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STATE OF UTAH } SS
COUNTY OF CARBON }
FILED AND RECORDED FOR

S.E. Utah Title
Dec 29 3 08 PM '87

BOOK 277 OF RECORDS
PAGE 679-690
A. P. BERIEN
COUNTY RECORDER

DEED, ASSIGNMENT AND BILL OF SALE

THIS DEED, ASSIGNMENT AND BILL OF SALE is made and entered into as of the 28th day of December, 1987 by and between KAISER FUEL CORPORATION ("Kaiser Fuel"), KAISER COAL CORPORATION ("Kaiser Coal") and SUNNYSIDE FUEL CORPORATION, a corporation organized and existing under the laws of the State of Utah ("Grantee").

W I T N E S S E T H :

WHEREAS, Grantee's affiliate is proposing to construct a cogeneration plant (the "Plant") near Sunnyside Mine in Carbon County, Utah, and proposes to acquire waste coal from Kaiser Fuel for use as plant fuel; and

WHEREAS, Kaiser Fuel is the owner of the gob, coal tailings and waste piles which are now or hereafter located on real property in Carbon County, Utah as more particularly described in the attached Exhibit "A" ("Tailings"); and

WHEREAS, Kaiser Coal is the owner of the real property upon which the Tailings are located, more particularly described in the attached Exhibit "A" (Real Property); and

WHEREAS, Kaiser Fuel desires to transfer, convey, assign, grant and sell to the Grantee, without warranty, the estate in the Tailings, whether such estate is classified as real property or personal property under Utah law; and

WHEREAS, subject to certain reservations, Kaiser Coal desires to grant to Grantee, without warranty, the Real Property;

WHEREAS, Kaiser Coal desires to reserve to itself, its successors and assigns the right to enter upon the Real Property for the purpose of transporting and depositing gob, coal tailings and slurry discharge from coal wash facilities from the Sunnyside Mine on the Real Property and the right to use the Real Property for any and all purposes necessary to conducting the operation of the Sunnyside Mine subject to an Operating Agreement mutually acceptable to Kaiser Coal and Grantee; and

WHEREAS, Kaiser Coal is permittee and owner of environmental permits associated with the Real Property including the Sunnyside Mine Permit ACT/007/007 ("Reclamation Permit") and desires to assign to Grantee those environmental permits associated with the Real Property, including that portion of the Reclamation Permit which associated with the Real Property subject to approval of transfer by the local, state and federal government if any such approval is required; and

WHEREAS, Kaiser Coal owns the Sunnyside Mine adjacent to the Real Property on lands described at Exhibit "C" ("Sunnyside Mine") and desires to grant to Grantee the right of ingress and egress for the purpose of transporting, mining and removing Tailings ("Access"). Grantee agrees to use the Access in a manner reasonably calculated to minimize interference with the coal mining activities of Kaiser Coal, its successors and assigns at the Sunnyside Mine.

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid to Kaiser Fuel and Kaiser

Coal and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Kaiser Fuel and Kaiser Coal hereby grant, sell, assign, set-over, transfer, quit-claim and convey to Grantee, its successors and assigns, without warranty, the following:

REAL PROPERTY

The real property interest in the Tailings and the Real Property upon which the Tailings are located and Access across the Sunnyside Mine to the Real Property, provided that Grantee agrees to use the Access in a manner reasonably calculated to minimize interference with the coal mining activities of Kaiser Coal, its successors and assigns at the Sunnyside Mine. Said grant is made expressly reserving unto Kaiser Coal, its successors and assigns the right to enter upon the Real Property for the purpose of transporting and depositing gob, coal tailings and slurry discharge from the coal wash facilities from the Sunnyside Mine on the Real Property and reserving the right to use the Real Property for any and all purposes necessary to conducting the operation of the Sunnyside Mine subject to and in accordance with all governmental restrictions applicable to the Real Property and subject to an Operating Agreement mutually acceptable to Kaiser Coal and Grantee and their respective successors and assigns or, in the absence of such operating agreement, on terms reasonably serving the respective interests of both parties or their successors and assigns. Said grant of

Tailings is made subject to interests identified at Exhibit "B" hereto.

PERSONAL PROPERTY

The personal property interest in, and only in, the Tailings now or hereinafter located on or in the lands described in Exhibit "A".

The Tailings transferred unto the Grantee pursuant to this Deed, Assignment and Bill of Sale are being transferred in an "as is", "where is" condition and, other than expressly provided herein, is being transferred without any representations, obligations or warranties whatsoever, whether express or implied.

PERMITS

Kaiser Coal's interest in all environmental permits associated with the Real Property, including that portion of the Reclamation Permit located on the Real Property, subject to approval of the local, state and federal government to said transfer if such approval is required.

