



**RESOURCE  
MANAGEMENT AGENCY  
COUNTY OF TULARE  
AGENDA ITEM**

**BOARD OF SUPERVISORS**

- KUYLER CROCKER  
District One
- PETE VANDER POEL  
District Two
- AMY SHUKLIAN  
District Three
- J. STEVEN WORTHLEY  
District Four
- MIKE ENNIS  
District Five

**AGENDA DATE:** April 3, 2018

Public Hearing Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
CONTACT PERSON: Celeste Perez PHONE: (559) 624-7010		

**SUBJECT:** Transfer of Ownership of Surface Mining Permit and Reclamation Plan

**REQUEST(S):**  
That the Board of Supervisors:  
Approve the transfer of ownership of Surface Mining Permit and Reclamation Plan (PMR 96-002 and PMR 13-001) from Intermountain Slurry Seal, Inc., a subsidiary of Granite Construction Company, to Blue Stone Rock, LLC, relinquishing Granite Construction Company from any further responsibility originating from said permit, including Conditions of Approval and approved Financial Assurances.

**SUMMARY:**  
As stipulated by Tulare County Ordinance Code Section 7-25-1145, any change in ownership of a Surface Mining Operation from one party to another will not be effective until the new owners have secured the necessary Financial Assurances. The new owner must agree to meet all Conditions of Approval for the Surface Mining Permit and Reclamation Plan. The Resource Management Agency (RMA) Planning Director approved a Minor Modification (MIM 18-012), to accept the new Financial Assurance Mechanism (FAM) from Blue Stone Rock LLC., release the FAM for Granite Construction and transfer of ownership on March 6, 2018. In addition, the existing owner will be released from any further responsibility originating from the permit, the reclamation plan, the conditions of approval, and approved financial assurances. At such time as new financial assurances have been secured, the RMA Director shall notify the Board of Supervisors, placing the matter on the Board of Supervisors agenda for action as set forth in section 7-25-1150.

**SUBJECT:** Transfer of Ownership of Surface Mining Permit and Reclamation Plan.  
**DATE:** April 3, 2018

Blue Stone Rock, LLC. of Porterville, California assumed ownership of the approved Surface Mining Permit and Reclamation Plan (PMR 96-002 and PMR 13-001) from the current owner, Intermountain Slurry Seal, Inc., a subsidiary of Granite Construction Company, on November 30, 2017 (Exhibit A). Blue Stone Rock LLC., has submitted the required Statement of Responsibility (SOR) to the County assuming responsibility for Fountain Springs Mine conditions of approval and financial responsibility for its reclamation (Exhibit B). The site is currently under an Interim Management Plan and considered to be an idle mine. Blue Stone Rock, LLC., initially plans to sell existing stockpiles on site, with the eventuality of re-starting mining operations at some time in the future.

Blue Stone Rock LLC., will use the currently approved Financial Assurance Cost Estimate (FACE) as provided by Granite Construction for the year 2017. They will provide a new FACE in December 2018 (Exhibit C). The FACE's are reviewed annually by the County; the next review will be for the 2018 calendar year. Blue Stone Rock, LLC., has posted the necessary Financial Assurance Mechanism (FAM) as an Irrevocable Letter of Credit with Bank of the Sierra, Porterville (see Exhibit D) and has agreed to assume full responsibility for the approved permit and reclamation plan, including all conditions of approval, effective as of December 18, 2017. Granite Construction is requesting the release of their FAM, upon approval of this transfer of ownership (Exhibit E).

RMA has received correspondence from the Department of Conservation accepting the new Financial Assurance Mechanism and transfer of the Reclamation plan for PMR 96-002 and PMR 13-001 (Exhibit F). The State Division of Mine Reclamation (DMR) reviewed the SOR, FACE and FAM in an email confirmation with RMA Staff on January 16, 2018 confirmed that the transfer met all necessary requirements. The applicant mailed a Statement Of Responsibility For New Operator Of Record to DMR on December 22, 2017. The DMR has changed the ownership of the mine to Blue Stone Rock, LLC on January 16, 2018 (Exhibit F).

The 159-acre project site is located on the east side of Old Stage Road (M109), about one-mile north of Hot Springs Drive (Avenue 56), near Fountain Springs (APN #323-260-004).

**FISCAL IMPACT/FINANCING:**

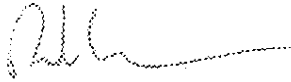
None.

