

STATEMENT AND SKETCH OF PERMIT BOUNDARY CONDITIONS ALONG McCLELLAN PROPERTY LINES

As requested, this provides information for item #2 of the letter of 9 December 2013.

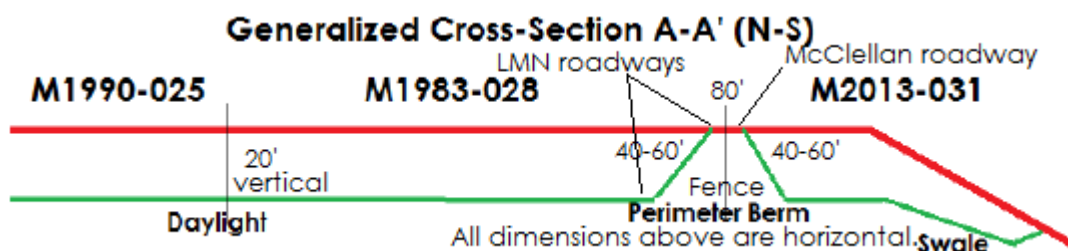
Although McClellan, McClellan, & Nelsen (McClellan et al) have NOT signed the agreement, Stone Sand & Gravel considers itself as committed to and honor bound to compensate for any damage done to the property of McClellan et al. My engineering evaluation is that the proposed operations have very little potential for any damage either to the fence (which is the responsibility of LMN Properties and included in the structures agreement with LMN Properties) or to anything behind that fence, including the roadway.

The following is pointed out in the exhibits as submitted originally:

Page 16: The schematic shows the progress of pit operations, including the reduction of existing and future highwalls to a MINIMUM 2:1 slope as mining progresses.

The Operator has agreed to use a 3:1 slope for reclamation of these edges of the permit/affected area. Since the highwall is located between 40 and 100 feet from the property boundary, and the road on the LMN side of the property boundary is approximately 20 feet wide, while the only permanent manmade structure (other than the fence) belonging to McClellan et al is the dirt road about 20 feet south of the fenceline/property boundary, the highwall toe (height of up to 20 feet) will be at least 40 feet from the McClellan road. When reclaimed (as mining progresses), the toe of the slope (at a minimum of 3:1 for a 20-foot height) will be at least 80-100 feet from the McClellan road. This will provide a margin of 20-60 feet at all points at all times in case of slope failure either of the highwall or the final reclaimed slope. Further, with the permanent road at the toe of the slope (on the LMN Properties land), it will be possible to easily inspect for any signs of instability; however, cuts in the material being mined have proven stable at slopes considerably steeper than 3:1.

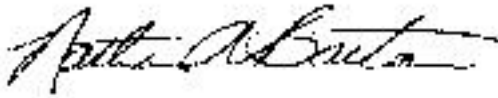
Page 24: Cross-sections, though not to scale, show the configuration of the terrain along the boundary between the McClellan et al. and LMN/Stone Properties. Although Cross-section A-A' is shown along the east-west portion of the McClellan/LMN Properties boundary, the same configuration would be used for the north-south boundaries (between McClellan and LMN on the west and Stone on the east). The same cross-section on Page 24 is shown below with typical dimensions, but again, NOT to scale.



Page 28: Note on map states "Permanent Road and ridge to be left along property boundary unless agreed to daylight by adjacent property owner." Since the adjacent property owner, McClellan et al., has declined to sign an agreement and does NOT want to daylight the two mining operations, the site was designed with that in mind, as shown on the contour maps in the application exhibits. If such an agreement is made, in the future, it will require an amendment (or technical revision) to the permit, and changes in roads and fencing and potential for damage would be addressed at that time.

Page 55: The analysis states that the fence along the property boundary is the responsibility of LMN Properties and therefore is included in the structure agreement and right to mine agreement with LMN Properties.

Prepared by:

A handwritten signature in black ink, appearing to read "Nathan A. Barton". The signature is fluid and cursive, with a horizontal line extending from the end.

Nathan A. Barton, CE, PE, DEE
for Stone Sand & Gravel, LLC.