Form (MA-RC)

3/19/2008

STATE OF UTAH
DEPARTMENT OF NATUAL RESOURCES
DIVISION OF OIL, GAS AND MINING

MODIFICATION OF ATTACHMENT A
TO THE
RECLAMATION CONTRACT

☑ APPROVED

Name of Operator: Rock & Stone LLC

Permit Number: S/013/0008

Mine Name: Strawberry River

Phone Number: (435) 640-3750

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety:
- ☐ Decrease
- ☐ Increase
- ☒ Replacement

Reason:
- ☐ Amendment to NOI
- ☐ Cancellation/ Termination of surety
- ☐ Escalation
- ☐ Partial Release of surety
- ☒ Other
  Explain: Replacement CD

PIC
S/013/008

Surety Dollar Amount Associated With This Action: $17,000.00

Surety Aggregate Amount: $17,000.00

Included in this modification (surety must be attached)
Instrument(s):

- ☐ Corporate Surety
- ☐ LOC Letter of Credit
- ☒ CD Certificate of deposit
- ☐ Cash
- ☐ Rider
- ☐ Amendment
- ☐ Addendum
- ☒ Other
  Explain: New Replacement CD #0983911579

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APR 30 2008
DIV. OF OIL, GAS & MINING

Other surety not affected by this modification will remain part of Attachment A and labeled as such.
This Modification will be effective as of the last date signed below

Authorized Officer Signature	Printed	Title	Date
	CLIFF READ	MANAGER	3-20-08

Division Director	John R. Baza	Date
		5/8/08

Utah Division of Oil, Gas and Mining

080004

2/013/008

bic

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

Mine Name: **Strawberry River**

Other Agency File Number: **None**

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

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between ***Rock & Stone, LLC*** 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/013/008*** 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.

☑ APPROVED

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:

Rock & Stone LLC

Operator Name

By CLIFF READ MNG.

Authorized Officer (Typed or Printed)

Authorized Officer - Position

6-27-07

Officer's Signature Date

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

On the 27th day of June, 2007, Cliff Read personally appeared before me, who being by me duly sworn did say that he/~~she~~ is an Officer (owner, officer, director, partner, agent or other (specify)) of the Operator Rock & Stone, LLC 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.

Victoria A. Bailey

Notary Public

Residing at Salt Lake City, UT

February 29, 2008

My Commission Expires:

VICTORIA A BAILEY
NOTARY PUBLIC - STATE OF UTAH
1594 W North Temple Ste 1210
Salt Lake City UT 84116
My Comm. Exp. 02/29/2008

☑ APPROVED

DIVISION OF OIL, GAS AND MINING:

By _____ 7/16/07
John R. Baza, Director Date

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

On the 16 day of July, 2007, John R. Baza personally appeared before me, who being duly sworn did say that he, the said John R. Baza is the 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

1/11/2011
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: Building Stone

Mine Name: Strawberry River

County: Duchesne

Disturbed Acres: 4 (four)

Operator Name: Rock & Stone, LLC

Operator address: PO BOX 1947 PARK CITY UT 84060

Operator telephone: (435) 640-3750 (CELL)

Operator fax: (435) 649-9720

Operator email: parkcitynails@msn.com

Contact: Cliff Read

Surety Type: LOC

Held by (Bank/BLM): Zions Bank

Surety Amount: $17,000

Surety Account Number:

UTU and/or ML number: n/a

Escalation Year: 2010

Tax ID or Social Security (for cash only): n/a

April 17, 2008

RECEIVED
APR 18 2008
DIV. OF OIL, GAS & MINING

State of Utah, Division of Oil, Gas, and Mining
1594 West North Temple
Salt Lake City, Utah 84112

Attn: Mr. Jed Pearson – (801) 538-5382 or jedpearson@utah.gov

This letter acknowledges a certificate of deposit as Reclamation Surety by Zions Bank from the Division of Oil, Gas, and Mining (OGM). The bank agrees to the terms and instructions of the CD Letter Agreement. An administrative hold has been placed on the account in the amount identified below until such time redemption or release authorization is provided by the Division in accordance with the instructions per the CD Letter Agreement.

Mine Site: Strawberry River, # S/013/008
Account Name: Rock & Stone, LLC
Account Number:
Principal Amount: $17,000.00
Original Acknowledgement: 04/27/2007

☑ APPROVED

Sincerely,

Tony Steadman
Vice President
Commercial Relationship Manager
Zions Bank

ZIONS BANK®
Zions Park City Bank
PH: 435 647 0042
1100 Snow Creek
Park City
Utah, 84060

April 17, 2008

RECEIVED
APR 18 2008
DIV. OF OIL, GAS & MINING

ZIONS BANK
1100 Snow Creek Dr.
P.O. Box 3899
Park City, Utah 84060
(435)647-0041

Attention: Tony Steadman, Commercial Relationship Manager
(435)658-6570 Anthony.Steadman@zionsbank.com

☑ APPROVED

Subject: Reclamation Surety, Certificate of Deposit for Rock & Stone, LLC, Strawberry Mine Site, S/013/008, Duchesne County, Utah

Certificate of Deposit #[redacted] Principal Amount $17,000.00

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank, regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Strawberry River mine site, Duchesne County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that $17,000.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas, & Mining upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:
Ownership of the CD is retained by Rock & Stone, a LLC corporation, but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas, & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by L. Clifton Read, Jr. for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

ZIONS BANK®
Zions Park City Bank
PH: 435 647 0042
1100 Snow Creek
Park City
Utah, 84060

Redemption:
The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas, & Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owner's control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:
The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

Accrued Interest:
Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, $17,000.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

☑ APPROVED

ZIONS BANK®

Zions Park City Bank

PH: 435 647 0042

1100 Snow Creek

Park City

Utah, 84060

Agreed Upon By:

John R. Baza, Director
Utah Division of Oil, Gas, & Mining

Date: 5/8/08

L. Clifton Read, Jr., manager
Rock & Stone, LLC.

Date: 4-17-08

Tony Steadman, Commercial Relationship Manager
Zions Bank

Date: 4-17-08

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Zions Park City Bank
PH: 435 647 0042
1100 Snow Creek
Park City
Utah, 84060