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STITES & HARBISON PLLC

ATTORNEYS

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1500 Lexington Financial Center
Lexington, KY 40507-1758
(859) 226-2300
(859) 253-9144 Fax
www.stites.com

November 13, 2003

William T. Gorton III
(859) 226-2241
Wgorton@stites.com

Ms. Mary Ann Wright
Associate Director, Mining
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Jacobs
11/07/03

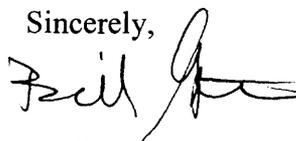
RE: Whiskey Creek Project - Contractor Performance Bond

Dear Mary Ann:

I am pleased to forward to the Division of Oil, Gas & Mining a copy of the Performance Bond posted by Ledcor Industries (USA) Inc. for the Whiskey Creek Reclamation Project.

If you have any questions, please feel free to call me.

Sincerely,



William T. Gorton III

WTG:cs
Enclosure

RECEIVED
mw
NOV 17 2003 *11/14/03*

DIV. OF OIL, GAS & MINING



Mailing Address:
 Safeco Surety
 PO Box 34526
 Seattle, WA 98124-1526

Phone: (425) 376-6535
 Fax: (425) 376-6533
 www.safeco.com

Shipping Address
 Adams Building
 4634 154th PL NE
 Redmond, WA 98052

Performance Bond

Bond No. 6065705/VS6010082

Conforms with the American Institute of Architects
 A.I.A. Document No. A-311

KNOW ALL BY THESE PRESENTS that **LEDCOR INDUSTRIES (USA) INC.** as Principal, hereinafter called Contractor, and **GENERAL INSURANCE COMPANY OF AMERICA**, a Washington Corporation of Redmond, Washington, as Surety, hereinafter called Surety, are held and firmly bound unto **FRONTIER INSURANCE COMPANY AND THE UTAH DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL, GAS, AND MINING (SEE ATTACHED DUAL OBLIGEE RIDER)** as Obligee, hereinafter called Owner, in the amount of **NINE HUNDRED NINETY-NINE THOUSAND AND 00/100 DOLLARS (\$999,000.00)**, for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has by written agreement dated the 6th day of **OCTOBER, 2003**, entered into a contract with Owner for **WHISKEY CREEK RECLAMATION, SCOFIELD, UTAH - GRADING AND BACKFILL OF OPEN PIT MINE, CREEK RESTORATION, TOPSOIL PLACEMENT, SEEDING** in accordance with Drawings and Specifications prepared by **STITES & HARBISON PLLC** which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever Contractor shall be, and declared by Owner to be in default under the Contract, the Owner having performed Owner's obligations thereunder, the Surety may promptly remedy the default, or shall promptly:

- 1) Complete the Contract in accordance with its terms and conditions, or
- 2) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or, if the Owner elects, upon determination by the Owner and the Surety jointly of the lowest responsible bidder, arrange for a contract between such bidder and Owner, and make available as Work progresses (even though there should be a default or succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by Owner to Contractor under the Contract and any amendments thereto, less the amount properly paid by Owner to Contractor.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein or the heirs, executors, administrators or successors of the Owner.

Signed and sealed this **5TH** day of **NOVEMBER, 2003**.

LEDCOR INDUSTRIES (USA) INC. (seal)
 (Principal)

(Title) General Manager, Mining &
 Construction Operations (Milan Soucek)

GENERAL INSURANCE COMPANY OF AMERICA
 (Surety)

PINA CAMERIN, Attorney-in-Fact (Seal)



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SafeCo Surety
PO Box 34526
Seattle, WA 98124-1526

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www.safeco.com

Labor and Material Payment Bond

BOND NO. 6065705/VS60100082

Conforms with the American Institute of Architects
A.I.A. Document No. A-311

This bond is issued simultaneously with Performance Bond in favor of the
Owner conditioned on the full and faithful performance of the Contract

KNOW ALL BY THESE PRESENTS: that **LEDCOR INDUSTRIES (USA) INC.** as Principal, hereinafter called Principal, and, **GENERAL INSURANCE COMPANY OF AMERICA**, a Washington Corporation of Redmond, Washington, as Surety, hereinafter called Surety, are held and firmly bound unto **FRONTIER INSURANCE COMPANY AND THE UTAH DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL, GAS, AND MINING (SEE ATTACHED DUAL OBLIGEE RIDER)** as Obligee, hereinafter called Owner, for the use and benefit of claimants as hereinbelow defined, in the amount of **NINE HUNDRED NINETY-NINE THOUSAND AND 00/100 Dollars, (\$999,000.00)** for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has by written agreement dated **OCTOBER 6, 2003** entered into a contract with Owner for **WHISKEY CREEK RECLAMATION, SCOFIELD, UTAH - GRADING AND BACKFILL OF OPEN PIT MINE, CREEK RESTORATION, TOPSOIL PLACEMENT, SEEDING** in accordance with Drawings and Specifications prepared by **STITES & HARBISON PLLC** which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Principal shall promptly make payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for the use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A claimant is defined as one having a direct contract with the Principal or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.
2. The above named Principal and Surety hereby jointly and severally agree with the Owner that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. The Owner shall not be liable for the payment of any costs or expenses of any such suit.
3. No suit or action shall be commenced hereunder by any claimant:



