and the Company may be subject to arbitration as an alternative to court action pursuant to the rules of the American Arbitration Assoc. or other recognized arbitrator a copy of which is available on request and can be obtained from the Company. Any decision reached by arbitration shall be binding upon both you and Company. The arbitration award may include attorney's fees if allowed by state law and may be entered as a judgment in any court of proper jurisdiction.
5. This Commitment will be subject to Defects, liens, encumbrances, adverse claims or other matters, if any created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date of the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment if not cleared prior to recordation of the insured interest.

(X) RECORD INSTRUMENT CONVEYING OR ENCUMBERING THE ESTATE OR INTEREST TO BE INSURED, BRIEFLY DESCRIBED AS:

[Specific Requirements]

1. Payment of any Owners Dues which may have been assessed, clearing Exception No. 1B, shown herein.

ORDER NO. : 03036268 CHICAGO TITLE INSURANCE COMPANY COMMITMENT NO. : C-9912-36268

CONTINUATION SHEET
SCHEDULE B - SECTION 1

ORDER NO. : 03036268

COMMITMENT NO. : C-9912-36268

REQUIREMENTS: (Continued)

2. Trust Deed to secure your loan.

PLEASE DIRECT ANY TITLE INQUIRIES CONCERNING THIS COMMITMENT TO:
Aaron Brand (801) 363-6633PLEASE DIRECT ANY ESCROW INQUIRES CONCERNING THIS COMMITMENT TO:
Rod Pipella (801) 363-6633NOTE! The following names have been checked for Judgments,
Federal Tax Liens and Bankruptcies.ALEXANDER H. WALKER, JR.
CECIL ANN WALKERTHE UNDERWRITER DESIGNATED FOR THIS FILE SHALL BE CHICAGO TITLE
INSURANCE COMPANYNOTICE TO APPLICANT: The land covered herein may be serviced by
districts, service companies and/or municipalities, which assess
charges for water, sewer, electricity and any other utilities,
etc. which are not covered by this report or insured under a title
insurance policy.NOTE: If the applicant desires copies of the documents underlying
any exception to coverage shown herein, the Company will furnish
the same on request, if available, either with or without charge
as appears appropriate.

CHICAGO TITLE INSURANCE COMPANY

SCHEDULE B - SECTION 2

ORDER NO. : 03036268

COMMITMENT NO. : C-9912-36268

EXCEPTIONS:

THE POLICY OR POLICIES TO BE ISSUED WILL CONTAIN EXCEPTIONS TO THE FOLLOWING UNLESS THE SAME ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY:

[Printed Exceptions]

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public record.
2. Any facts, rights, interests or claims which are not shown by the public records, but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) unpatented mining claims; (b) reservations in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

[Special Exceptions]

CHICAGO TITLE INSURANCE COMPANY

CONTINUATION SHEET

SCHEDULE B - SECTION 2

ORDER NO.: 03036268

COMMITMENT NO.: C-9912-36268

SPECIAL EXCEPTIONS: (continued)

7. Lien of Taxes, now accruing as a lien, but not yet due and payable

| | | |
|-------------|--|---------------|
| Year | | 2003 |
| Sidwell No. | | 15-01-283-325 |
| Prior year | | 2002 Paid |
| Amount | | \$2,813.74 |

8. The land described herein is located within the boundaries of Salt Lake City and is subject to any assessments levied thereby.

9. Subject to any Special Assessments contained within Salt Lake City Special Districts including Street Lighting, Curb and Gutter, and Main Street Improvements where applicable.

10. An Ordinance:

| | | |
|-----------|--|---------------|
| Dated | | JULY 17, 1996 |
| Recorded | | JULY 17, 1996 |
| Entry No. | | 6408191 |
| Book/Page | | 7445/1854 |

An Ordinance adopting the City-Wide Transportation Master Plan of 1996.

