

SURETY RIDER

To be attached to and form a part of

Bond No. 103712724

Type of Bond: Reclamation Surety Bond

dated effective 10/31/2001 (MONTH-DAY-YEAR)

executed by Chemical Lime Company of Arizona (PRINCIPAL)

,as Principal.

and by Travelers Casualty and Surety Company of America ,as Surety,

in favor of State of New Mexico, MMD and USDA Forest Service (OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing

INCREASING THE BOND AMOUNT:

FROM: \$40,243.00 TO: \$62,287.00

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective 08/24/2007 (MONTH-DAY-YEAR)

Signed and Sealed 08/24/2007 (MONTH-DAY-YEAR)

Chemical Lime Company of Arizona (PRINCIPAL)

By: [Signature] Treasurer (PRINCIPAL)

Travelers Casualty and Surety Company of America (SURETY)

By: [Signature] Claudia Chavez-Ortiz (ATTORNEY-IN-FACT) Claudia Chavez-Ortiz

Surety Bond No. 103712724

Permit No. GRO30ME

State of New Mexico

Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Bureau
1220 South St. Francis Drive
Santa Fe, NM 87505
Phone: 505/476-3400; Fax: 505/476-3402

This bond replaces bond no. 22-36-04
issued by National Union Fire Insurance
Company of Pittsburgh, PA

RECLAMATION SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, THAT Chemical Lime Company of Arizona, as Principal, and Travelers Casualty and Surety Company of America, a corporation duly incorporated under the laws of the State of Connecticut and licensed, registered, and otherwise authorized pursuant to the requirements of New Mexico law and regulations to do business as a surety in the State of New Mexico, are held and firmly bound jointly unto the Mining and Minerals Division of the Energy, Minerals and Natural Resources Department of the State of New Mexico (MMD) and the Forest Service of the U.S. Department of Agriculture (USDA Forest Service), or their lawful successor agencies, in the penal sum of \$ 40,243.00 (Fort Thousand Two Hundred Forty Three & 00/100) lawful money of the United States for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION is such, that:

Whereas, the Principal has submitted to MMD an application for mining and reclamation operations, Permit No. G030ME, including a mining and closeout/reclamation plan, to conduct and reclaim a mining operation, as defined in the New Mexico Mining Act, Sections 69-36-1 et seq, NMSA 1978, (New Mexico Mining Act) and the regulations of the New Mexico Mining Commission (New Mexico Mining Act Rules).

Whereas, the Principal has submitted to the USDA Forest Service an application for mining and reclamation operations to conduct and reclaim a mining operation, as defined by USDA Forest Service requirements.

Whereas, the Principal has chosen to provide this Surety Bond as a guarantee that the reclamation of the land disturbed during this mining operation at the Mathis Quarry Mine, Grant County, State of New Mexico, will be performed and completed as required by the New Mexico Mining Act, the New Mexico Mining Act Rules, USDA Forest Service requirements, and as specified or included by reference or adoption in the Permit as issued or modified;

Whereas, the Surety and their successors and assigns agree to guarantee the obligation and to indemnify, defend, and hold harmless MMD and the USDA Forest Service from any and all losses and expenses which MMD and the USDA Forest Service may sustain as a result of the Principal's failure to comply with the condition of the obligation;

Whereas, obligations guaranteed by this Surety Bond shall be in effect for the following described lands

Surety2-MARP-10/01



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State of New Mexico

approved as the permit areas or increments upon which initial or succeeding operations will be conducted:
The permit area encompasses portions of Sections 17, 18, 19 and 20,
Township 17 South, Range 12 West in Grant County, New Mexico

NOW, THEREFORE, the conditions of this obligation are such that if the Principal faithfully completes all reclamation and abatement requirements set forth in the New Mexico Mining Act, the New Mexico Mining Act Rules, USDA Forest Service requirements, and the MMD Permit, including the mining and closeout/reclamation plan, and MMD and the USDA Forest Service has approved said completion, then this Surety Bond shall be void; otherwise, it shall remain in full force and effect:

