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From: "Matthew B. Bunch" <Matt@BunchLaw.com>
To: "Maycock, John" <jmaycock@state.ut.us>
Date: 3/11/02 1:29PM
Subject: Lodestar/Utah

This email is to confirm our telephonic conversation last Friday, March 8, 2002, regarding the State of Utah's agreement to pay our attorney's fees incurred in the Lodestar bankruptcy, including the adversary proceeding against the State of Utah, for an amount equal to our last Billing Statement dated February 28, 2002, less $2,000. As agreed, upon receipt of payment we will credit the State of Utah's account for $2,000.

We also agreed that you would prepare a Motion/Application for an Administrative Priority for the State's reimbursement of payment of our legal fees, not to exceed $50,000 pursuant to the authorization in paragraph no. 38 in the Settlement Order. We agreed that you would prepare the Motion/Application, and we would appear at the hearing to aruge approval of same. We further agreed that if there is a distribution or recovery from Lodestar's bankruptcy for this administrative priority request, we will be paid our attorney's fees associated with the preparation, if any, appearance and argument of said Motion/Application from that distribution or recovery.

I would also propose that if Lodestar makes any distribution relating to the Motion/Application for Administrative Priority, then we should receive an additional $2,000 for the discount that we gave the State of Utah for the settlement of the February 28, 2002 Billing Statement. This seems fair, so please reply with your acceptance as to this new idea.

Furthermore, if the State of Utah needs additional legal services regarding the Lodestar Bankruptcy after February 2002, then our firm should be compensated at our then current hourly rates. As of now, our current hourly rates are $350 and $200 plus expenses for Tom Sr. and myself, respectively. Actually, our rates were increased effective December 1, 2001, but we still honored our contract rates with the State of Utah through our February 2002 Billing Statement. Now that we have completed our duties under the contract, we should either amend the contract or draft a new contract. Please reply with your input.

Thank you.

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