REHABILITATION AND RECLAMATION

Grantee accepts this grant, recognizing that certain rehabilitation and reclamation work may be required resulting from the development, extraction, removal, transportation, storage or use of gob, coal tailings, and waste piles from or on the Real Property.

IN TESTIMONY WHEREOF, witness the execution hereof as of the day and year first above written.

KAISER FUEL CORPORATION

ATTEST:

Julie S. Klein

BY Denise A. Drago
ITS Agent

KAISER COAL CORPORATION

ATTEST:

Julie S. Klein

BY Denise A. Drago
ITS Agent

SUNNYSIDE FUEL CORPORATION

ATTEST:

Julie S. Klein

BY Dennis P. Allyn
ITS Vice President

STATE OF Utah)
COUNTY OF Salt Lake) : ss:

On the 28th day of December, 1987, personally appeared before me Denise A. Drago, who being by me duly sworn did say that she is the agent of Kaiser Fuel Corporation and that said instrument was signed in behalf of said corporation by authority of its bylaws and said Denise A. Drago acknowledged to me that said corporation executed the same.

Julie S. Klein
Notary Public
Residing in Davis County

My Commission Expires:

6-22-89

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 28th day of December, 1987, personally appeared before me Dennis A. Drago, who being by me duly sworn did say that he is the Agent of Kaiser Fuel Corporation and that said instrument was signed in behalf of said corporation by authority of its bylaws and said Dennis A. Drago acknowledged to me that said corporation executed the same.

Judith S. Klein
Notary Public
Residing in Davis County

My Commission Expires:

6-22-89

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 28th day of December, 1987, personally appeared before me Dennis P. Flynn, who being by me duly sworn did say that he is the Vice President of Sunnyside Fuel Corporation and that said instrument was signed in behalf of said corporation by authority of its bylaws and said Dennis P. Flynn acknowledged to me that said corporation executed the same.

Cheryl Ferrara
Notary Public
Residing in Sandy, Utah



My Commission Expires:

07/01/91

DAD:120887a

EXHIBIT A

FEE AREA

PARCEL B:

Describing a parcel of land located in Carbon County, Utah, which is located in the east half of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian and being more particularly described according to the following courses and distances, to-wit:

Beginning at the East one quarter corner of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian and running thence S $0^{\circ}13'39''$ W, 1818.48 feet along the east section line of Section 6 to the south right of way line of an existing railroad track; thence northwesterly along a curve to the right with a radius of 450.00 feet, through an angle of $83^{\circ}37'47''$, for a distance of 656.83 feet having a chord that bears N $40^{\circ}27'18''$ W, 600.05 feet; thence N $1^{\circ}21'36''$ E, 68.00 feet along the westerly right of way line of an existing railroad track; thence S $57^{\circ}11'02''$ W, 338.86 feet to an existing 5/8 inch rebar; thence S $66^{\circ}15'45''$ W, 220.17 feet to an existing 5/8 inch rebar; thence S $86^{\circ}11'30''$ W, 261.34 feet to a metal fence post; thence N $4^{\circ}41'13''$ W, 264.09 feet to a roof bolt on the west side of a gate in a fence line; thence N $10^{\circ}54'48''$ W, 189.49 feet to a metal fence post; thence N $0^{\circ}39'10''$ W, 254.39 feet to a metal fence post; thence N $10^{\circ}09'48''$ W, 315.48 feet to a metal fence post; thence N $6^{\circ}32'57''$ W, 232.70 feet to a roof bolt in an existing fence line; thence N $6^{\circ}32'57''$ W, 65.24 feet to the south right of way line of a Denver and Rio Grande Railroad as described in a certain deed dated July 29, 1912; thence N $71^{\circ}27'00''$ E, 1209.07 feet along the south line of a 50 foot wide right of way for the Denver and Rio Grande Railroad; thence northeasterly along a curve to the left with a radius of 979.93 feet, through an angle of $9^{\circ}19'48''$, for a distance of 159.57 feet, having a chord that bears N $66^{\circ}47'06''$ E, 159.40 feet to the east line of said Section 6; thence S $0^{\circ}13'39''$ W, 174.12 feet along the east line of Section 6, to the point of beginning.

Containing 42.316 acres more or less.

. LESS Railroad Right of Way.

