

PROPERTY BOND FOR OPENCUT MINING PERMIT

INSTRUCTIONS

An Operator may use real estate (property and buildings), having legal access, for a Property Bond. The property may be a surveyed tract or a portion of a tract defined by legal description. The property shall not be any part of the proposed permitted site. Due to various costs that may be incurred by the Department in the event of property bond forfeiture, the appraised value of the real estate and the total bond commitment must be at least **35 percent greater than the required bond amount**. Contact the Opencut Section to verify the total bond commitment before beginning the following process to complete a property bond.

1. Submit to Opencut Mining Section:
 - a. A Signed original of the Opencut Mining Permit Property Bond form with the OPERATOR SECTION completed.
 - b. A limited market data appraisal communicated by a restricted report and done by a state licensed or certified appraiser where the Department of Environmental Quality is the client and the appraiser is selected and paid by the operator.
 - c. A plat, certificate of survey, or land ownership map showing the location and boundaries of the property.
 - d. A Title Insurance Policy (not a Lot Book Guarantee) where the policy is made for the amount of the bond, the "State of Montana acting through the Department of Environmental Quality" is the insured party, and the title company is selected and paid by the operator. The Department will accept the bond if the property has a clear title and no encumbrances, or, if encumbrances are shown, a subordination agreement can be obtained from each lien holder putting the Department in first position.
2. Following a field check of the property by the Department, and a signature from the Opencut Section, the form will be returned to the Operator who must then:
 - a. Take the original and a copy of the signed bond form to the Clerk and Recorder in the county where the property is located, have the bond recorded, and obtain a "conformed copy" (documentation of registration and recordation with the Clerk and Recorder).
 - b. Send the conformed copy to the Department.

Upon the Department's receipt of the conformed copy, the bond is considered approved.

DEQ# _____ -OC _____
Permit # _____

Official Use Only

PROPERTY BOND FOR OPENCUT MINING PERMIT

OPERATOR SECTION

All fields must be completed.

In consideration for the issuance of reclamation permit for:

- The site known as Site Name,
- Covering # of acres bonded acres.

The undersigned promise(s) to comply fully with all requirements of said reclamation permit, the Act, and rules adopted there under, and hereby assign(s), transfer(s), and set(s) over to the State of Montana, Department of Environmental Quality (the State) the following real property as security for such performance.

Operator hereby certifies that:

- Name is in possession of and owns legal title to real property situated in this state with unencumbered equity not exempt with the value of \$0.00,
- Described as # of acres acres located in N/S 1/4 or 1/2 E/W 1/4 or 1/2, Section Section, Township Township N/S, Range Range E/W, County County, Montana;

Pursuant to Section 82-4-432(2)(a), MCA, Section and ARM 17.24.203:

- The total bond is \$0.00 which includes:
- \$0.00 to cover the cost of reclaiming the land affected by mining operations pursuant to the act,
- And \$0.00 to reimburse the State for costs incurred in the event of bond forfeiture.

This obligation is executed pursuant to Section 82-4-432(2)(a), MCA, Section, and ARM 17.24.203 and is intended to comply with the requirements thereof. If and when the undersigned comply(ies) with all the requirements of the reclamation permit, the Act, and rules adopted thereunder, and their obligation pursuant to Section 82-4-433(5), MCA, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

The State may at any time after the undersigned fail(s) to fully comply with all requirements of the reclamation permit, the Act, and rules adopted thereunder, and after giving written notice to the undersigned, sell the same at public or private sale with or without the consent of the undersigned, and shall return to the undersigned any money obtained at that sale in excess of the amount of bond due and owing.

The amount stated in bullet 3 that covers the cost of reclaiming the land affected by the mining operations is a penal sum and shall be forfeited in its entirety regardless of the actual damage caused by the failure of the undersigned to fully comply with all requirements of the reclamation permit, the Act, and rules adopted thereunder. In the event forfeiture proceedings are necessary, the legal expenses of the state will be deducted from the amount of the bond stated in paragraph 2 to reimburse the costs of bond forfeiture. These costs include, but are not limited to, attorneys' fees and the cost of legal services provided by employees of the state at their regular salary rates.

OPERATOR SIGNATURE SECTION

Dated this _____ day of _____, _____.

OPERATOR Signature Title

OPERATOR ACKNOWLEDGEMENT

STATE OF MONTANA

County of _____

This instrument was signed or acknowledged before me on _____ day of _____, _____,

by _____.

Notary Signature _____

Notary Public for the State of _____

(Notary Seal)

Residing at _____

My Commission expires _____

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY SECTION

Approved by: State of Montana Department of Environmental Quality

DEQ Legal Counsel Signature Title

Date

Mining Bureau Signature Title

Date

CLERK AND RECORDER SECTION

STATE OF MONTANA

County of _____

Filed for record this _____ day of _____, _____, at _____

o'clock _____ **AM / PM** . and recorded in _____ of the Records of the

County of _____, State of Montana.

CLERK AND RECORDER

By: _____