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

Economic Well-Being: Promote economic development opportunities, effective growth management, and a quality standard of living.


**SUBJECT:** Transfer of Ownership of Surface Mining Permit and Reclamation Plan.  
**DATE:** April 3, 2018

**ADMINISTRATIVE SIGN-OFF:**



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Reed Schenke P.E.  
Director



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Michael Washam, Associate Director  
Planning Director

Cc: Auditor-Controller  
County Counsel  
County Administrative Office (2)

Exhibit – A: General Assignment Transfer

Exhibit – B: Statement of Responsibility For New Operator Of Record accepting the approved permit, conditions of approval, and reclamation plan for PMR 88-003, PMR 93-003, PMR 96-002 & PMR 13-001.

Exhibit – C: Granite Construction 2017 approved Financial Assurance Cost Estimate

Exhibit – D: A copy of the Financial Assurance Mechanism [Irrevocable Letter of Credit] for Fountain Springs Quarry (California Mine ID Number 91-54-0016).

Exhibit – E: Granite Construction 2017 Request for release of FAM

Exhibit – F: DMR's Email Acceptance

**BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF TRANSFER OF )  
OWNERSHIP OF SURFACE MINING ) Resolution No. \_\_\_\_\_  
PERMIT AND RECLAMATION PLAN )

UPON MOTION OF SUPERVISOR \_\_\_\_\_, SECONDED BY  
SUPERVISOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE BOARD  
OF SUPERVISORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_, BY THE  
FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST: MICHAEL C. SPATA  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_  
Deputy Clerk

\* \* \* \* \*

That your Board of Supervisors:

Approved the transfer of ownership of Surface Mining Permit and Reclamation Plan (PMR 96-002 and PMR 13-001) from Intermountain Slurry Seal, Inc., a subsidiary of Granite Construction Company, to Blue Stone Rock, LLC, relinquishing Granite Construction Company from any further responsibility originating from said permit, including Conditions of Approval and approved Financial Assurances.

Exhibit A:

General Assignment Transfer

## GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT ("Assignment") is entered into by and among INTERMOUNTAIN SLURRY SEAL, INC., a Wyoming corporation ("Seller" or "Assignor"), BLUE STONE ROCK, LLC, a California limited liability company ("Buyer" or "Assignee"), and Mitchell F. Brown and Elizabeth J. Brown ("the Browns"). Assignor, Assignee and the Browns are hereinafter referred to collectively as the "Parties" and individually as a "Party." This Assignment is executed and delivered in connection with, and as of, the Closing Date ("Closing Date" or "Effective Date") under the Purchase Agreement defined below.

### RECITALS

A. Assignor, as the seller, and the Browns as the buyer, were the parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated November 30, 2017, which is incorporated herein by this reference ("Purchase Agreement"), concerning the purchase and sale of certain real property and associated permits (the Fountain Springs Quarry), and also known as Assessor's Parcel Number 323-260-004 ("Real Property"), located near Ducor, California and in unincorporated area of Tulare County, California, together with certain tangible personal property that is situated on the Real Property which is owned and being sold by an Affiliate of Assignor (GILC Incorporated), all as described in said Purchase Agreement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement. Unless otherwise defined herein, all initial-capitalized term used in this Assignment shall have the same meanings as such terms are defined in the Purchase Agreement.

Pursuant to that certain First Amendment to the Purchase Agreement dated December 15, 2017, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, the Browns assigned their interest under the Purchase Agreement to Blue Stone Rock, LLC; however, such assignment does not release the Browns from their obligations and liabilities under Sections 5.9, 5.10, and 5.11 of the Purchase Agreement. Accordingly, Mitchell F. Brown, Elizabeth J. Brown and Blue Stone Rock, LLC remain jointly and severally liable as co-obligors under Sections 5.9, 5.10 and 5.11 of the Purchase Agreement, which liabilities and obligations shall survive the Close of Escrow.

B. Pursuant to the Purchase Agreement, Seller has sold to the Buyer, and the Buyer has purchased from Seller, the Real Property described in Exhibit B attached hereto and incorporated herein by this reference, as well as the existing surface mining and other permits applicable to the Real Property described below.