PARCEL C:

Describing a parcel of land located in Carbon County, Utah, which is located in the south half of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian, and being more particularly described according to the following courses and distances, to-wit:

Beginning at the southeast corner of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian which is a brass cap; and running thence N 89°57'59" W, 2646.97 feet along the south line of said Section 6 to the south one-quarter corner of said Section 6; thence S 89°27'59" W, 1321.87 feet along the south line of said Section 6 to the southwest corner of the SE1/4SW1/4 of said Section 6; thence N 59°40'32" E, 666.58 feet to a metal fence post; thence N 44°13'50" E, 430.53 feet to a roof bolt; thence N 59°09'24" E, 167.86 feet to a metal fence post; thence N 63°51'14" E, 188.19 feet to a metal fence post; thence N 60°15'43" E, 335.60 feet to a metal fence post; thence N 21°00'31" W, 34.15 feet to an east brace post in a barbed wire fence; thence N 81°18'59" E, 1270.98 feet along an existing fence line to a roof bolt; thence N 36°40'17" E, 152.88 feet along a fence line to a roof bolt; thence S 4°41'13" E, 264.09 feet to a metal fence post; thence N 86°11'30" E, 261.34 feet to an existing 5/8 inch rebar; thence N 66°15'45" E, 220.17 feet to an existing rebar; thence N 57°11'02" E, 338.86 feet to the west right of way line of an existing railroad right of way; thence S 1°21'36" W, 68.00 feet along the westerly right of way line of an existing railroad track; thence southeasterly along a curve to the left with a radius of 450.00 feet, through an angle of 83°37'47", for a distance of 656.83 feet having a chord that bears S 40°27'18" E 600.05 feet to a point on the east line of said Section 6; thence S 0°13'39" W, 818.01 feet along the section line to the point of beginning.

Containing 79.085 acres, more or less.

ALSO:

Describing a parcel of land located in Carbon County, Utah, which is located in the north half of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian and being more particularly described according to the following courses and distances to-wit:

Beginning at the northwest corner of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian, which is a brass cap; and running thence N 89°27'59" E, 1253.27 feet along the north line of said Section 7 to the northeast corner of the NW1/4NW1/4 of said Section 7; thence N 89°27'59" E, 1321.87 feet along the north line of said Section 7 to the north one quarter corner of said Section 7; thence S 89°57'59" E, 2646.97 feet along the north line of said Section 7 to the northeast corner of said Section 7 which is a brass cap; thence S 0°15'54" W, 1322.37 feet along the east line of said Section 7 to the southeast corner of the NE1/4NE1/4 of said Section 7; thence S 89°53'03" W, 2656.91 feet along the south line of the north one half of the northeast one quarter of said Section 7 to the southwest corner

of the NW1/4NE1/4 of said Section 7; thence S 0°41'30" W, 664.69 feet along the east line of the SE1/4NW1/4 of said Section 7 to the southeast corner of the NE1/4SE1/4NW1/4 of said Section 7; thence S 89°40'06" W, 2560.98 feet along the south line of the north one half of the south one half of the northwest one quarter of said Section 7 to the southwest corner of the NW1/4SW1/4NW1/4 of said Section 7; thence N 0°17'17" E, 1984.79 feet along the west section line of said Section 7 to the point of beginning.

Containing 197.985 acres, more or less.

, Less a strip of land 200 feet wide for an existing railroad right of way lying in the west half of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian, the boundaries of which are parallel to and 100 feet distant at right angles from the following described center line:

Beginning at a point on the north boundary line of said Section 7, which point is Station 102+50.0 P.O.C. of the Railroad Center Line Survey, said point being N 89°27'59" E, 633.0 feet, more or less, along the north line of said Section 7, said point being on a curve to the right with a radius of 572.96 feet through an angle of 114°43' for a distance of 1147.2 feet and having a chord bearing of S 1°24'18" E and a distance of 443.97 feet, the tangent to curve at this point bearing S 24°12' E; thence continuing on the same curve right 455.9 feet in a southerly direction to Station 107+05.9 P.T.; thence S 21°23' W, 245.5 feet to Station 109+51.4 P.C., which point is the beginning of a curve to the left with a radius of 716.20 feet through an angle of 28°20' for a distance of 354.2 feet and having a chord bearing of S 7°13' W and a distance of 350.57 feet to Station 113+05.6 P.T.; thence S 6°57' E, 973.89 feet to Station 122+79.49, said point being on the south line of the north one half of the south one half of the northwest one quarter of said Section 7.

Containing 9.318 acres, more or less.

