

Lamar Light and Power
100 North Second
Lamar, CO 81052

July 12, 2016

Re: Agreement for Compensation for Damage to Structures within 200 feet of mining activities

To Whom It May Concern:

Prowers Aggregate Operators, LLC has a State of Colorado Division of Reclamation, Mining, and Safety (DRMS) Reclamation Permit M2008-078 to allow sand and gravel mining on property within 200 feet of structures located on your property. The Colorado Mined Land Reclamation Act provides protection for your property, and specific protection for your structures located within 200 feet of the mining activities. The electrical power utility line in County Road HH.5 and across the property are the structures that are within 200 feet of the mining activities. Prowers Aggregate Operators, LLC is the new operator but the same people/employees will be working for us.

DRMS Permit approval requires a notarized agreement between the applicant and owners of structures within 200 feet of the mining activities, providing compensation for any damage to the structure; or preparation of an engineering evaluation acceptable to the DRMS, demonstrating that such structure(s) shall not be damaged by the mining activities if an agreement cannot be reached.

Prowers Aggregate Operators, LLC has had an engineering evaluation performed to determine acceptable setbacks from their proposed mining permit boundary and mining limit to structures adjacent to the mining. The proposed mining slopes and setbacks were analyzed using the XSTABL v5.105a computer program. XSTABL was designed to analyze the slope stability of earth embankments subjected to several critical situations that may occur during the life of the embankment. The procedure searches for circular shear failures and automatically searches for the lowest safety factor. 2,000 separate failure surfaces were analyzed for each case. The required minimum safety factors are based on the current standards used by the Colorado State Engineer's Office (SEO) for high hazard embankment dams, and industry accepted standards for the evaluation of embankments during construction. The safety factors attained using the setbacks shown on the Mining Plan are greater than the required safety factors specified by the SEO for an earth embankment during construction, and an earth embankment subjected to earthquake loading, based on the United States Geological Survey earthquake peak acceleration factors for the area. This evaluation indicated that damage to structures adjacent to the mining should not occur, even during earthquake conditions, which are very unlikely to be present.

Prowers Aggregate Operators, LLC

7991 Shaffer Parkway
Suite 200, Littleton, CO 80127
(303) 369-5100

Lamar Light and Power

RE: Agreement for Compensation for Damage to Structures within 200 feet of mining activities

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With this letter, Prowers Aggregate Operators, LLC requests your authorization to conduct mining and reclamation activities within 200 feet of your structure(s). In return for this authorization, Prowers Aggregate Operators, LLC agrees to provide fair compensation for any damage to your structure(s) resulting from its mining and reclamation activities. Your notarized signature below grants permission for Prowers Aggregate Operators, LLC to conduct mining and reclamation activities within 200 feet of your structure(s), and acknowledges Prowers Aggregate Operators, LLC's commitment to provide fair compensation for any damages to said structure(s) caused by Prowers Aggregate Operators, LLC's mining and reclamation activities.

Sincerely,



Karl Nyquist, Manager
Prowers Aggregate Operators, LLC

7/12/16
Date



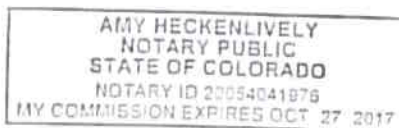
8/16/16
Date

The foregoing instrument was acknowledged before me this 12 day of July, 2016 by,

Karl Nyquist, as manager

Amy Heckenlively
Notary Public

My Commission Expires: 10-27-17



Prowers Aggregate Operators, LLC

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NOTARY FOR STRUCTURE OWNER

ACKNOWLEDGED BY:

Structure Owner Lamar Light & Power Name Houssin Hourieh

Date August 16, 2016 Title Superintendent

STATE OF Colorado)

COUNTY OF Prowers) ss.

The foregoing was acknowledged before me this 16th day of August, 2016, by Houssin Hourieh as Superintendent of Lamar Light & Power.


Notary Public

My Commission Expires: March 11, 2019