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Adams Building
4634 154th PL NE
Redmond, WA 98052

Dual Oblige Rider

NO. 6065705/VS6010082

TO BE ATTACHED TO AND FORM PART OF **PERFORMANCE AND LABOR AND MATERIAL PAYMENT BONDS NO. 6065705/VS6010082**, dated concurrently with the execution of this Rider, issued by **GENERAL INSURANCE COMPANY OF AMERICA AS SURETY**, ON BEHALF OF **LEDCOR INDUSTRIES (USA) INC.**, as Principal, and in favor of **FRONTIER INSURANCE COMPANY** and **THE UTAH DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL, GAS AND MINING**, as Obligees.

IT IS HEREBY UNDERSTOOD AND AGREED that the above described bond(s) are hereby amended to include the following paragraphs:

1. Notwithstanding anything contained herein to the contrary, there shall be no liability on the part of the Principal or Surety under this bond to the Obligees, or either of them, unless the Obligees, or either of them, shall make payments to the Principal, or to the Surety in case it arranges for completion of the Contract upon default of the Principal, strictly in accordance with the terms of said Contract as to payments, and shall perform all the other obligations required to be performed under said Contract at the time and in the manner therein set forth.
2. The aggregate liability of the Surety under said Bond to the Obligee and the Dual Obligee, as their interests may appear, is limited to the penal sum of said Bond, and provided further that the Surety may, at its option, make any payments under said Bond by cheque, issued jointly to the Obligee and the Dual Obligee.

IT IS FURTHER UNDERSTOOD AND AGREED that nothing herein contained shall be held to change, alter or vary the terms of the above described bond(s) except as hereinbefore set forth.

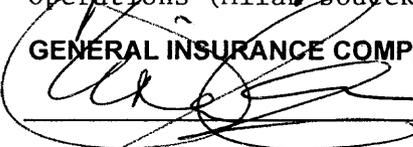
SIGNED, SEALED AND DATED this **5TH** day of **NOVEMBER 2003**.

LEDCOR INDUSTRIES (USA) INC.



General Manager, Mining & Construction (seal)
Operations (Milan Soucek)

GENERAL INSURANCE COMPANY OF AMERICA



PINA CAMERIN
Attorney-In-Fact (seal)

No. 10216

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

.....PINA CAMERIN; DON REGGIN; Vancouver, British Columbia, Canada.....

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 27th day of April, 1999

R.A. Pierson

R.A. PIERSON, SECRETARY

W. Randall Stoddard

W. RANDALL STODDARD, PRESIDENT

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,
(i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,
the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R.A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 5th day of November, 2003



R.A. Pierson

R.A. PIERSON, SECRETARY



SAFECO SURETY

Redmond Campus
4634 154th Place N E.
Adams Bldg., 3rd Floor
Redmond, WA 98052-3332

Phone: (425) 376-6585
Fax: (425) 376-6533

Mailing Address:
PO Box 34754
Seattle, WA 98124

**IMPORTANT NOTICE TO SURETY BOND CUSTOMERS REGARDING
THE TERRORISM RISK INSURANCE ACT OF 2002**

As a surety bond customer of one of the SAFECO insurance companies (SAFECO Insurance Company of America, General Insurance Company of America, First National Insurance Company, American States Insurance Company or American Economy Insurance Company), it is our duty to notify you that the Terrorism Risk Insurance Act of 2002 extends to "surety insurance". This means that under certain circumstances we may be eligible for reimbursement of certain surety bond losses by the United States government under a formula established by this Act.

Under this formula, the United States government pays 90% of losses caused by certified acts of terrorism that exceed a statutorily established deductible to be paid by the insurance company providing the bond. The Act also establishes a \$100 billion cap for the total of all losses to be paid by all insurers for certified acts of terrorism. Losses on some or all of your bonds may be subject to this cap.

This notice does not modify any of the existing terms and conditions of this bond, the underlying agreement guaranteed by this bond, any statutes governing the terms of this bond or any generally applicable rules of law.

At this time there is no premium change resulting from this Act.