11. Resolution No. 80 of 2000

| | | |
|-----------|--|-------------------|
| Recorded | | DECEMBER 12, 2000 |
| Entry No. | | 7779133 |
| Book/Page | | 8407/6500 |

A Resolution to create Salt Lake City, Utah Central Business Improvement District No. DA-CBID-00, to authorize the recording of this Resolution and the Notice of Intention to create this District; and related matters.

12. A Petition to Join Special Improvement District No. 38-830

| | | |
|-----------|--|------------------|
| Dated | | OCTOBER 18, 1989 |
| Recorded | | JANUARY 22, 1990 |
| Entry No. | | 4873348 |
| Book/Page | | 6192/1309 |

13. (THE FOLLOWING AFFECTS THE COMMON AREA)

Agreement, including the terms and conditions thereof

| | | |
|----------|--|--|
| Between | | THE REDEVELOPMENT AGENCY OF SALT LAKE CITY |
| And | | THE MAIN PARKING MALL, a Utah corporation |
| Dated | | MAY 7, 1973 |
| Recorded | | OCTOBER 23, 1973 |

CHICAGO TITLE INSURANCE COMPANY

CONTINUATION SHEET

SCHEDULE B - SECTION 2

ORDER NO.: 03036268

COMMITMENT NO.: C-9912-36268

Entry No. | 2577286
Book/Page | 3443/238
Providing | The various owners of certain property and right of way which is subject to an agreement recorded April 25, 1968, in Book 2646, at Page 377, as Entry No. 2240208, and other property owners having an interest in said right of way.

Supplemental Agreement, including the terms and conditions thereof
Between | THE REDEVELOPMENT AGENCY OF SALT LAKE CITY, 21-25 WEST SECOND SOUTH STREET, INC., a Utah corporation, CONTINENTAL BUILDING COMPANY, a Utah corporation
And | MAIN PARKING MALL, a Utah corporation
Dated | OCTOBER 9, 1973
Recorded | OCTOBER 23, 1973
Entry No. | 2577288
Book/Page | 3443/271

The interest of the MAIN PARKING MALL, a Utah corporation, in and to the above mentioned Agreement was assigned to GEORGE ROMNEY & SONS, CO., a Utah Corporation, JACK PULLMAN and HELEN PULLMAN, Trustees, JACK PULLMAN and HENRY PULLMAN, Trustees, JAMES T. IVERS, J.T. FINLEN, MASONIC FOUNDATION OF UTAH, TRACY COLLINS BANK AND TRUST, Trustee, WALKER BANK AND TRUST COMPANY, Trustee, DORIS J. O'BRIEN, ELIZABETH FAY BALDWIN GRAY ALBRIGHT, ELIZABETH B. GRAY, MARGARET E. O'BRIEN, DEIRDRE GRAY DAVIS, ELEANOR O. DAHNKEN, ALEXANDER C. WALLACE, RUTH M. O'BRIEN, CHARLES A. O'BRIEN, COLLEEN R. O'BRIEN, WILLIAM M. O'BRIEN, HELEN PULLMAN, HENRY PULLMAN, JACK PULLMAN, DAVID KEITH, JR., THE RAYBOULD BUILDING INC., nka CALLISTER INVESTMENT COMPANY, a Utah corporation, I.J. WAGNER, LEONA W. PEARLMAN, ABE WAGNER, SAM WELLER and LILA WELLER, by Assignment, dated November 26, 1975, recorded February 10, 1976, as Entry No. 2784491, in Book 4101, at Page 102 of Official Records.

Reference is hereby made to said above referred documents and the record thereof, for further particulars.

14. The effects of that certain Notice of Existence of Contract, dated October 2, 1990, recorded October 5, 1990, as Entry No. 4974649, in Book 6258, at Page 2320, which reads in part as follows:

THE REDEVELOPMENT AGENCY OF SALT LAKE CITY, a public corporation on Salt Lake City, Salt Lake County, State of Utah; 50 WEST BROADWAY ASSOC., a Limited Partnership; AMERICAN PLAZA

CHICAGO TITLE INSURANCE COMPANY

CONTINUATION SHEET

SCHEDULE B - SECTION 2

ORDER NO. : 03036268

COMMITMENT NO. : C-9912-36268

PARKING, INC., a Utah Corporation; AMERICAN SAVINGS, a Federal Savings and Loan Association, through the RESOLUTION TRUST CORPORATION, its Conservator; 47 WEST ASSOCIATION, a Utah Non-Profit Homeowners Association; MUTUAL BENEFIT LIFE HOLDING CORPORATION, a New Jersey Corporation, and RED LION, a California Limited Partnership, have entered into an Agreement which involves rights to use underground parking on the real property.