C. Pursuant to the Purchase Agreement, Seller is obligated to assign to the Buyer all of Seller's right, title, and interest in and to the existing Surface Mining Permit and Reclamation Plan (PMR 93-003) and other permits which pertain to Seller's former mining operations on the Real Property ("Permits"), as listed in Exhibit C attached hereto, and Buyer and the Browns, jointly and severally, are obligated to assume all responsibility and liability under the transferred Permits, including without limitation reclamation obligations, as more particularly described in said Purchase Agreement, which obligations survive the Closing Date.

D. By their signatures below, the Browns are further acknowledging and agreeing that should Assignee breach any term or condition of this Assignment, Mitchell F. Brown and Elizabeth J. Brown shall be personally, jointly and severally liable for such breach and any for any direct damages, including attorney fees and costs but not including consequential damages, that Assignor might sustain as a result of such breach.

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth in the Purchase Agreement and in this Assignment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. Assignment and Acceptance/Assumption of Obligations Under Permits. Effective as of the Effective Date defined above, Assignor hereby assigns to Assignee all of Assignor's rights, liabilities, responsibilities, and obligations under the Permits accruing on or after the Effective Date (with the Browns remaining personally liable, as joint and several co-obligors with Assignee, for all Reclamation and other obligations and liabilities under the Permits), to the extent such Permits are transferrable and assignable and subject to the requirements contained herein and any administrative requirements (including, but not limited to, obtaining any necessary consents from governmental authorities, as well as properly and timely submitting the Statement of Responsibility and satisfactory replacement financial assurances, and the release of Seller's Reclamation Bond).

Assignee hereby accepts said assignment of the Permits and hereby agrees to comply with the Permits, and Assignee and the Browns, all jointly and severally, hereby agree to assume, at their expense, all responsibilities, obligations and liabilities under the Permits that arise from and after the Effective Date, including, without limitation, compliance with all applicable laws, rules, regulations, ordinances, agency requirements and all applicable reclamation obligations and financial assurance requirements, the payment of all rents, royalties, fees, payments, and other charges that are payable under any Permit for the period from and after the Effective Date, and all California Department of Conservation fees that are assessed in connection with the use of Real Property from and after the Effective Date.

Assignor and Assignee shall cooperate and collaborate, each with diligence and good faith, in properly completing, executing, and delivering any and all notices, forms, applications, instruments, documents and other information that either Party or any permitting authority may reasonably request, in accordance with its customary procedures and/or applicable regulations or other laws, to accept, process, review and approve the transfer of the Permits from Assignor to Assignee (or, if applicable, to issue a new, replacement Permit).

Assignor has disclosed to Assignee, and Assignee hereby acknowledges, that (a) mining operations at the Real Property are considered "idle" and are the subject of an approved Interim Management Plan, and (b) the obligations under the governing Reclamation Plan have not yet been fully performed.

**1.1. Permit Transfer Process.** Assignee shall submit all of its applications for Permit transfers to the requisite agencies within one (1) business day after the Closing Date, at its expense.

Assignor and Assignee each recognizes and acknowledges that, inasmuch as the agencies' processing and approvals that are required in order to consummate the transfers from Assignor to Assignee of the Permits will not occur until after the Effective Date, Assignee will not have any operational or other rights under any of the Permits unless and until said Permits are duly transferred, or re-issued to Assignee, by the applicable permitting authority and Assignor's existing Reclamation Bond is released.

As of the Effective Date, Assignee and the Browns will be responsible, all jointly and severally, for all obligations related to the Real Property including, without limitation, maintaining, obtaining and complying with any necessary operating, regulatory, and land use permits, as well as assuming and fulfilling all environmental and reclamation obligations. Assignor shall be fully released from all further liabilities, responsibilities, and obligations under the Permits, and Assignor's existing

Reclamation Bond shall be released.

1.2. **AS-IS; No Assignor Assurances Re Permits.** Assignor makes no representations or warranties, express or implied, of any kind or nature whatsoever with respect to the Permits (including any implied warranty of merchantability or of fitness for a particular purpose), it being expressly understood that Assignee has made its own investigation of the items assigned hereby, if any, and is acquiring the items assigned hereby "**AS IS, WHERE IS, IN THEIR CURRENT CONDITION, WITH ALL FAULTS.**" Assignee further acknowledge that Assignor is not providing any guarantees or assurances as to the sufficiency, transferability, assignability, or viability of the Permits, or any assurances that the Permits will be transferred or re-issued to Assignee by the applicable permitting authorities. Assignee assumes the risk of obtaining (or not obtaining) any Permit transfers, although as stated above, Assignor shall cooperate in the transfer process. As of and from the Effective Date of this Assignment, Assignee responsible for all obligations related to the Real Property including, without limitation, maintaining, obtaining and complying with any necessary operating, regulatory, and land use permits, as well as assuming and fulfilling all environmental and reclamation obligations.

