State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

December 16, 2015

Certified Return Receipt
7013 2250 0000 2309 2723

Justin Hubbs
Exchange Bank
Credit Administration
444 Aviation Boulevard
Santa Rosa, California 95403-1069

Subject: Authorization for Full Release of Reclamation Surety, Zamaroni Quarry, Inc., Antelope Valley Mine, S/039/0016, Sanpete County, Utah

Dear Mr. Hubbs:

Exchange Bank is presently holding Letter of Credit (LOC) [redacted] for the benefit of the State of Utah, Division of Oil, Gas and Mining (Division), as a form of reclamation surety for Zamaroni Quarry, Inc.'s Antelope Valley mine. This reclamation surety was recently renewed as required by rule.

This letter authorizes the full release of the LOC. Another mine operator has provided a reclamation surety for the Antelope Valley mine, and Zamaroni Quarry, Inc., no longer has reclamation liability with the Division for this project. Enclosed is the original LOC.

Please contact Paul Baker at 801-538-5261 or Dana Dean at 801-538-5320 if you have questions or concerns regarding this action. Thank you for your help in this matter.

Sincerely,

John R. Baza
Director

JRB:pnb:pb
Enclosed: Original Letter of Credit
cc: Louis Zamaroni, Zamaroni Quarry, Inc.; 3500 Petaluma Hill Road, Santa Rosa, California 95404
P:\GROUPS\MINERALS\WP\M039-Sanpete\S0390016-AntelopeValley\final\BREL-12142015.docx

1594 West North Temple, Suite 1210, Salt Lake City, UT 84116
PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Exchange Bank

RECEIVED
NOV 24 2015
DIV. OF OIL, GAS & MINING

Letter of Credit No. 06-105-10
Date: October 20, 2015

Beneficiary: State of Utah
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

Re: Zamaroni Quarry, Inc., Antelope Valley mining operation, Mine Permit No. S/039/016

Gentlemen and Ladies:

1. Exchange Bank ("Bank"), of Santa Rosa, California, hereby establishes this irrevocable letter of credit (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not to exceed $18,600.00 (Eighteen thousand six hundred and No/100 U. S. Dollars) ("Face Amount") effective immediately, on behalf of Zamaroni Quarry, Inc. ("Operator") for Antelope Valley mining operation under Mine Permit No. S/039/016.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Salt Lake City time) on December 27, 2016 or (b) the date upon which sufficient documents are executed by the Division to release Zamaroni Quarry, Inc. from further liability for reclamation of the Antelope Valley mining project, Mine Permit No. S/039/016 with notice to Bank by the Division accompanied by the original Letter of Credit with directions for termination.

3. This Letter of Credit, issued on October 20, 2015, will be automatically extended for successive periods of one year from the current or future expiration date unless at least 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.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. delivered to the office of the Bank, Small Business Lending Division, 444 Aviation Blvd., Santa Rosa, CA 95403. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a purported duly authorized representative of the Division.

5. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 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 No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify. "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of California are authorized or required by law to close.

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

Business Banking Department • 444 Aviation Blvd., Santa Rosa, California 95403-11069
707-524-3000 • www.exchangebank.com
EQUAL HOUSING LENDER
Member FDIC

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Bank, Business Banking Department. 444 Aviation Blvd., Santa Rosa, CA 95403 at (707) 524-3204 referencing Letter of Credit No. (

9. In the event 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 its sight draft(s) in accordance with the provisions of Paragraph 4.

EXCHANGE BANK

By:_____
Justin Hubbs, VP

By:_____
Jim Cooney, VP

EXHIBIT A – SIGHT DRAFT
to
Letter of Credit No.

_____	_____	_____
Date	City, County	Letter of Credit No.

_____

Pay to the order of: Utah Division of Oil, Gas and Mining

_____ Dollars

To: Exchange Bank
Business Banking Department
444 Aviation Blvd.
Santa Rosa, CA 95403

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

By:_____
(Authorized signature)

EXHIBIT B
to
Letter of Credit No.

I, _____, a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of $_____, by sight draft accompanying this certificate under Letter of Credit No. 06-105-10 dated October 20, 2015, issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the Antelope Valley mining project, number S/039/016 in accordance with applicable law.

The Utah Division of Oil, Gas and Mining

By:_____
(Authorized Signature)
The Utah Division of Oil, Gas and Mining

Date:_____

EXCHANGE BANK SINCE 1890

SMALL BUSINESS LENDING

Letter of Credit No. 06-105-10
Date: December 27, 2006

Beneficiary: State of Utah
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

Re: Zamaroni Quarry, Inc., Antelope Valley mining operation, Mine Permit No. S/039/016

Gentlemen and Ladies:

1. Exchange Bank ("Bank"), of Santa Rosa, California, hereby establishes this irrevocable letter of credit (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not to exceed $18,600.00 (Eighteen thousand six hundred and No/100 U. S. Dollars) ("Face Amount") effective immediately, on behalf of Zamaroni Quarry, Inc. ("Operator") for Antelope Valley mining operation under Mine Permit No. S/039/016.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Salt Lake City time) on December 27, 2007 or (b) the date upon which sufficient documents are executed by the Division to release Zamaroni Quarry, Inc. from further liability for reclamation of the Antelope Valley mining project, Mine Permit No. S/039/016 with notice to Bank by the Division accompanied by the original Letter of Credit with directions for termination.

3. This Letter of Credit, issued on December 27, 2006, will be automatically extended for successive periods of one year from the current or future expiration date unless at least 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.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. delivered to the office of the Bank, Small Business Lending Division, 444 Aviation Blvd., Santa Rosa, CA 95403. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a purported duly authorized representative of the Division.

5. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 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 No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify. "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of California are authorized or required by law to close.

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

☑ APPROVED

RECEIVED
JAN 03 2007
DIV. OF OIL, GAS & MINING

444 Aviation Blvd. • Santa Rosa, California 95403-1069
(707) 521-5071 • FAX (707) 524-3466 • exchangebank.com

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Bank, Small Business Lending Division, 444 Aviation Blvd., Santa Rosa, CA 95403 at (707) 524-3204 referencing Letter of Credit No.

9. In the event 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 its sight draft(s) in accordance with the provisions of Paragraph 4.

EXCHANGE BANK

By: Pam Cashane
Pam Cashane, VP

By: Jim Cooney
Jim Cooney, VP

EXHIBIT A – SIGHT DRAFT
to
Letter of Credit No. (

_____	_____	_____
Date	City, County	Letter of Credit No.

_____

Pay to the order of: Utah Division of Oil, Gas and Mining

_____ Dollars

To: Exchange Bank
Small Business Lending
444 Aviation Blvd.
Santa Rosa, CA 95403

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

By:_____
(Authorized signature)

EXHIBIT B
to
Letter of Credit No

I, _____, a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of $_____, by sight draft accompanying this certificate under Letter of Credit No. 06-105-10 dated December 27, 2006, issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the Antelope Valley mining project, number S/039/016 in accordance with applicable law.

The Utah Division of Oil, Gas and Mining

By:_____
(Authorized Signature)
The Utah Division of Oil, Gas and Mining

Date:_____