FORM MR-RC (SMO)
Revised August 9, 2006
RECLAMATION CONTRACT

Mine Name Lion Heart

Other Agency File Number BLM U-72299

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

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DIV. OF OIL, GAS & MINING

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SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between ***Star Stone Quarries, Inc.*** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. ***S/003/033*** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.

2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

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A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.

3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.

4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.

5. If the Surety expressly provides for cancellation or termination for non-renewal:

A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or

B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

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for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.

7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.

8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.

9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.

10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.

11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

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12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.

13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.

14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.

15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.

16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

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The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Star Stone Quarries
Operator Name

By ~~Pres.~~ Lon Thomas
Authorized Officer (Typed or Printed)

Pres.
Authorized Officer - Position

Lon Thomas 2-22-07
Officer's Signature Date

STATE OF UTAH)
) ss:
COUNTY OF SALT LAKE)

On the 22nd day of February, 20 07, LON A THOMAS personally appeared before me, who being by me duly sworn did say that he/she is an PRESIDENT (owner, officer, director, partner, agent or other (specify)) of the Operator STAR STONE QUARRIES and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Notary Public
Residing at SALT LAKE

07-26-2010
My Commission Expires:

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Notary Public, State of Utah
DANIEL BRASSARD
4920 S. State
Murray, UT 84107
My Commission Expires 07-26-2010

DIVISION OF OIL, GAS AND MINING:

By _____ Date 3/14/07
for John R. Baza, Director Mary Ann Wright
Associate Director

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

On the 14 day of March, 2007, Mary Ann Wright personally appeared before me, who being duly sworn did say that ~~he~~ she, the said Mary Ann Wright is the Acting Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to me that he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry
Notary Public
Residing at: Salt Lake City, Ut.

01/11/2011
My Commission Expires:

PENNY BERRY
NOTARY PUBLIC - STATE OF UTAH
1594 W. NORTH TEMPLE, STE 1210
SALT LAKE CITY, UT 84116
My Comm. Exp. 01/11/2011

FACT SHEET

Commodity: QUARTZITE STONE
Mine Name: Lion Heart
County: Box Elder
Disturbed Acres: five (5)

Operator Name: Star Stone Quarries, Inc.
Operator address: 4040 S 300 W SALT LAKE CITY UT 84107
Operator telephone: 801 (801) 262-4300
Contact: Nicole Wobbe-Espinoza, Executive Assistant
Contact email: nwobbe@american-stone.com
Contact Tele: 801-262-4300 ext. 109

Surety Type: Letter of Credit
Bank Name: KeyBank
Surety Amount: $18,600.00
Account number: S312227
Bank Contact:
Bank Contact telephone:
Bank Contact email:

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DIV. OF OIL, GAS & MINING

KEYBANK NATIONAL ASSOCIATION
STANDBY LETTER OF CREDIT SERVICES
MAIL CODE: OH-01-51-0435
4910 TIEDEMAN ROAD
CLEVELAND, OHIO 44144-2338
TEL NO: 216-813-3698, -3701, -3713
FAX NO: 216-813-3719

DATE: January 11, 2007

Irrevocable Standby Letter of Credit No. [redacted]

Beneficiary:
Utah Division of Oil, Gas and Mining (DOGM)
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Applicant:
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, UT 84107

For itself and as agent for

The Bureau of Land Management (BLM)
UTAH STATE OFFICE
440 West 200 South Suite 500
Salt Lake City, Utah 84101

AMOUNT: USD 18,600.00

Re: Star Stone Quarries, Inc., Lion Heart Mine Site
DOGM Permit S/003/033 and BLM UTU U-72299

EXPIRY: January 11, 2008

Gentlemen;

1. KeyBank National Association, ("Bank"), of Cleveland, Ohio, hereby establishes this Irrevocable Standby Letter of Credit (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for itself and as agent for the Bureau of Land Management for an aggregate amount not to exceed USD 18,600.00 Eighteen Thousand Six Hundred and 00/100 United States Dollars) ("Face Amount") effective immediately, on behalf of Star Stone Quarries, Inc. ("Operator") for Lion Heart mining operation under Mine Permit No. S/003/033 and BLM UTU U-72299.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 P.M. (Cleveland Ohio time) on the expiry date or (b) the date upon which sufficient documents are executed by the Division to release Star Stone Quarries, Inc. from further liability for reclamation of the Lion Heart Mine site, S/003/033 and BLM UTU U-72299 with notice to the Bank by the Division accompanied by the original Letter of Credit and any amendments, with directions for termination.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless at least ninety (90) days prior to the expiration date the Bank gives notice to the Division by any courier service or by Registered United States Mail "return receipt requested" that the Bank elects not to renew the Letter of Credit.

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4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying the Letter of Credit No. S312227 delivered to the office of the Bank, KeyBank National Association, Standby Letter of Credit Services, Mail Code: OH-01-51-0435, 4910 Tiedeman Rd., Cleveland, Ohio 44144-2338. At the Division's sole election, the Division may present sight drafts for less than the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph 4 above on or before the expiration or termination of this Letter of Credit, the Bank will make such amount as the division may specify, within the limits of the second sentence of Paragraph 4 of this Letter of Credit, available to the division no later than the close of business, (Cleveland, Ohio time) on the second business day following the Bank's receipt of the sight draft and certificate in such a manner as the Division may specify. "Business Day" means any day that is not a Saturday or Sunday or other day on which commercial banks in the State of Ohio are authorized or required by law to close.

6. The Bank will give prompt notice to the Operator and the Division of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violation or regulatory requirements, which could result in suspension or revocation of the Bank's Charter or license to do business.

7. This Letter of Credit will be governed by the Uniform Custom and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No.500 and the Laws of the State of Utah. In the event of a conflict, then the Laws of the State of Utah shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Bank, KeyBank National Association, Standby Letter of Credit Services, Mail Code: OH-01-51-0435, 4910 Tiedeman Rd., Cleveland, Ohio 44144-2338 referencing Letter of Credit No. S312227.

9. In the event that the Bank gives notice to the Division that the expiration date of the Letter of Credit will not be extended, the Division may, until the current expiration date of the Letter of Credit, draw under the Letter of Credit against it's sight draft(s) and certificate in accordance with the provisions of Paragraph 4 to assure or complete reclamation if the Operator does not replace the Letter of Credit within 90 days of the date of the Bank's notice that it elects not to renew the Letter of Credit.

KeyBank National Association

Authorized Signature

Authorized Signature