

**THIRD-PARTY GUARANTEE and  
INDEMNITY AGREEMENT**

Principal-Permittee: \_\_\_\_\_

Permit No.: \_\_\_\_\_

Mine Name: \_\_\_\_\_

Self-Bond Amount: \_\_\_\_\_ Effective Date: \_\_\_\_\_

Third-Party Guarantor: \_\_\_\_\_

This instrument, executed by the above-named Principal-Permittee and Third-Party Guarantor guarantees Principal-Permittee's obligations under the Self-Bond described above.

Upon default by Principal-Permittee in the performance of its obligations under the Texas Surface Coal Mining and Reclamation Act, Texas Natural Resources Code, §134.001 *et seq.* (the "Act"); regulations adopted under the Act, 16 TAC §12.001 *et seq.* (the "Coal Mining Regulations"); and the Permit (including the reclamation plan) as now or hereafter amended, renewed, revised, or replaced, Third-Party Guarantor agrees to either complete performance of Principal-Permittee's obligations or to pay to the Commission an amount necessary to complete performance of such obligations as determined by the Commission. In no event, however, shall the amount paid to the Commission for completion of performance of Principal-Permittee's obligations exceed the amount of the bond as described above.

Third-Party Guarantor agrees that no amendment to existing law, rules or regulations, no adoption of new laws, rules or regulations, and no amendment, renewal, revision, or modification of the Permit (including the reclamation plan) shall in any way alleviate its obligation under this Third-Party Guarantee and Indemnity Agreement and it does hereby waive notice of any such amendment, adoption, renewal, revision, or replacement.

Third-Party Guarantor further agrees to give prompt notice to the Principal-Permittee and the Commission: (1) of any notice received or action filed alleging the insolvency or bankruptcy of the Third-Party Guarantor; (2) of any notice received or action filed alleging the insolvency or bankruptcy of the Principal-Permittee; (3) if it becomes unable, or unwilling, to fulfill its obligations under this Third-Party Guarantee and Indemnity Agreement.

Third-Party Guarantor agrees that it will submit financial information to the Commission during the pendency of this agreement as required by the Act or Coal Mining Regulations within the time period specified in such regulations.

It is agreed that this Third-Party Guarantee and Indemnity Agreement shall be in full force and effect for the duration of the reclamation obligation on the land affected by the Permit (including the reclamation plan) as amended, renewed, revised, or replaced or until the Principal-Permittee is otherwise relieved of its obligation by order of the Commission in accordance with applicable rules or this instrument is canceled in accordance with applicable rules.

Upon request, and upon timely and proper showing by Principal-Permittee, the Commission agrees to release the Principal-Permittee from all or any part of the Self-Bond if the Commission is satisfied that the Principal-Permittee's obligations with respect to some or all of the property covered by the Self-Bond have been accomplished as required in accordance with the Act, the Coal Mining Regulations, and the Permit as

now or hereafter amended, renewed, revised, or replaced.

\_\_\_\_\_  
Third-Party Guarantor

\_\_\_\_\_  
Principal-Permittee

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

Accepted: \_\_\_\_\_

Attest: \_\_\_\_\_

\_\_\_\_\_  
CHAIRMAN, Railroad Commission of Texas

\_\_\_\_\_  
COMMISSIONER, Railroad Commission of Texas

\_\_\_\_\_  
COMMISSIONER, Railroad Commission of Texas

NOTE: The following documents should be provided to the Commission with the original bond instrument: (1) certified corporate resolution and certificate of incumbency, and (2) affidavit certifying that this instrument is valid under all applicable State and Federal laws.