EXHIBIT BDEED, ASSIGNMENT AND
BILL OF SALE EXCEPTIONS

1. . A Grant of Easement dated April 16, 1962, executed by Kaiser Steel Corporation in favor of Utah Power & Light Company recorded October 10, 1962 in Book 80 at page 608, granting a right of way and easement for the erection and continued maintenance of electric transmission, distribution and telephone circuits with necessary attachments across the NE 1/4 NE 1/4 of Section 7 and the S 1/2 SE 1/4 and SE 1/4 SW 1/4 of Sec. 6, T15S, R14E, SLBM.
2. . A Pole Line Easement dated March 19, 1925, executed by Utah Fuel Company in favor of Utah Power & Light Company, recorded April 1, 1925 in Book 3J at page 155, granting a perpetual easement and right of way for the erection and continued maintenance of electric transmission, distribution and telephone circuits with necessary attachments along a line in Section 7, T15S, R14E, SLB&M, as therein described.
3. . A Pole Line Easement dated December 29, 1942, executed by Utah Grazing Lands Company, a corporation, in favor of Utah Power & Light Company, recorded June 9, 1943 in Book 3W at page 598, granting a perpetual easement and right of way for the erection and continued maintenance of electric transmission, distribution and telephone circuits with necessary attachments along a line in the N 1/2 NE 1/4, Sec. 7, T15S, R14E, SLB&M as therein described.
4. NOTICE OF ATTORNEY'S LIEN dated November 26, 1984, executed by W. Jerry Ungricht of Ungricht, Randle & Deamer, recorded December 3, 1984 in Book 244 at page 589, claiming an Attorney's Lien as provided by Utah Code Annotated 78-51-41 for services rendered on behalf of New-Tech Mining Corporation on the matter of New-Tech Mining Corporation v. Kaiser Steel, et al., Civil No. C84-0426A in the United States District Court for the District of Utah, Central Division, and for services relating to the permitting of the Blackjack #1 Mine on the following described property in Carbon County, Utah:

All coal refuse sources of New-Tech Mining Corporation in Carbon County, State of Utah, described as follows:

Section 7, T15S, R14E, SLB&M:

N 1/2 of NE 1/4. That portion of the N 1/2 of NW 1/4 lying East of right of way of Carbon County railway.

Section 6:

S 1/2 of SE 1/4 of SW 1/4; S 1/2 of SW 1/4 of SE 1/4; S 1/2 of NE 1/4 of SW 1/4 of SE 1/4; SE 1/4 of SE 1/4.

That portion of NE 1/4 of SE 1/4 lying South of right of way of Denver & Rio Grande Railway. That portion of E 1/2 of NE 1/4 of NW 1/4 of SE 1/4 lying South of right of way of Denver & Rio Grande Railway. AMOUNT OF CLAIM: \$7,052.00.

5. A Notice of Lien, recorded February 18, 1987 in Book 269 at pages 758-764, wherein JBR Consultants Group claims and intends to hold a lien against Perma Resources and/or Kaiser Steel Corporation and/or Kaiser Coal Corporation in the amount of \$28,646.15, plus interest and attorney's fees.
6. Notice of Intention to Hold and Claim a Lien, recorded February 24, 1987 in Book 270 at pages 61-78, wherein Electrical Contractors, Inc. holds and claims a lien against Kaiser Coal Corporation in the amount of \$20,984.22, plus interest and attorney's fees.
7. Notice of Intention to Hold and Claim a Lien, recorded March 19, 1987 in Book 270 at pages 697-699, wherein B & R Reclamation Specialists, a partnership, claims a lien in the amount of \$22,985.00, plus interest and attorney's fees.
8. Excepting any portion of the old Carbon County Railway right of way located in Section 7 of T15S, R14E, SLB&M and all oil, gas and minerals located in said right of way.

DAD:122887d

EXHIBIT C

I.

SUNNYSIDE MINE NO. 1

A. Fee Ownership - Kaiser Coal Corporation:

Township 14 South, Range 13 East, SLM
 . Section 24: N/2

Township 14 South, Range 14 East, SLM

- . Section 7: SW/4SE/4
- . Section 17: All
- . Section 18: All
- . Section 19: All
- . Section 20: All
- . Section 21: W/2
- . Section 28: N/2
- . Section 29: N/2, N/2SW/4, SW/4SW/4,
N/2SE/4SW/4, N/2SE/4
- . Section 30: N/2NE/4, SE/4NE/4

II.

SUNNYSIDE MINE NO. 3

A. Fee Ownership - Kaiser Coal Corporation:

Township 14 South, Range 14 East, SLM

- . Section 28: S/2
- . Section 29: S/2SE/4SW/4, S/2SE/4
- . Section 32: E/2, NE/4NW/4
- . Section 33: All
- . Section 34: W/2

Township 15 South, Range 14 East, SLM

- . Section 3: NW/4, S/2NE/4
- . Section 4: N/2, N/2SW/4,
N/2NW/4SE/4, N/2SW/4SW/4
- . Section 5: NE/4, N/2SE/4
- . Section 6: Lot 7
- . Section 8: Lots 1,2,3,4, ~~SE/4NE/4~~; ~~E/4SE/4~~; ~~SW/4SE/4~~
- . Section 18: ~~S/4SE/4~~; Also, Beg. at the ~~S/4~~ cor;
thence N 89° 59' West 526.5 feet; th.
N 20° 12' East 703.2 feet; th. East
283.20 feet; thence South 660 feet
to beg.