ACT/015/025 #5

acord

INSURANCE BINDER

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

Binder No.

NAME AND ADDRESS OF AGENCY

0024

AMERICAN INSURANCE & INVESTMENT CORP.
450 SOUTH 900 EAST, SUITE 200
P.O. BOX 8489
SALT LAKE CITY, UTAH 84108-0489
PHONE (801) 364-3434

COMPANY

NATIONAL UNION

Effective 12:01 a m July 11, 1986 19
Expires [X] 12:01 am [ ] Noon 10/11 19 86

[ ] This binder is issued to extend coverage in the above named company per expiring policy # _____ (except as noted below)

NAME AND MAILING ADDRESS OF INSURED

Co-op Mining Company
53 West Angelo Ave.
Salt Lake City, Utah 84115

Description of Operation/Vehicles/Property

Underground Mining

	Type and Location of Property	Coverage/Perils/Forms	Amt of Insurance	Ded.	Coins. %
PROPERTY		RECEIVED JUL 11 1986 4:45 pm LMB DIVISION OF OIL, GAS & MINING			

LIABILITY

Type of Insurance	Coverage/Forms	Limits of Liability	Each Occurrence	Aggregate
[ ] Scheduled Form [XX] Comprehensive Form		Bodily Injury	$	$
[X] Premises/Operations		Property Damage	$	$
[X] Products/Completed Operations		Bodily Injury & Property Damage Combined	$ 500,000	$ 500,000
[ ] Contractual				
[X] Other (specify below) XCU				
[ ] Med. Pay. $ Per Person $ Per Accident				
[ ] Personal Injury	[ ] A [ ] B [ ] C	Personal Injury		$

AUTOMOBILE

		Limits of Liability	
[ ] Liability [ ] Non-owned [ ] Hired		Bodily Injury (Each Person)	$
[ ] Comprehensive-Deductible $		Bodily Injury (Each Accident)	$
[ ] Collision-Deductible $		Property Damage	$
[ ] Medical Payments $			
[ ] Uninsured Motorist $		Bodily Injury & Property Damage Combined	$
[ ] No Fault (specify):			
[ ] Other (specify):			

[ ] WORKERS' COMPENSATION — Statutory Limits (specify states below) [ ] EMPLOYERS' LIABILITY — Limit $

SPECIAL CONDITIONS/OTHER COVERAGES

NAME AND ADDRESS OF [ ] MORTGAGEE [ ] LOSS PAYEE [ ] ADD'L INSURED

LOAN NUMBER

Division of Oil & Gas Mining
355 West No. Temple - #3 Triad
Suite 350
Salt Lake City, Utah 84810-1203

Craig Symes, Jr. 7/11/86
Signature of Authorized Representative Date

ACORD 75 (11/77-c)

acord CERTIFICATE OF INSURANCE

SET TAB STOPS AT ARROWS

ISSUE DATE (MM/DD/YY): 8-7-85

PRODUCER

AMERICAN INSURANCE & INVESTMENT CORP.
450 SOUTH 900 EAST, SUITE 200
P.O. BOX 8489
SALT LAKE CITY, UTAH 84108-0489
PHONE (801) 364-3434

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 LETTER A	Rockwood Insurance Company
COMPANY LETTER B	Genstar Indemnity
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Co-Op Mining Company
53 West Angelo Ave.
Salt Lake City, Utah 84115

COVERAGES

THIS IS TO CERTIFY THAT 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.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIABILITY LIMITS IN THOUSANDS	EACH OCCURRENCE	AGGREGATE
A	**GENERAL LIABILITY**	GLA294754	4/28/85	4/28/86	BODILY INJURY	$	$
	[X] COMPREHENSIVE FORM				PROPERTY DAMAGE	$	$
	[X] PREMISES/OPERATIONS				BI & PD COMBINED	$ 500,	$ 500,
	[ ] UNDERGROUND EXPLOSION & COLLAPSE HAZARD				PERSONAL INJURY		$
	[ ] PRODUCTS/COMPLETED OPERATIONS						
	[ ] CONTRACTUAL						
	[ ] INDEPENDENT CONTRACTORS						
	[ ] BROAD FORM PROPERTY DAMAGE						
	[ ] PERSONAL INJURY						
	[X] EXPLOSION HAZARD						
	AUTOMOBILE LIABILITY				BODILY INJURY (PER PERSON)	$	
	[ ] ANY AUTO				BODILY INJURY (PER ACCIDENT)	$	
	[ ] ALL OWNED AUTOS (PRIV. PASS.)				PROPERTY DAMAGE	$	
	[ ] ALL OWNED AUTOS (OTHER THAN PRIV. PASS.)				BI & PD COMBINED	$	
	[ ] HIRED AUTOS						
	[ ] NON-OWNED AUTOS						
	[ ] GARAGE LIABILITY						
	EXCESS LIABILITY				BI & PD COMBINED	$ 2,500	$ 2,500
	[ ] UMBRELLA FORM						
B	[X] OTHER THAN UMBRELLA FORM	NEX24521	4/28/85	4/28/86			
	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY		
					$	(EACH ACCIDENT)	
					$	(DISEASE-POLICY LIMIT)	
					$	(DISEASE-EACH EMPLOYEE)	
	OTHER						