2. **Reclamation Plan and Financial Assurances.** Without limiting the generality of Assignee's and the Browns' responsibilities and assumption of obligations under the Permits:

2.1. **Reclamation Plan.** Assignee and the Browns agree, jointly and severally at their sole cost and expense, to assume and fully and timely perform any and all obligations under the Reclamation Plan (as it may be amended or replaced from time to time) and other Permits accrued or to be performed on and after the Effective Date, regardless of whether such obligations were/are triggered by or relate to mining and/or processing activities performed or disturbance of areas prior to or after the Effective Date, and obtain all necessary sign-off and clearances from applicable governmental authorities with respect to reclamation of the property covered by the Reclamation Plan. Assignee and the Browns hereby release Seller from and waive any and all claims against Seller in any way relating to failure of Seller to comply with and complete activities required by the Reclamation Plan, regardless of whether such requirements were triggered by or relate to mining and/or processing activities performed or disturbance of areas occurring on or prior to the Effective Date.

2.2. **Financial Assurances.** Assignee shall, at Assignee's sole cost and expense: (a) apply for, obtain, and put in place all necessary replacement financial assurances in connection with the Reclamation Plan, and cause acceptance of the same from the County of Tulare, the Department of Conservation, and any other governmental authorities with jurisdiction and the release of Assignor's Reclamation Bond; (b) within one (1) business day after the Effective Date, submit to the governing agency(ies) a completed and signed Statement of Responsibility [formally notifying the lead agency and the State Department of Conservation that a new individual and/or company is assuming all permitted responsibility for operating the mining site in compliance with the lead agency-approved Surface Mining Permit and Reclamation Plan, local ordinances, the Surface Mining and Reclamation Act of 1975 (SMARA), associated regulations, and guidelines] in the form of Exhibit C attached hereto ("**Statement of Responsibility**"), or in such other form and content required by the lead agency, the State Department of Conservation, and any other governing agencies, together with any duly authorized corporate resolutions that are required by the Department of Conservation for same; (c) within one (1) business day after the Effective Date, deliver written notice of the transfer of ownership which complies with the Tulare County requirements, together with the required financial assurance cost estimate and transfer fee, to the Tulare County Planning Department and Department of Building and Safety in accordance with the requirements of the applicable County Ordinance ("**Notice of Transfer**"); (d) within one (1) business day after the Effective Date, submit to the appropriate governing agencies Assignee's replacement Reclamation Performance Bond (to cause the release of Seller's Reclamation Bond) in favor of, and that meets the requirements of, the County of Tulare (and, if applicable, the Department of Conservation,



Office of Mine Reclamation) for Permit No. 96-002, with Assignee as Principal; and (e) use its best efforts to cause the transfer of the Permits and the release of Seller's Reclamation Bond to be consummated no later than thirty (30) days after the Effective Date and cause Seller to be fully and finally released from any other financial assurances provided by Seller to secure reclamation obligations at or in connection with the property covered by the Reclamation Plan.

Assignee and/or the Browns shall pay 100% of the one-time transfer/administrative fees or charges that are imposed by any agency (the County, the California Department of Conservation, and/or any other agency) in connection with the transfer of any of the Permits.

For purposes of clarification, Assignee and the Browns shall jointly and severally be and remain solely responsible for all financial assurances, for the costs of issuing any new permits if any particular Permit cannot be transferred and a new Permit instead is required, and for all rents, royalties, fees, payments, and other charges that are payable under any Permit for the period from and after the Effective Date.

3. **Indemnification.** Assignee and the Browns shall jointly and severally indemnify, defend and hold Assignor and its Affiliates, successors and assigns, and the officers, directors, employees, and shareholders of Assignor and its Affiliates, successors and assigns ("Indemnified Parties"), harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, reasonable attorney's fees) ("Claims") which are asserted against or incurred by any Indemnified Party to the extent such Claim arises from (i) Assignee's and/or the Browns' failure to comply with the Reclamation Plan or Permit requirements applicable to the Real Property, or (ii) Assignee's and/or the Browns' breach of their obligations or covenants under this Agreement.

