State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
http://www.trustlands.com

Michael O. Leavitt
Governor

Stephen G. Boyden
Director

S/039/012

February 18, 2002

RECEIVED
FEB 20 2002
DIV. OF OIL, GAS & MINING

Bryce Haas
B&H Stone Supply
331 E. 200 So.
Lindon, UT 84042

RE: Irrevocable Letter of Credit
ML 47272A; DOGM #S/039/012 Gunnison Quarry

Dear Mr. Haas,

I recently received an Irrevocable Letter of Credit (LOC) [redacted] from Far West Bank, 201 East Center Street, Provo, UT 84606, in the amount of $10,000.00 in lieu of a surety bond for your mineral lease operations upon state trust lands, pursuant to my letter of February 1, 2002. The LOC is considered by the Trust Lands Administration to be an interim bond and will satisfy the present bonding requirements of your lease for a period of one year, until February 6, 2003. On or before said expiration date of the LOC you are requested to submit to the Trust Lands Administration either a surety bond in the amount of $10,000.00 using the approved surety bond form enclosed herewith or a cash bond in the form of $10,000.00 U.S. Currency. The surety must be licensed to do business in Utah.

The Trust Lands Administration is finding that its interests are not adequately protected by accepting Certificates of Deposit, Passbook Savings accounts, Letters of Credit and other such bank notes in lieu of a surety bond due to recent changes in banking law. We are therefore requiring Lessees to post surety bonds or U.S. Currency bonds in the future for mineral lease operations upon trust lands. Your banker may be of assistance to you in obtaining a surety bond by working closely with a surety such as SAFECO Insurance Company.

Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Lynn Kunzler