- ES* (a) beginning on October 31, 2001 and extending for a minimum term of 5 years until all reclamation, restoration, and abatement work pursuant to the New Mexico Mining Act, the New Mexico Mining Act Rules, USDA Forest Service requirements, and the MMD Permit has been performed and completed to the satisfaction of MMD and USDA Forest Service; and
- (b) continuing until this Surety Bond is released pursuant to the New Mexico Mining Act Rules, 19.10.12 NMAC (New Mexico Administrative Code), and USDA Forest Service requirements; replaced in accordance with the New Mexico Mining Act Rules, 19.10.12 NMAC, and USDA Forest Service requirements; or until the MMD Permit has been sold, reassigned, or otherwise transferred in accordance with the New Mexico Mining Act Rules, 19.10.12 NMAC; and
- (c) for areas to be revegetated, the MMD Director shall retain the amount of financial assurance necessary for a third party to reestablish vegetation for a period of 12 years after the last year of augmented seeding, fertilizing, or irrigation, unless a post-mining land use is approved by the Director that does not require revegetation; and the USDA Forest Service Bond Approving Officer shall retain the amount of financial assurance necessary to meet USDA Forest Service requirements for reclamation.

The failure of the Principal to fulfill the obligations specified by the New Mexico Mining Act, the New Mexico Mining Act Rules, USDA Forest Service requirements, and the MMD Permit, shall result in a forfeiture of this Surety Bond according to the procedure described in the New Mexico Mining Act Rules, 19.10.12 NMAC or in the USDA Forest Service requirements, as applicable. The agency receiving the funds shall be determined according to the instructions given below for forfeiture and release. The Surety agrees this bond shall not be canceled at any time for any reason, including, but not limited to, nonpayment of the premium of bankruptcy of the principal during the period of liability.

The amount of the Surety's liability may be reduced by MMD and the USDA Forest Service pursuant to the New Mexico Mining Act Rules and USDA Forest Service requirements for lands covered by this Surety Bond which have not been and will not be disturbed by the Principal or which have been partially reclaimed, upon application by the Principal pursuant to the New Mexico Mining Act Rules and USDA Forest Service requirements for revision of the Permit to address such acreage as approved by MMD and the USDA Forest Service. This Surety Bond may also be reviewed periodically by MMD and the USDA Forest Service, pursuant to the New Mexico Mining Act Rules, 19.10.12 NMAC and USDA Forest Service requirements. Pursuant to any



State of New Mexico

such review, MMD and the USDA Forest Service may require an increase or allow a decrease in this Surety Bond.

The Surety hereby agrees to give prompt notice to the Principal, MMD, and the USDA Forest Service of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations or regulatory requirements which would result in suspension or revocation of the Surety's license or powers to do business.

Upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed without bond coverage in violation of the New Mexico Mining Act Rules, 19.10.12 NMAC, and USDA Forest Service requirements, and subject to enforcement action described in the New Mexico Mining Act Rules and USDA Forest Service requirements.

There are three conditions under which financial assurance can be released, as follows:

- 1) **Joint Release.** Once the reclamation has been completed and jointly approved by MMD and the USDA Forest Service, the period of liability for financial assurance has expired, the requirements of Subsections A, B, C and D of 19.10.12.1210 NMAC have been met, and USDA Forest Service reclamation requirements have been met, the Director of MMD and the Bond Approving Officer of the USDA Forest Service will jointly release to the Operator all or part of the financial assurance for the entire permit area, or incremental area, for the mining operations conducted by the Operator under Permit No. GRO30ME with MMD. The Operator shall make a written request to MMD and the USDA Forest Service for such release.
- 2) **MMD Release.** The USDA Forest Service can release the Operator from USDA Forest Service reclamation requirements. The USDA Forest Service will inform MMD of this occurrence. MMD will become sole holder of this Surety Bond. Once the reclamation has been completed and approved by MMD, the period of liability for financial assurance has expired, and the requirements of Subsections A, B, C and D of 19.10.12.1210 NMAC have been met, the Director of MMD will release to the Operator all or part of the financial assurance for the entire permit area, or incremental area, for the mining operations conducted by the Operator under Permit No. GRO30ME with MMD. The Operator shall make a written request to MMD for such release.
- 3) **USDA Forest Service Release.** MMD can release the Operator from requirements of the New Mexico Mining Act and the New Mexico Mining Act Rules. MMD will inform the USDA Forest Service of this occurrence. The USDA Forest Service will become sole holder of this Surety Bond. Once the reclamation has been completed and approved by the USDA Forest Service, the period of liability for financial assurance has expired, and USDA Forest Service reclamation requirements have been met, the Bond Approving Officer of the USDA Forest Service will release to the Operator all or part of the financial assurance for the entire permit area, or incremental area, for the mining operations conducted by the Operator. The Operator shall make a written request to the USDA Forest Service for such release.