15. The covenants, conditions, exceptions, terms, liens, restrictions and limitations as contained in the Reciprocal Easement and Maintenance Agreement with Conditions, Covenants, and Restrictions, executed by and between BLOCK 58 ASSOCIATES, a Utah Limited Partnership, A.P. 3 ASSOCIATES, a Utah Limited Partnership, AMERICAN SAVINGS AND LOAN ASSOCIATION, a Utah Corporation, and AMERICAN TOWERS, INC., a Utah Corporation, recorded May 20, 1981, as Entry No. 3566733, in Book 5250, at Page 640, which provide, among other things, that a violation thereof, shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

Said Agreement was amended by that certain Amendment to reciprocal Easement and Maintenance Agreement, dated June 2, 1981, recorded June 5, 1981, as Entry No. 3571928, in Book 5256, at Page 704 of Official Records. Reference is hereby made to the recorded document for further particulars.

Said Agreement was amended by that certain Amendment to Reciprocal Easement and Maintenance Agreement, dated February 12, 1988, recorded February 19, 1988, as Entry No. 4587998, in Book 6005, at Page 591 of Official Records.

16. Memorandum of Agreement Affecting Real Property, including the terms and conditions thereof:

| | | |
|-----------|--|------------------------------------|
| Between | | AMERICAN TOWERS OWNERS ASSOCIATION |
| And | | PACIFICORP |
| Dated | | JUNE 8, 1998 |
| Recorded | | JUNE 4, 1999 |
| Entry No. | | 7375457 |
| Book/Page | | 8283/6070 |

17. Bulk Rate Agreement, including the terms and conditions thereof:

| | | |
|----------|--|-------------------------------|
| Between | | AMERICAN TOWERS HOA |
| And | | TCI CABLEVISION OF UTAH, INC. |
| Dated | | AUGUST 30, 1999 |
| Recorded | | OCTOBER 1, 1999 |

CHICAGO TITLE INSURANCE COMPANY

CONTINUATION SHEET

SCHEDULE B - SECTION 2

ORDER NO. : 03036268

COMMITMENT NO. : C-9912-36268

Entry No. | 7480192
Book/Page | 8313/4493
Providing | basic/expanded basic cable television signals.

18. Covenants, conditions and restrictions and the obligations thereof:

Recorded | JULY 30, 1982
Entry No. | 3697665
Book/Page | 5400/292

Except to the extent that they are exempt therefrom all declarations, covenants or restrictions based upon race, color, religion, sex, handicap, familial status or national origin are deleted herefrom pursuant to Federal Law Title 42, Section 3607 or other applicable federal or state law.

Certificate of Amendment to Bylaws:

Recorded | DECEMBER 18, 1989
Entry No. | 4861015
Book/Page | 6184/1804

Amended Covenants:

Dated | DECEMBER 24, 1991
Recorded | JANUARY 17, 1992
Entry No. | 5184826
Book/Page | 6399/1594

Certificate of Amendment to Bylaws:

Recorded | SEPTEMBER 26, 1995
Entry No. | 6174618
Book/Page | 7235/0008

Contains provision for continuing assessment liens, compliance should be checked by contacting the homeowners association.