#### 4. **General.**

4.1. **Further Assurances.** Each Party agrees to perform, execute and deliver, but without any obligation to incur any additional liability, any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby.

4.2. **Construction; "Affiliate."** Headings used in this Assignment are for convenience or reference only and are not intended to govern, limit, or aid in the construction of any term or provision hereof. The Parties have participated jointly in reviewing, negotiating, and drafting this Assignment. If a question of interpretation arises, this Assignment shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Assignment. Unless otherwise specified in this Assignment, the terms "herein," "hereof," "hereunder" and other terms of like or similar import, will be deemed to refer to this Assignment as a whole (including Exhibits) and not to any particular section, subsection or paragraph.

As used in this Assignment, the term "Affiliate" of a person or entity shall mean any other person or entity which controls, is controlled by or is under common control with the subject person/entity.

4.3. **Choice of Law; Venue.** This Assignment is to be governed by, and construed in accordance with, the internal laws of the State of California, without giving effect to any choice or conflict of law provisions or rule which would cause the application of the laws of any jurisdictions other than the State of California. Venue for any legal proceeding shall be in the County of Tulare.

4.4. **Severability.** If any term, covenant, condition or provision of this Assignment, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction or rendered by the adoption of a statute by the State of California or the United States invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Assignment, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

**4.5. Waiver.** The waiver by one Party of the performance of any covenant, condition or promise, or of the time for performing any act under this Assignment, shall not invalidate this Assignment nor shall it be considered a waiver by such Party of any other covenant, condition or promise, or of the time for performing any other act required, under this Assignment. The exercise of any remedy provided in this Assignment shall not be a waiver of any other remedy provided by law, and the provisions of this Assignment for any remedy shall not exclude any other remedies unless they are expressly excluded.

**4.6. Legal Advice.** Each Party has received independent legal advice from its attorney(s) with respect to this Assignment and the transaction which is the subject of this Assignment. The provisions of this Assignment shall be construed as to the fair meaning and not for or against any Party based upon any attribution to such Party as the sole source of the language in question.

**4.7. Time of the Essence.** Time shall be of the essence as to all dates and times of performance. Any obligation that falls due or specified time period which ends on a Saturday, Sunday or legal holiday shall be deemed to fall due or end on the next business day.

**4.8. Relationship of Parties.** The Parties agree that nothing contained herein shall constitute either Party the agent or legal representative of the other for any purpose whatsoever, nor shall this Assignment be deemed to create or constitute any partnership, agency, joint venture, or form of business organization between the Parties hereto, nor is either Party granted the right or authority to assume or create any obligation or responsibility on behalf of the other Party.

**4.9. Binding Effect.** This Assignment shall be binding upon and shall inure to the benefit of the Parties hereto and their successors in interest.

**4.10. No Obligations to Third Parties.** Except as otherwise expressly provided herein, the execution and delivery of this Assignment shall not be deemed to confer any rights upon, nor obligate any of the Parties hereto, to any person or entity other than the Parties hereto.

**4.11. Dispute Resolution.** Claims, disputes or other matters arising out of or relating to this Assignment shall be subject to non-binding mediation as a condition precedent to the commencement of legal or equitable proceedings by either Party, except that a Party may first file an action to preserve its rights under this Assignment. Mediation shall be in accordance with the Commercial Mediation Rules of the American Arbitration Association then in effect.

**4.12. Attorneys' Fees.** If any Party hereto institutes an action or proceeding for a declaration of the rights of the Parties under this Assignment, for injunctive relief, for specific performance of the obligations under, for an alleged breach or default of, or any other action or proceeding arising out of or relating to this Assignment or the transactions contemplated hereby, whether or not suit is filed or prosecuted to final judgment, the Party determined by the court or referee to be the non-defaulting or prevailing Party shall be entitled to its actual attorneys' and legal fees and to any court or other proceeding costs incurred, in addition to any other damages or relief awarded.

