SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, that the undersigned __________________________ of __________________________, Principal, and _____________________________________________________, Surety are held and firmly bound unto the State of Tennessee, its successors and assigns in the penal sum of __________________________ Dollars (_________ ) for payment of which well and truly to be paid to the said State of Tennessee, do hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT, WHEREAS, the above named Principal did on the ___ day of _____________ , ______, file with the Mining Section an application to engage in surface mining and reclamation operations in the state of Tennessee; and that in said application the Principal estimates that on the site designated as _______________ , _______ acres of land will be affected by surface mining operations during the period of _______________ following the date of the beginning of the permit issued pursuant to the aforesaid application requiring the bond and by reclamation operations during the period of liability prescribed under T.C.A. § 59-8-209. Said obligation is applicable to the entire permit area specified in the approved application.

NOW, if said Principal shall successfully complete all surface mining and reclamation operations in accordance with the approved reclamation plan pursuant to T.C.A. § 59-8-208 and T.C.A. § 59-8-209 and achieve compliance with all of the requirements of T.C.A. § 59-8-201 et. seq.; regulations lawfully promulgated pursuant to T.C.A. § 59-8-201 et. seq.; the regulatory program and the permit, including the revegetation requirements specified under T.C.A. § 59-8-209, then this obligation shall be void; otherwise, it shall remain in full force and effect.

This bond shall not be cancellable by the Surety at any time for any reason including, but not limited to, non-payment of premium or bankruptcy of the Principal during the period of liability. Surety bond coverage for permitted lands not disturbed may be cancelled with the consent of the Mining Section if the Principal is not in violation on the part of the permitted lands which have been disturbed; provided the Surety gives at least sixty (60) days notice to both the Principal and the Mining Section of the intent to cancel prior to cancellation. Such notice of intent shall be by certified mail and shall not be effective until received by both the Principal and the Mining Section. Cancellation shall not be effective for lands subject to bond coverage which are disturbed after receipt of notice, but prior to approval by the Mining Section. The Mining Section may approve such cancellation only if a replacement bond is filed by the Principal prior to the cancellation date, or the permit is amended so that the surface mining operations approved under the permit are reduced to the degree necessary to cover all the costs attributable to the completion of reclamation operations on the reduced permit area in accordance with T.C.A. § 59-8-201 et. seq. and the remaining performance bond liability.

The Surety shall:

(a) give prompt notice to the Principal and the Mining Section of any notice received or action filed alleging insolvency or bankruptcy of the Surety, or alleging any
violations of regulatory requirements which could result in suspension or revocation of the Surety’s license to do business;

(b) give immediate notice to the Principal and the Mining Section in the event the Surety becomes unable to fulfill its obligation under this instrument.

Upon the incapacity of the Surety by reason of bankruptcy, insolvency or suspension or revocation of its license, the permittee shall be deemed to be without bond coverage in violation of T.C.A. § 59-8-205 and T.C.A. § 59-8-207, and shall discontinue surface mining operations until new performance bond coverage is approved.

In the event of forfeiture, the amount of this obligation shall be confessed to judgment.

_______________________________________________  ______________________
Principal                                      Date

BY____________________________________________        _____________________
Signature                                   Title

STATE OF ______________                  COUNTY OF ______________________

Sworn to and subscribed before me this _________ day of ______________, 20____

_________________________________  MY COMMISSION EXPIRES____________
NOTARY PUBLIC

_______________________________________________  ______________________
Surety                                      Date

BY____________________________________________        _____________________
Signature                                   Title

Sworn to and subscribed before me this _________ day of ______________, 20____

_________________________________  MY COMMISSION EXPIRES____________
NOTARY PUBLIC

(Attach Power of Attorney for Surety Signatory)