EXHIBIT "D"

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

7/29/03

PRODUCER

Fred A. Moreton & Company
 P. O. Box 58139
 Salt Lake City UT 84158-0139
 (801) 531-1234

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY

A Affiliated FM Insurance Company

COMPANY

B

COMPANY

C

COMPANY

D

INSURED

American Towers Owners Assoc.
 Attn: Joe Toronto
 48 West 300 South
 Salt Lake City, UT 84101

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|----------|--|---------------|----------------------------------|-----------------------------------|---|
| | GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT | | | | GENERAL AGGREGATE \$ PRODUCTS-COMP/OP AGG \$ PERSONAL & ADV INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | | COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$ |
| | GARAGE LIABILITY <input type="checkbox"/> ANY AUTO | | | | AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: \$ EACH ACCIDENT \$ AGGREGATE \$ |
| | EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$ AGGREGATE \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL | | | | WC STATUTORY LIMITS OTH-ER EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ EL DISEASE-EA EMPLOYEE \$ |
| A | OTHER Property - Building | TS036 | 7/29/03 | 7/29/04 | Limit: \$95,000,000 Deductible: \$10,000 Special Form, Replacement Cost |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Evidence of Common Area Property Coverage. Certificate holder is named as mortgagee as respects unit #2404N, 48 West 300 South, Salt Lake City, Utah Unit Owners: Alexander H. Walker, Jr. and Cecil Ann Walker Cancellation is 10 days for non-payment of premium.

CERTIFICATE HOLDER

State of Utah
 Dept. Natural Resources
 Division of Oil, Gas & Mining
 1594 West North Temple #1210
 Salt Lake City, UT 84114-5802

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Rosa Perry

ISI

EXHIBIT "E"

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE ISSUED
08/01/2003

PRODUCER
 CHARLES JAMES CAYIAS INS. INC.
 2120 S. 1300 E. #105
 SALT LAKE CITY, UT 84106
 801-488-0085 PHONE 801-463-6683

INSURED
 Walker, Cecil Ann & Alexander H.
 2404 N AMERICAN TOWERS
 SALT LAKE CITY, UT 84101
 801-359-1115

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURER A. AUTO OWNERS INSURANCE
 INSURER B.
 INSURER C.
 INSURER D.
 INSURER E.

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSURANCE TYPE | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|----------------------|---|---------------|----------------------------------|-----------------------------------|---|
| GENERAL LIABILITY | <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR | | | | EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ PERSONAL & ADY INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ |
| | GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | | |
| AUTOMOBILE LIABILITY | <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | | COMBINED SINGLE LIMIT (EA accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| | GARAGE LIABILITY | | | | AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$ |
| | <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$ | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ |
| | <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$ | | | | WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |
| OTHER | | | | | |
| A | CONTENTS | 43034 | 07-31-03 | 07-31-04 | \$100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CONTENTS LOCATED AT 2404 N AMERICAN TOWERS
 SALT LAKE CITY UTAH 84101

CERTIFICATE HOLDER

STATE OF UTAH
 DEPT. NATURAL RESOURCES
 DIVISION OF OIL, GAS & MINING
 1594 WEST NORTH TEMPLE #1210
 SALT LAKE CITY UTAH 84114-5802

ADDITIONAL INSURED; INSURER LETTER:

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER; NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Charles James Cayias
 © ACORD CORPORATION 1988

EXHIBIT "F"

**RECLAMATION AGREEMENT
(COAL)**

**State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340**

Federal

CONTENTS:

Reclamation Agreement

Exhibit "A"
Bonded Area

Exhibit "B"
Bonding Agreement
Surety Bond

Exhibit "C"
Liability Insurance

Affidavits of Qualification

Power of Attorney

Exhibit "D"
Stipulation to Revise Reclamation Agreement

RECEIVED
JUL 01 2003
DIV. OF OIL GAS & MINING

Page 2
Reclamation Agreement
Federal

Permit Number: C/007/020
Date Original Permit Issued: Oct. 10, 1996
Effective Date of Agreement: June 11, 2003

**RECLAMATION AGREEMENT
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
(801) 538-5340**

**COAL RECLAMATION AGREEMENT
-ooOOoo-**

This **RECLAMATION AGREEMENT** (hereafter referred to as "Agreement") is entered into by Hidden Splendor Resources, Inc. (hereafter referred to as the "Permittee") and the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining (hereafter referred to as the "Division").