**4.13. Notices.** Any notice pursuant to this Assignment shall be given in writing by (a) personal delivery, or (b) reputable overnight delivery service with proof of delivery, sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the

addressee shall have designated by written notice sent in accordance herewith. Any notice so given shall be deemed to have been given upon actual receipt or refusal to accept delivery. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Assignment shall be as follows:

If to Assignor: Intermountain Slurry Seal, Inc.  
Sacramento Valley Region  
4001 Bradshaw Road  
Sacramento, CA 95827  
Attn: Jake Hinchey  
Telephone: 916-855-8859  
Email: jake.hinchey@gcinc.com

and to: Granite Construction Incorporated  
585 West Beach Street  
Watsonville, California 95076  
Attention: California Group Counsel  
Email: jordy.murray@gcinc.com

If Assignee: Blue Stone Rock, LLC  
14200 Road 284  
Porterville, CA 93257  
ATTN: Mitch F. Brown  
Telephone: 559-781-6389  
Fax: 559-781-2358  
Email: mitch@ocsnet.net

**4.14. Entire Agreement.** This Assignment and all Exhibits hereto, as well as the Recitals herein, constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof, and supersedes all prior understandings or agreements with respect to the subject matter hereof, including any prior letter(s) of intent. There are no oral representations, understandings or agreements covering the same subject matter as this Assignment. This Assignment may be modified only by a writing signed by both Parties. All Exhibits to which reference is made in this Assignment are deemed incorporated in this Assignment whether or not actually attached.

**4.15. Counterparts.** This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

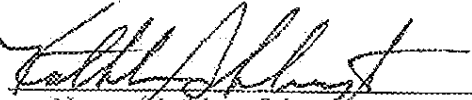
**4.16. Specific Performance and Injunctive Relief.** Without limiting, and in addition to, any other remedies that are available to any Party at law or in equity, in the event of any violation or threatened violation of this Assignment, either Party shall have the right to specific performance, as well as the right to enjoin such violation or threatened violation in a court of competent jurisdiction. Prior to the commencement of any such action, the Party initiating such an action shall provide at least ten (10) days' prior written notice of such violation to the other Party.

*[Signatures on next page.]*

THIS GENERAL ASSIGNMENT IS EXECUTED effective as of the Effective Date defined above.

*Assignor:*

**INTERNATIONAL SLURRY SEAL, INC.,**  
a Wyoming corporation

By:   
Name: Kathleen Schreckengost  
Title: VP & Treasurer

December 15, 2017  
Date

*Assignee:*

**BLUE STONE ROCK, LLC,**  
a California limited liability company

By: \_\_\_\_\_  
Mitchell F. Brown  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Elizabeth J. Brown  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date

*The Browns:*

\_\_\_\_\_  
Mitchell E. Brown

\_\_\_\_\_  
Date

\_\_\_\_\_  
Elizabeth J. Brown

\_\_\_\_\_  
Date

THIS GENERAL ASSIGNMENT IS EXECUTED effective as of the Effective Date defined above.

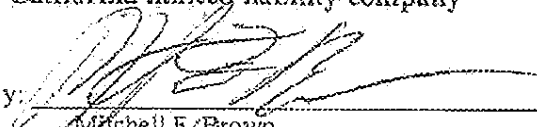
*Assignor:*

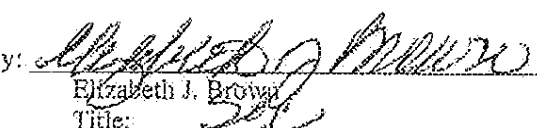
**INTERNATIONAL SLURRY SEAL, INC.,**  
a Wyoming corporation

By: \_\_\_\_\_ Date \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

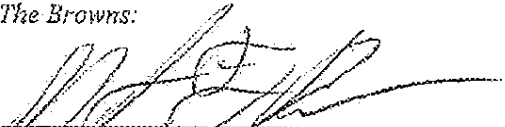
*Assignee:*

**BLUE STONE ROCK, LLC,**  
a California limited liability company

By:  \_\_\_\_\_ Date 12-18-17  
Name: Mitchell F. Brown  
Title: VP

By:  \_\_\_\_\_ Date 12/18/17  
Name: Elizabeth J. Brown  
Title: SEC

*The Browns:*

 \_\_\_\_\_ Date 12-18-17  
Name: Mitchell F. Brown

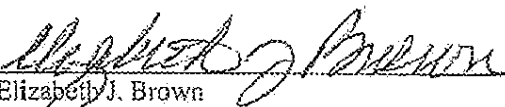
 \_\_\_\_\_ Date 12/18/17  
Name: Elizabeth J. Brown

EXHIBIT A

Copy of First Amendment of Purchase Agreement

*[Attached]*

**EXHIBIT B**

**Legal Description of Real Property**

*[Attached]*

**EXHIBIT A-1**  
Legal Description

For APN/Parcel ID(s): 323-260-004

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF DUCOR, COUNTY OF TULARE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

PARCELS 1 AND 6 OF PARCEL MAP NO. 4173, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 42, PAGE 77 OF MAPS, TULARE COUNTY RECORDS.

