

May 28th 2024

Attn: Rob Zuber

RE: Christian Construction Inc.; Elbert County Pit; File No. M-1985-129

Dear Mr. Zuber,

This letter is in response to the certified letter dated May 21st 2024, and received by Christian Construction Inc. on May 24th, 2024, regarding the operators Financial Warranty. Christian Construction Inc is aware that the previous financial warranty has now expired. We are working to secure a new bond or financial warranty.

Since Christian Construction Inc. has been the operator of the Elbert County Gravel Pit we have in all of the years operation received the financial warranty through our bank, 1st Bank. We began the process to have the financial warranty renewed back in November of 2023, as we know that having a bond/financial warranty approved is vital and takes time to secure. Unfortunately, this process was drawn out and took longer than we would have liked. Please note that this was not due to lack of concern or due diligence on our end as we were in constant communication with Mr. Apricio, of 1st bank, in an effort to get the new letter finalized before the expiration of the previous financial warranty.

At the end of February 2024, Christian Construction Inc. was approved for the financial warranty letter of credit that was to be submitted to the DRMS for the years of 2024 and 2025. At that time, Christian Construction Inc was told that the financial warranty letter of credit would be submitted to the DRMS by Mr. Apricio on behalf of Christian Construction Inc and 1st Bank. On April 1st 2024, Christian Construction Inc. was notified by Mr. Apricio that he had some trouble determining who to submit the warranty to at DRMS. We were able to get him in contact with Sara Stevenson-Benn. Then, on April 9th 2024, we were notified by Mr. Apricio that he was working with the state to resolve language in the states contract concerning automatic renewal. We were under the impression that the financial warranty letter of credit was being submitted to the DRMS almost 2 month prior, only to learn that this was just being dealt with.

As soon as Christian Construction Inc learned of the unresolved financial warranty with 1st Bank, we began the process of pursuing other bonds and financial warranties. In full acknowledgment that upon 1st Banks 90 day notice of cancellation, Christian Construction Inc would have to have another warranty/bond in place. On May 18th 2024 Christian Construction Inc received a copy of the letter sent to Mr. Apricio, dated May 9th 2024, stating that if 1st Bank intended to cancel the letter of credit that is had to do so via certified mail, at least 90 days prior to cancellation. Yet, in the same letter, it notified Christian Construction Inc. it had seven days to post a bond of \$74,090.00.

Again, Christian Construction Inc. understands and acknowledges that it must have a financial warranty/bond in place to meet the obligations set by the DRMS. On May 24th 2024 Christian Construction Inc. received the certified letter dated May 21st 2024, notifying Christian Construction Inc. that it might be found in possible violation of C.R.S. 34-32.5-117(6)

(a) for failure to maintain a financial warranty for the entire life of the permit. Along with violation C.R.S. 34-32.5-124 for failure to comply with the conditions of an order, permit, or regulation. Christian Construction Inc. believes this to be untrue based off the pervious financial warranty letter submitted to the state, in which 1st Bank signed the contract agreeing to a 90 day notice of cancellation via certified mailed letter to DRMS, if 1st Bank intended to not renew the financial warranty. To our knowledge there has been no such letter sent, only an email from Mr. Apricio to Sara Stevenson-Benn on May 9th 2024. Therefore, per the signed contract between 1st Bank and DRMS, 1st Bank would still be liable as the financial guarantee holder until 90 days prior to the submission of a letter of cancellation via certified mail to DRMS. Thus, Christian Construction Inc. was surprised to learn it was being held liable for the short comings of 1st Bank's lack of due diligence.

Christian Construction Inc. is currently working with several bonding agencies, along with several banks to secure a new financial warranty to submit to the DRMS at our earliest opportunity. Per DRMS's May 9th 2024 letter, 1st Bank has not submitted their 90 day cancellation notice via certified letter. Therefore 1st Bank still holds the financial warranty with DRMS per the written contract signed by both parties on the last financial warranty contract renewal. Once Christian Construction Inc. and DRMS receive a letter from 1st Bank stating their notice of cancellation, the 90 days would then begin at that point.

In conclusion, we hope this letter resolves the possible violations notice we received hopefully prevents there from being further action by the DRMS. Please feel free to contact us with any questions or concerns.

Thank you,



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