For the purposes of this **AGREEMENT** the information provided below, shall constitute forms of definition or are for information regarding the Permittee or its operations.

"PERMIT": (Mine Permit No.) C/007/020 (County) Carbon

"MINE": (Name of Mine) Horizon Mine

"PERMITTEE": (Company or Name) Hidden Splendor Resources, Inc.

(Address) 50 West Liberty Street, Suite 880, Reno, Nevada 89501

"PERMITTEE'S REGISTERED AGENT":

(Name) Alexander H. Walker, III

(Address) 57 West 200 South, Suite 400, Salt Lake City, UT 84101

(Phone) (801) 521-3292

"DESIGNATED OFFICIAL TO SIGN BONDING INSTRUMENTS AND PERMIT":

(Name) Cecil Ann Walker

(Phone) (775)322-0626 Reno or (801) 521-3292 Salt Lake City

"BOND TYPE": (Form of Bond) Letter of Credit

"BOND AMOUNT": (Bond Amount-Dollars) \$342,000

(Escalated Year-Dollars) 2006

"BOND NUMBER": 00335483

"INSTITUTION": (Bank or Agency) Bank One

"POLICY OR ACCOUNT NUMBER": Policy # 2916445

"LIABILITY INSURANCE": (Exp.) 06/01/04

(Insurance Company) Lexington Insurance Company

"STATE": Utah

"DIVISION": Oil, Gas and Mining

"DIVISION DIRECTOR": Lowell Braxton

EXHIBITS:

- "BONDED AREA" Exhibit "A"
- "BONDING AGREEMENT" Exhibit "B"
- "LIABILITY INSURANCE" Exhibit "C"
- "STIPULATION TO CHANGE BOND" Exhibit "D"

WHEREAS, the Permittee is ready and willing to file the Bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division pursuant to applicable laws under the permit; and

NOW, THEREFORE, the Division and the Permittee agree as follows:

1. The provisions of SMCRA, the Act and the Regulations are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Regulations and Rules shall supersede conflicting provisions of this Agreement.
2. The Permittee agrees to comply with all terms and provisions of this Agreement, the Permit (which is based upon the approved Permit Application Package), the Act and the Regulations, including the reclamation of all areas disturbed by surface coal mining and reclamation operations, despite the eventuality that the costs of actual reclamation exceeds the Bond Amount.
3. The Permit Application Package includes a legal description of the Bonded Area, including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations during the Permit period. For convenience, a copy of the description of the Bonded Area is attached as Exhibit "A", and is incorporated by reference.
4. The Permittee agrees to provide a Bond to the Division in the form and amount acceptable to the Division ensuring the timely performance of the reclamation obligations in the manner and by the standards set forth in this Agreement, the Permit, (which is based upon the Permit Application Package), the Act and the Regulations. The Bond is attached as Exhibit "B" and is incorporated by reference.
5. The Permittee agrees to maintain in full force and effect the Liability Insurance policy submitted as part of the Permit application and which is described in the attached Exhibit "C". The Division shall be listed as an additional insured on this policy.
6. In the event that the Disturbed Area is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the Bond as appropriate in accordance with applicable law. In the event of material damage to the surface lands, or contamination, diminution or interruption of a protected water supply, caused by subsidence from underground coal mining, the Permittee shall increase the bond amount in any amount as required by the Division in accordance with R645-301-525.550.
7. The Permittee does hereby agree to indemnify and hold harmless the State of Utah and the Division, and their respective employees and agents, from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Permittee or Permittee's

agents or employees failure to abide by the terms and conditions of the approved Permit (which is based upon the approved Permit Application Package), and this Agreement. In the event the Cooperative Agreement is terminated, this paragraph will inure to the benefit of OSM with respect to Federal Lands, and otherwise to the benefit of the Division.