EXCEPTING THEREFROM ALL MINERALS, OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES, AS GRANTED BY DEED TO DOROTHY H. KRAEMER, TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, AS TO AN UNDIVIDED ONE-HALF INTEREST FROM HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE AND DOROTHY H. KRAEMER, ALSO KNOWN AS DOROTHY KRAEMER, INDIVIDUALLY AND AS TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, BY DEED RECORDED MARCH 18, 1981 IN BOOK 3848, PAGE 436 OF OFFICIAL RECORDS AS DOCUMENT NO. 12959 AND TO HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE, AS TO AN UNDIVIDED ONE-HALF INTEREST FROM HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE AND DOROTHY H. KRAEMER, ALSO KNOWN AS DOROTHY KRAEMER, INDIVIDUALLY AND AS TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, RECORDED MARCH 18, 1981 IN BOOK 3848, PAGE 438 OF OFFICIAL RECORDS AS DOCUMENT NO. 12960.

BY DEED RECORDED AUGUST 4, 1995 UNDER RECORDER'S DOCUMENT NO. 95-0150371 OF OFFICIAL RECORDS OF TULARE COUNTY, ROSALIE M. GUINN, INDIVIDUALLY, AS EXECUTRIX OF THE WILL OF HERBERT G. GUINN AND TRUSTEE OF THE TRUSTS CREATED UNDER SUCH WILL, GRANTED TO JAMES UNY AND GLORIA MARIE UNY, HUSBAND AND WIFE, ALL RIGHT, TITLE AND INTEREST IN AND TO THE SOIL, DIRT, SAND, CLAY, GRAVEL, ROCK, DECOMPOSED GRANITE, QUARTZ AND OTHER COMMON AND ORDINARY SUBSTANCES, EITHER BEING SOLD AS IS OR USED FOR THE PRODUCTION AND SALE AGGREGATE AND AGGREGATE BASED PRODUCTS IN AND UNDER THE EAST HALF OF SECTION 23, TOWNSHIP 23 SOUTH, RANGE 28 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, BUT RESERVED ALL PRECIOUS MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, IN, ON AND UNDER SAID LAND.

PARCEL 2:

PARCEL NO. 4 AND THAT PORTION OF PARCEL NO. 5 OF PARCEL MAP NO. 4173, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42, PAGE 77 OF PARCEL MAPS, TULARE COUNTY RECORDS.

THAT PORTION OF SAID PARCEL NO. 5 DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID PARCEL NO. 5;  
THENCE, SOUTH 00°03'23" WEST 477.43 FEET TO AN ANGLE POINT IN THE EAST LINE OF SAID PARCEL NO. 5, SAID POINT BEING THE TRUE POINT OF BEGINNING;  
THENCE, SOUTH 49°54'19" EAST 208.97 FEET TO AN ANGLE POINT IN THE EAST LINE OF SAID PARCEL NO. 5;  
THENCE, SOUTH 00°03'23" WEST 194.52 FEET TO THE SOUTHWEST CORNER OF PARCEL NO. 4 OF SAID PARCEL MAP NO. 4173;  
THENCE, DEPARTING THE EAST LINE OF SAID PARCEL NO. 5, SOUTH 89°41'00" WEST 159.99 FEET;  
THENCE, NORTH 00°03'23" EAST 330.00 FEET TO THE TRUE POINT OF BEGINNING.



**EXHIBIT A-1**  
Legal Description  
(continued)

TOGETHER WITH ALL EASEMENTS APPURTENANT THERETO FOR INGRESS AND EGRESS AS SHOWN ON SAID PARCEL MAP NO. 4173.

