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

Mine Name: Snow White

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

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LARGE MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between ***Pabco Building Products, LLC dba Interstate Brick Co.*** 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. ***M/049/030*** Which has been approved by the Division under 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 land affected by the mining operations in accordance with the Act and regulations, and the Operator is obligated to provide a surety in 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, in consideration of the mutual covenants contained herein, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the Act and regulations, as they may be amended, and in accordance with the mining and reclamation plan (Reclamation Plan) approved by the Division all of the lands affected by the mining operations conducted or to be conducted pursuant to the approved 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 approved 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 an approved 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 approved NOI.

3. The Reclamation Plan is intended to establish methods, plans, specifications, and other details required by the Act and regulations as they pertain to the lands affected by mining operations, and no provision of the Reclamation Plan shall be interpreted to diminish the requirements of the Act and regulations. 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 or Reclamation Plan, which are primarily 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

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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 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 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, the regulations, and the Reclamation Plan, as they may be amended. If the mining operations are modified or for any other reason vary from those described in the approved 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 approved Notice of Intention in accordance with the requirements of the Act and regulations, as amended and the Reclamation Plan, as amended. If the Division makes such finding, Operator may make request to the Division for a reduction in the amount of the surety. The Division, or the Board if the surety is in the form of a board contract, may permit such a reduction if it determines that the reduced amount will be adequate to ensure complete reclamation of the lands affected by the mining in accordance with the requirements of the Reclamation Plan, the rules and the Act, 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 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

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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.

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

OPERATOR:

Pabco Building Products, LLC dba Interstate Brick Co.

Operator Name

By **Alfred K. Mueller**

Authorized Officer (Typed or Printed)

President

Authorized Officer - Position

A.K. Mu 1/8/07

Officer's Signature Date

STATE OF California)
) ss:
COUNTY OF Alameda)

see all purpose acknowledgment attached

On the 8 day of January, 20 07, A.K. Mueller personally appeared before me, who being by me duly sworn did say that he/she is an _____ (i.e. owner, officer, director, partner, agent or other (specify)) of the Operator 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 _____

My Commission Expires:

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DIVISION OF OIL, GAS AND MINING:

By John R. Baza, Director — Date 1/26/07

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

On the 26th day of January, 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.

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

FACT SHEET

Commodity: CLAY

Mine Name: SNOW WHITE 1

County: Utah

Operator Name: Pabco Building Products, LLC dba Interstate Brick Co.
Operator Address: 9780 S 5200 W WEST JORDAN UT 84088
Operator contact Email: john.hewitt@paccoast.com
Operator phone: (801) 280-5200

Contact Name: John Hewitt
Contact email: john.hewitt@paccoast.com
Contact phone: (801) 280-5230

COPY

Surety Type: Surety Bond
Company: Western Surety Company
Surety Amount: $100,000.00 with a rider forthcoming increasing bond to $130,800.00
Account number: 929284063
Surety Contact: James Reuter
Contact Phone: (877) 589-6952
Contact email: james.reuter@cnasurety.com

Tax ID:_____(required for cash)

Escalation year: 2011

FACT SHEET

Commodity: CLAY

Mine Name: SNOW WHITE 1

County: Utah

Operator Name: Pabco Building Products, LLC dba Interstate Brick Co.
Operator Address: 9780 S 5200 W WEST JORDAN UT 84088
Operator contact Email: john.hewitt@paccoast.com
Operator phone: (801) 280-5200

Contact Name: John Hewitt
Contact email: john.hewitt@paccoast.com
Contact phone: (801) 280-5230

Surety Type: Surety Bond
Company: Western Surety Company
Surety Amount: $100.000.00 with a rider forthcoming increasing bond to $130,800.00
Account number:
Surety Contact: James Reuter
Contact Phone: (877) 589-6952
Contact email: james.reuter@cnasurety.com

Tax ID:_____(required for cash)

Escalation year: 2011

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Alameda } ss.

On January 8, 2007 (Date) before me, Diana L Dudley (Name and Title of Officer (e.g., "Jane Doe, Notary Public")) personally appeared A. K. Mueller (Name(s) of Signer(s)),

☑ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

DIANA L. DUDLEY
Commission # 1416870
Notary Public - California
Alameda County
My Comm. Expires May 9, 2007

WITNESS my hand and official seal

Diana L. Dudley
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Large Mine Reclamation Contract

Document Date: January 8, 2007 Number of Pages: 1

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ ~~Individual~~
☐ ~~Corporate Officer — Title(s)~~: N/A
☐ ~~Partner — ☐ Limited ☐ General~~
☐ ~~Attorney-in-Fact~~
☐ ~~Trustee~~
☐ ~~Guardian or Conservator~~
☐ ~~Other~~: N/A

~~Signer Is Representing~~: N/A

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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