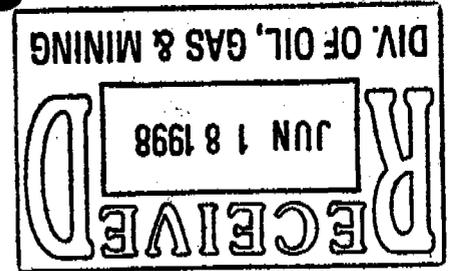


0025



IRREVOCABLE STANDBY LETTER OF CREDIT NO. S-0034558-0003

ISSUED IN Salt Lake City, Utah on 17 JUN 1998

BENEFICIARY:

Lowell P. Braxton, Acting Director,
Utah Division of Oil, Gas and
Mining, 1594 West North Temple,
Suite 1210, P.O. Box 145801, Salt*

APPLICANT:

COVOL TECHNOLOGIES, INC.
3280 NO. FRONTAGE ROAD
LEHI, UTAH 84043

AMOUNT: USD ***100,000.00
ONE HUNDRED THOUSAND AND 00/100
UNITED STATES DOLLARS

DATE AND PLACE OF EXPIRY:
30 NOV 1998
AT OUR COUNTERS

ACT/007/007

*Lake City, Utah 84114-5801 and James Fulton, Chief, Denver Field
Division, Office of Surface Mining, 1999 Broadway, Suite 3320,
Denver, Colorado 80202-5733

#4

We hereby issue in your favor this documentary credit which is available by payment of your draft(s) drawn on us at sight bearing the number of this Letter of Credit accompanied by the following documents:

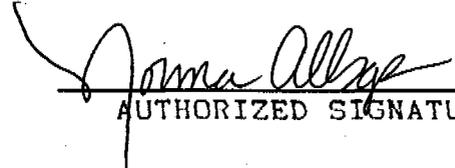
1. This original Letter of Credit.
2. Beneficiary's signed statement reading precisely as follow:
"We certify that Covol Technologies, Inc., or its successors and assigns, has not timely and satisfactorily performed the Asbestos Obligation and/or the Site Safety Obligation as per the Footprint Property Sale Agreement dated June 3, 1998."

Each draft paid by the bank hereunder shall pro tanto reduce the liability of the Bank under this Letter of Credit although the total liability of the Bank shall not be discharged unless and until such payments shall amount in the aggregate to USD100,000.00 (One Hundred Thousand and 00/100 United States Dollars). Notwithstanding anything herein to the contrary, in no event shall the obligation of the bank exceed the aggregate amount of USD100,000.00 (One Hundred Thousand and 00/100 United States Dollars).

Except so far as otherwise expressly stated, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500.

L/C #: S-0034558-0003
PAGE 2

We hereby agree to honor each draft drawn under and in compliance with the terms of this credit, if duly presented (together with the documents as specified) at our office on or before the expiry date of this credit.



AUTHORIZED SIGNATURE(S)