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

DIVISION OF OIL AND GAS MINING
355 W. N. TEMPLE
#3 TRIAD CENTER
SUITE 350
SLC, UTAH 84810-1203

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: Craig Symes /mm

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Betty -
Please file
ACT/015/025 #5
Bear Canyon Mine
BOND

(November 1985)

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203
(801) 538-5340

Attach to
Letter of Credit.
Thx.
Pam

COLLATERAL BONDING AND INDEMNITY AGREE

THIS COLLATERAL BONDING AND INDEMNITY AGREEMENT entered into by and between Co-Op Mining Company (hereinafter referred to as "Co-Op") and the Utah Division of Oil, Gas and Mining (hereinafter referred to as "Division"),

W I T N E S S E T H

WHEREAS, Co-Op has obtained Permit No. ACT/015/025 from the Division to conduct mining and reclamation activities at the Bear Canyon Mine in Emery County, Utah, as an underground coal mine under the Utah Coal Mining and Reclamation Act, Utah Code Annotated, 40-10-1, et seq, 1953, as amended ("Act") and implementing regulations; on the disturbed areas designated in Exhibit A; and

WHEREAS, Co-Op wishes to obtain a bond under Collateral Bonding Rule UMC 800.1(c); and

WHEREAS, Co-Op has provided an irrevocable letter of credit issued by Sandy State Bank of Sandy, Utah (Exhibit B), naming the Division as Beneficiary, as collateral to secure this Collateral Bonding and Indemnity Agreement; and

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, Co-Op does hereby agree to be held and firmly bonds to the Division for the sum of $237,545.00 (1990 dollars) for the timely performance of reclamation responsibilities for Permit No. ACT/015/025 in lawful money of the United States. By the submission of this irrevocable letter of credit Co-Op will and truly binds itself, its successors and assigns, jointly and severally, by these presents.

The conditions of the above obligations are such that:

1. Co-Op shall perform all duties and fulfill all requirements applicable to mining and reclamation as set forth in the Act, and regulations adopted pursuant to the Act and the conditions of Permit No. ACT/015/025 issued by the Division.
2. The liability under this Agreement is conditioned upon successful reclamation of the permit area as provided in the Mining and Reclamation Plan for Permit No. ACT/015/025 for a period of time and in the manner specified in the Act and regulations adopted pursuant thereto as amended from time to time, and the conditions set forth in Permit No. ACT/015/025 issued by the Division.

3. Co-Op does hereby jointly and severally agree to indemnify and hold the Division harmless from any claim, demand, liability, cost, charge or suit brought by a third party, as a result of Co-Op's failure to abide by the term and conditions of the Mining and Reclamation Plan as set forth in Permit No. ACT/015/025 and from any failure to comply with the terms of this Agreement.

4. The Division shall give Co-Op notice of any claim and any legal proceedings within the scope of the indemnity set forth at Section 3.

5. Upon successful completion of part or all of the obligations secured hereby, Co-Op may petition the Division for a final release of part or all of the obligations under this Agreement. Upon such petition, the Division shall timely conduct an inspection to ascertain whether the duties and obligations of Co-Op under the Act, regulations adopted pursuant thereto and Permit No. ACT/015/025 have been fulfilled. If such duties and obligations have been fulfilled, the Division shall release Co-Op from part or all of its obligations under this Agreement and shall file notice of such release of collateral held by the Division.

6. This agreement shall be reviewed periodically by the Division, or reviewed upon petition by Co-Op, in accordance with the Act and implementing regulations and the amount of

liability under this agreement may be adjusted upon written agreement between Co-Op and the Division where it is clearly established that the cost of future reclamation has materially changed.

7. This Agreement may be terminated upon ninety (90) days prior written notice to the Division if terminated by Co-Op or upon ninety (90) days written notice to Co-Op if terminated by the Division. Upon such written notification, Co-Op will have ninety (90) days to obtain an alternate form of bond to secure reclamation obligations for Permit No. ACT/015/025 in the same amount as stated in this Agreement or amendments thereto.