There are three conditions under which financial assurance can be forfeited, as follows:

- 1) **Joint Forfeiture.** MMD and the USDA Forest Service can jointly demand payment of the financial assurance instruments, given the following conditions. Pursuant to Subsection C of

19.10.12.1201 NMAC and Subsection C of 19.10.12.1207 NMAC, financial assurance is conditioned upon the performance of all the requirements of the New Mexico Mining Act, 19.10.12 NMAC, and the mine permit and closeout plan designated as Permit No. GRO30ME with MMD. If the Operator refuses or is unable to conduct or complete reclamation and the closeout plan, if the terms of the permit are not met, or if the Operator defaults on the conditions under which the financial assurance was accepted, the Director of MMD and the Bond Approving Officer of the USDA Forest Service shall take joint action pursuant to 19.10.12.1211 NMAC and USDA Forest Service reclamation requirements, respectively, to forfeit all or part of this Surety Bond. The Bank shall pay MMD and the USDA Forest Service upon joint written demand and presentation of the original Surety Bond agreement, without further notice to, consent of, or endorsement by the Operator. Any delay by MMD and the USDA Forest Service in enforcing their rights to this Surety Bond shall not affect their rights to the funds. This agreement shall terminate upon written release of this Surety Bond by MMD and the USDA Forest Service.

- 2) ***Forfeiture to MMD.*** MMD can demand payment of all or a portion of the financial assurance amount, given the following conditions, if the USDA Forest Service has released rights or concurrence is achieved by MMD and the USDA Forest Service to allow MMD's independent action. Pursuant to Subsection C of 19.10.12.1201 NMAC and Subsection C of 19.10.12.1207 NMAC, financial assurance is conditioned upon the performance of all the requirements of the New Mexico Mining Act, 19.10.12 NMAC, and the mine permit and closeout plan designated as Permit No. GRO30ME with MMD. If the Operator refuses or is unable to conduct or complete reclamation and the closeout plan, if the terms of the permit are not met, or if the Operator defaults on the conditions under which the financial assurance was accepted, the Director of MMD shall take action pursuant to 19.10.12.1211 NMAC to forfeit all or part of the financial assurance amount specified by this Surety Bond. The Bank shall pay MMD upon written demand by MMD and presentation of the original Surety Bond agreement, without further notice to, consent of, or endorsement by the Operator. Any delay by MMD in enforcing its rights to this Surety Bond shall not affect MMD's rights to the funds. This Agreement shall terminate upon written release of this Surety Bond by MMD.
- 3) ***Forfeiture to the USDA Forest Service.*** The USDA Forest Service can demand payment of all or a portion of the financial assurance amount, given the following conditions, if MMD has released rights or concurrence is achieved by MMD and the USDA Forest Service to allow the USDA Forest Service's independent action. If the Operator refuses or is unable to conduct or complete reclamation and the closeout plan, if the terms of the permit are not met, or if the Operator defaults on the conditions under which the financial assurance was accepted, the Bond Approving Officer of the USDA Forest Service shall take action pursuant to USDA Forest Service reclamation requirements to forfeit all or part of the financial assurance amount. The Bank shall pay the USDA Forest Service upon written demand by the USDA Forest Service and presentation of the original Surety Bond agreement, without further notice to, consent of, or endorsement by the Operator. Any delay by the USDA Forest Service in enforcing its rights to this Surety Bond shall not affect the USDA Forest Service's rights to the funds. This Agreement shall terminate upon written release of this Surety Bond by the USDA Forest Service.

