STATEMENT AS TO NEGOTIABILITY
OF CERTIFICATE OF DEPOSIT
AND ASSIGNMENT

Name of Bank Issuing Certificate of Deposit:

Name of Applicant for Surface Coal Mining Operation Permit:

       Pursuant to the Alabama Surface Mining Control and Reclamation Act of 1981 and the regulations promulgated thereunder, the above-named applicant for a permit intends to post negotiable certificate(s) of deposit in lieu of surety bond, cash bond, or negotiable securities, and agrees that the State of Alabama shall hold the same, with the absolute right to redeem the same in the event the above said applicant forfeits its bond by failing to meet the reclamation standards of the said laws of Alabama. The said certificate(s) number(s) is: _____. issued by the said Bank on: _____.

       It is agreed that this instrument shall give the State of Alabama Surface Mining Commission the right to receive, in cash funds, the money deposited under this certificate without further assent of the above said Applicant. This right of the State of Alabama as to negotiability is solely under those circumstances where the Applicant fails to meet the reclamation standards set forth in Alabama law.

       It is further agreed pursuant to the requirements of law that the certificate(s) is hereby assigned to the State of Alabama Surface Mining Commission on the books of the bank issuing said certificate(s) and that said bank hereby waives all rights of setoff, liens, or attachments which it presently may have or may in the future acquire against said certificate(s).

       The said Applicant may not redeem this certificate of deposit, while the same is held for reclamation bond, without the written consent of the Director of the said Commission.

AGREED this the _____day of _____ 20____.

_____   _____
On behalf of the Applicant   On behalf of the Bank Issuing the said
                                            Certificate of Deposit

_____   _____
Title of Position   Title of Position

Sworn to and subscribed before me this the _____day of _____20___.

                                     _____
                                     NOTARY PUBLIC
Agreed to and accepted by the State of Alabama

_____
ASMC-26-(08/02)