SO AGREED this 9th day of November, 1985.

Co-Op Mining Company

By Bill W. Stoddard
President

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

By Dianne R. Nielson
Dr. Dianne R. Nielson
Director

APPROVED AS TO FORM:

Mark C. Moench
Assistant Attorney General

0542R

RECEIVED
NOV 25 1985
DIVISION OF OIL
GAS & MINING

EXHIBIT "A"

LEGAL DESCRIPTION OF DISTURBED AREA FOR BEAR CANYON BOND

Approx. .25 acres located in the corner of the NE quarter of the NE quarter of the NE quarter of Section 26, Township 16 South Range 7 East

Approx. 2 acres located in the SW quarter of the SW quarter of the SW quarter of Section 24, Township 16 S. Range 7 E.

Approx. 7.25 acres located in the W half of the NW quarter of the NW quarter of Section 25, Township 16 South Range 7 E.

Co-Op Canyon File ACT/015/025 #5

(COAL)

RECEIVED

AUG 14 1985

DIVISION OF O
GAS & MIN

CERTIFICATE OF LIABILITY INSURANCE
Issued to: State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining

THIS IS TO CERTIFY, that the GENSTAR INDEMNITY (Name of Insurance Company)
of P.O. BOX 10354, STAMFORD, CT. 06904 (Home Office Address of Company)
has issued to CO-OP MINING COMPANY (Name of Permit Applicant) of
53 WEST ANGELO AVE., SLC, UTAH 84115 (Address of Permit Applicant) Policy No. NEX24521
effective from 4-28-85 19,____ and continuing until cancelled, nonrenewed, or changed as provided herein, which policy provides personal injury and property damage insurance covering the obligations imposed upon such permit applicant with regard to Permit No. _____ according to provisions of the coal mining and reclamation program of Utah (Utah Code Annotated 40-10-1 et seq.), specifically Section UMC/SMC 806.14.

Bodily Injury: Each Occurrence 2,500 Aggregate 2,500
Property Damage: Each Occurrence 2,500 Aggregate 2,500

Underwriting Agent: G. Daniel Bradshaw

Company Name: American Insurance & Investment Phone: 364-3434

Address: P.O. Box 8489, SLC, Utah 84108

The above-named insurance company agrees to notify the Division in writing of any substantive change in the above coverage, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division.

The undersigned affirms that the above information is true and complete to the best of his or her knowledge and belief, and that he or she is an authorized representative of the above-named insurance company.

Aug 9, 1985 Agent George Daniel B. Bradshaw
(Date, Signature, and Title of Authorized Representative of Insurance Company)

Signed and sworn to before me by G. Daniel Bradshaw this the 9th day of August, 1985.

Mary E. McCray
(Notary)

My Commission Expires: 8-22-88

49740

(COAL)

CERTIFICATE OF LIABILITY INSURANCE
Issued to: State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining

THIS IS TO CERTIFY, that the ROCKWOOD INSURANCE COMPANY
(Name of Insurance Company)
of 654 MAIN ST., ROCKWOOD, PA. 15557
(Home Office Address of Company)
has issued to CO-OP MINING COMPANY of
(Name of Permit Applicant)
53 WEST ANGELO AVE., SLC, UTAH 84115 Policy No. GLA294754
(Address of Permit Applicant)
effective from 4-28-85 19,____ and continuing until cancelled, nonrenewed, or changed as provided herein, which policy provides personal injury and property damage insurance covering the obligations imposed upon such permit applicant with regard to Permit No. _____ according to provisions of the coal mining and reclamation program of Utah (Utah Code Annotated 40-10-1 et seq.), specifically Section UMC/SMC 806.14.

Bodily Injury: Each Occurrence 500, Aggregate 500,
Property Damage: Each Occurrence 500, Aggregate 500,

Underwriting Agent: G. Daniel Bradshaw

Company Name: American Insurance & Investment Phone: 801-364-3434

Address: P.O. Box 8489, SLC, Utah 84108

The above-named insurance company agrees to notify the Division in writing of any substantive change in the above coverage, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division.

The undersigned affirms that the above information is true and complete to the best of his or her knowledge and belief, and that he or she is an authorized representative of the above-named insurance company.

Aug 9 1985, Agent G. Daniel Bradshaw
(Date, Signature, and Title of Authorized Representative of Insurance Company)

Signed and sworn to before me by G. Daniel Bradshaw this the 9th day of August, 1985.

Mary E. McVay
(Notary)

My Commission Expires: 8-22-88

49740