8. The terms and conditions of this Agreement are non-cancelable until such time as the Permittee has satisfactorily, as determined by the Division, reclaimed the Disturbed Area in accordance with this Agreement, the approved Permit (which is based upon the approved Permit Application Package), the Act, and the Regulations. Notwithstanding the above, the Division may direct, or the Permittee may request and the Division may approve a written modification to this Agreement in accordance with applicable law.
9. The Permittee may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the new Bond form meets the requirements of the Act, and the Regulations, but no Bond shall be released until the Division has approved and accepted the replacement Bond.
10. This Agreement shall be governed and construed in accordance with the laws of the state of Utah. The Permittee shall be liable for all reasonable costs incurred by the Division to enforce this Agreement.
11. Any breach of the provisions of this Agreement, the Act, the Regulations, or the Permit (which is based upon the approved Permit Application Package) may, at the discretion of the Division, result in enforcement actions by the Division which include, but are not limited to, an order to cease coal mining and reclamation operations, revocation of the Permittee's Permit and forfeiture of the Bond.
12. In the event of forfeiture of the Bond, the Permittee agrees to be liable for additional costs in excess of the Bond Amount which may be incurred by the Division in order to comply with the Permit (which is based upon the approved Permit Application Package), the Act, and the Regulations. Any excess monies resulting from the forfeiture of the Bond, upon compliance with this Agreement, shall be refunded as directed by the Permittee or, if a dispute arises, as directed by a court of competent jurisdiction by interpleading the funds subject to the dispute.
13. No delay on the part of the Division in exercising any right, power, or privilege, under the Permit, the Bonding Agreement (Exhibit "B") and/or this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege thereof preclude other or further exercise of any right, power or privilege. The provisions of this Agreement are severable, and if any provision of this Agreement, or the application of any provision of this Agreement, to any circumstances is held invalid, the application of such provision to other circumstances, and the remainder of this Agreement, shall not be affected thereby.
14. Each signatory below represents that he/she is authorized to execute this Agreement on

behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached thereto.

SO AGREED this 11th day of June, 2003.

PERMITTEE:

By: [Signature]

Title: Pres

STATE OF UTAH:

[Signature]

Director,
Division of Oil, Gas and Mining

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.

EXHIBIT "C"

Liability Insurance

(Federal Coal)

06-17-2003 09:35AM FROM ALEXANDER H. WALKER

TL

18017988911 P.03

| AGORD | | | | (Last Name) | | |
|---|---|--|-------------------------------|--|--|--|
| Awards of W-Worklog 41 Baylen Road Bayley W 80841 (801) 528-4325 | | | | THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. COMPANIES AFFORDING COVERAGE | | |
| | | COMPANY | | A Lexington Insurance Company | | |
| | | COMPANY | | B | | |
| | | COMPANY | | C | | |
| | | COMPANY | | D | | |
| TYPES TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BY OWNERS ARE SUBJECT TO THE PERSONAL LIABILITY FOR THE POLICIES INDICATED NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR ANY OTHER INSURANCE AFFORDED BY THE POLICIES LISTED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LETTERS BELOW MAY HAVE BEEN DELETED BY PAID CLAIMS. | | | | | | |
| CO LINE | TYPICAL COVERAGE | POLICY NUMBER | POLICY EFFECTIVE DATE (START) | POLICY EXPIRATION DATE (END) | LIMITS | |
| 1 | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIM MADE <input checked="" type="checkbox"/> OCCUR OWNERS & CONTRACTORS EXCL. <input checked="" type="checkbox"/> Includes Director's | 227849 | 08/1/03 | 07/31/06 | GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMM/OP AGG \$ 2,000,000 PERSONAL & ADV. BARTH \$ 1,000,000 BACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 500,000 AUTO EXP (Any one person) \$ | |
| | AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS | | | | COMBOD WHOLE LIMIT \$ BODILY INJURY (Per Person) \$ BODILY INJURY (Per Accident) \$ PROPERTY DAMAGE \$ | |
| | DAMAGE TO RENT ANY AUTO | | | | AUTO ONLY - EA ACCIDENT \$ OWNER WITH AUTO EXCL. EACH OCCURRENCE \$ AGGREGATE \$ | |
| | SPECIAL LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ | |
| | WORKERS COMPENSATION AND EMPLOYERS LIABILITY THE PROPRIETOR/ PARTNER/ DIRECTIVE OFFICERS ARE <input type="checkbox"/> INCL. <input type="checkbox"/> EXCL. OTHER | | | | PER EMPLOYEE PER YEAR \$ \$, EACH ACCIDENT \$ \$, DISEASE-POLICY LIMIT \$ \$, TRUCKER-BA EMPLOYEE \$ | |
| Description of operations, services, or business: With Division of Oil, Gas and Mining as defendant insured General Liability Coverage With Respect to Various Other Parts: 08/1/03/06 | | | | | | |
| With Division of Oil, Gas and Mining 1004 N Fourth Temple Suite 1230 Salt Lake City, UT 84143-0001 | | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL IMMEDIATELY MAIL BY FIRST CLASS REGISTERED MAIL TO THE CERTIFICATE HOLDER NOTICE OF THE CANCELLATION. | | | | |
| | | Alan Barby | | | | |
| CERTIFICATE: 2010017 0000 | | | | | | |