State of New Mexico

Surety Bond No. 103712724

Permit No. GRO30ME

Agreement by Principal and Surety

IN WITNESS WHEREOF, the Principal and Surety have caused this Surety Bond to be sealed with their respective corporate seals and executed by their respective duly authorized officials as of the dates set forth below.

Chemical Lime Company of Arizona

Principal

By: *R. Staffel*
Authorized Official

Ross Staffel
Treasurer

Title: _____

Date: November 02, 2001

Travelers Casualty and Surety Company of America
Surety

By: *Carmen Mims*
Authorized Official

Carmen Mims
Title: Attorney-In-Fact

Date: October 31, 2001

WITNESSED:

By: *Bridgette Jackson* of Marsh USA Inc.
Bridgette Jackson

By: *Debbie Griffith* of Marsh USA Inc.
Debbie Griffith

(Additional signatures appear on pages that follow)

Surety Bond No. 103712724

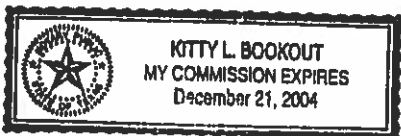
Permit No. GRO30ME

State of New Mexico

Acknowledgement of Principal

On this 5 day of November, 2001, before me appeared Ross Staffol, Treasurer to me personally known, who, being by me duly sworn, did depose and say that he signed the attached Surety Bond and acknowledged said instrument to be a free act and deed for the uses and purposes of said Surety Bond as therein set forth.

In WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Kitty L. Bookout
Notary Public
My commission expires: 12/21/2004

Acknowledgement and Justification of Surety

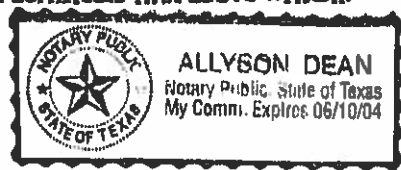
STATE OF TEXAS)

) SS

COUNTY OF DALLAS)

On this 31st day of October, 2001, before me appeared Carmen Mims to me personally known, who, being by me duly sworn, did depose and say that she is a duly authorized official of the Travelers Casualty * (Surety) and that the seal affixed to this instrument is the corporate seal of the Surety and that the instrument was signed and sealed on behalf of the Surety by authority of its board of directors and she acknowledged the instrument to be a free act and deed of the Surety; and she did further depose and say that the Surety had complied with the laws of New Mexico with reference to the transaction of a surety business therein.
* and Surety Company of America

In WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Allyson Dean
Notary Public
My commission expires: June 10 2004

(Additional signatures appear on pages that follow)

State of New Mexico

Surety Bond No. 103712724
Permit No. GR030ME

Approval by Authorized Representative of Mining and Minerals Division

The foregoing Surety Bond was approved by me this 27 day of February, 2002

By: J. E. Muey
Director, Mining and Minerals Division

Printed Name: Acting Director
Director, Mining and Minerals Division

Approval by Authorized Representative of USDA Forest Service

The foregoing Surety Bond was approved by me this 13 day of Dec, 2001

By: Gerald Engel
Bond Approving Officer, USDA Forest Service

Printed Name: Gerald A. Engel
Bond Approving Officer, USDA Forest Service

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062
TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS
Naperville, Illinois 60563-8458**

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, a corporation duly organized under the laws of the State of Illinois, and having its principal office in the City of Naperville, County of DuPage, State of Illinois, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: Lawrence W. Waldie, Allyson Dean, Carmen Mims, Brian Lebow or Deborah Griffith, * *

of Dallas, TX, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated the following instrument(s):

by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto

and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS have caused this instrument to be signed by their Senior Vice President, and their corporate seals to be hereto affixed this 9th day of June, 1999.

STATE OF CONNECTICUT

)}SS. Hartford

COUNTY OF HARTFORD

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS



By *George W. Thompson*
George W. Thompson
Senior Vice President

On this 9th day of June, 1999 before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.



Marie C Tetreault

My commission expires June 30, 2001 Notary Public
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Assistant Secretary of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, stock corporations of the State of Connecticut, and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, stock corporation of the State of Illinois, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 31st day of October, 2001.



By *Brian Hoffman*
Brian Hoffman
Assistant Secretary, Bond