**AFFIDAVITS
OF
QUALIFICATION**

BANK ONE.

Bank One, NA
Global Trade Services
One Bank One Plaza
Mail Code IL1-0236
Chicago, IL 60670
Tel: (800) 634-1969 Fax: (312) 954-0203
SWIFT: FNBCUS44
Telex: ITT4330253 FNBCUI

**AFFIDAVIT OF QUALIFICATION
INSTITUTION (Bank or Agency)**

-ooOoo-

I, Sheila Junious, certify that I am an Operation's Officer of Bank One, NA, main office Chicago, Illinois, and that I am duly authorized to execute and deliver that certain Letter of Credit No. 00335483 in favor of State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining (beneficiary) in the amount of \$342,000.00 for the account of Alexander H. Walker Jr. & Cecil Ann Walker (applicant) and that Bank One, NA, main office Chicago, Illinois is authorized to execute the same and has complied in all respects with the applicable laws governing it in connection with such issuance or undertaking.

Sheila Junious

(Signed)

Acknowledgment

State of Illinois)
County of Cook) ss
)

The foregoing instrument was acknowledged before me this 2nd day of July, 2003, by Sheila Junious the Standby Service Representative of BANK ONE, NA, main office Chicago, Illinois.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public *Toni Wright*

My Commission Expires: November 26, 2005



ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE MAILED
08/01/2003

PRODUCER
CHARLES JAMES CAYIAS INS. INC.
 2120 S. 1300 E. #105
 SALT LAKE CITY, UT 84106
 801-488-0085 PHONE 801-463-6683

INSURED
 Walker, Cecil Ann & Alexander H.
 2404 N AMERICAN TOWERS
 SALT LAKE CITY, UT 84101
 801-359-1115

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INSURERS AFFORDING COVERAGE

INSURER A. **AUTO OWNERS INSURANCE**
 INSURER B
 INSURER C
 INSURER D
 INSURER E

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSTR. TYPE | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|-------------|--|---------------|----------------------------------|-----------------------------------|--|
| | GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GENTL. AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC | | | | EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| | GARAGE LIABILITY <input type="checkbox"/> ANY AUTO | | | | AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$ |
| | EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$ | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY | | | | WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |
| | OTHER A CONTENTS | 43034 | 07-31-03 | 07-31-04 | \$100,000 |

DESCRIPTION OF OPERATION/LOCATION/VEHICLES/EXCLUSIONS AFFORDED BY ENDORSEMENT/SPECIAL PROVISIONS
 CONTENTS LOCATED AT 2404 N AMERICAN TOWERS
 SALT LAKE CITY UTAH 84101

CERTIFICATE HOLDER
 STATE OF UTAH
 DEPT. NATURAL RESOURCES
 DIVISION OF OIL, GAS & MINING
 1594 WEST NORTH TEMPLE #1210
 SALT LAKE CITY UTAH 84114-5802

CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER: NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE


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