EXCEPTING THEREFROM ALL MINERALS, OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES, AS GRANTED BY DEED TO DOROTHY H. KRAEMER, TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, AS TO AN UNDIVIDED ONE-HALF INTEREST FROM HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE AND DOROTHY H. KRAEMER, ALSO KNOWN AS DOROTHY KRAEMER, INDIVIDUALLY AND AS TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, BY DEED RECORDED MARCH 18, 1981 IN BOOK 3848, PAGE 436 OF OFFICIAL RECORDS AS DOCUMENT NO. 12959 AND TO HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE, AS TO AN UNDIVIDED ONE-HALF INTEREST FROM HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE AND DOROTHY H. KRAEMER, ALSO KNOWN AS DOROTHY KRAEMER, INDIVIDUALLY AND AS TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, RECORDED MARCH 18, 1981 IN BOOK 3848, PAGE 438 OF OFFICIAL RECORDS AS DOCUMENT NO. 12960.

BY DEED RECORDED AUGUST 4, 1995 UNDER RECORDER'S DOCUMENT NO. 95-0150371 OF OFFICIAL RECORDS OF TULARE COUNTY, ROSALIE M. GUINN, INDIVIDUALLY, AS EXECUTRIX OF THE WILL OF HERBERT G. GUINN AND TRUSTEE OF THE TRUSTS CREATED UNDER SUCH WILL, GRANTED TO JAMES UNY AND GLORIA MARIE UNY, HUSBAND AND WIFE, ALL RIGHT, TITLE AND INTEREST IN AND TO THE SOIL, DIRT, SAND, CLAY, GRAVEL, ROCK, DECOMPOSED GRANITE, QUARTZ AND OTHER COMMON AND ORDINARY SUBSTANCES, EITHER BEING SOLD AS IS OR USED FOR THE PRODUCTION AND SALE AGGREGATE AND AGGREGATE BASED PRODUCTS IN AND UNDER THE EAST HALF OF SECTION 23, TOWNSHIP 23 SOUTH, RANGE 28 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, BUT RESERVED ALL PRECIOUS MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, IN, ON AND UNDER SAID LAND.

PARCEL 3:

PARCEL NO. 3 AND PARCEL NO. 5 OF PARCEL MAP NO. 4173, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42, PAGE 77 OF PARCEL MAPS, TULARE COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION OF SAID PARCEL NO. 5 DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID PARCEL NO. 5;  
THENCE, SOUTH 00°03'23" WEST 477.43 FEET TO AN ANGLE POINT IN THE EAST LINE OF SAID PARCEL NO. 5, SAID POINT BEING THE TRUE POINT OF BEGINNING;  
THENCE, SOUTH 49°54'19" EAST 208.97 FEET TO AN ANGLE POINT IN THE EAST LINE OF SAID PARCEL NO. 5;  
THENCE, SOUTH 00°03'23" WEST 658.48 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL NO. 5;  
THENCE, NORTH 89°25'47" WEST AND ALONG THE SOUTH LINE OF SAID PARCEL NO. 5, A DISTANCE OF 160.00 FEET;  
THENCE, DEPARTING THE SOUTH LINE OF SAID PARCEL NO. 5, NORTH 00°03'23" EAST 791.48 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH ALL EASEMENTS APPURTENANT THERETO FOR INGRESS AND EGRESS AS SHOWN ON SAID PARCEL MAP NO. 4173.

SUBJECT TO AN EASEMENT FOR INGRESS AND EGRESS OVER AND ACROSS THE EAST 26 FEET THEREOF AS SHOWN ON SAID PARCEL MAP NO. 4173.

**EXHIBIT A-1**  
Legal Description  
(continued)

EXCEPTING THEREFROM ALL MINERALS, OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES, AS GRANTED BY DEED TO DOROTHY H. KRAEMER, TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, AS TO AN UNDIVIDED ONE-HALF INTEREST FROM HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE AND DOROTHY H. KRAEMER, ALSO KNOWN AS DOROTHY KRAEMER, INDIVIDUALLY AND AS TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, BY DEED RECORDED MARCH 18, 1981 IN BOOK 3848, PAGE 436 OF OFFICIAL RECORDS AS DOCUMENT NO. 12959 AND TO HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE, AS TO AN UNDIVIDED ONE-HALF INTEREST FROM HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE AND DOROTHY H. KRAEMER, ALSO KNOWN AS DOROTHY KRAEMER, INDIVIDUALLY AND AS TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, RECORDED MARCH 18, 1981 IN BOOK 3848, PAGE 438 OF OFFICIAL RECORDS AS DOCUMENT NO. 12960.

BY DEED RECORDED AUGUST 4, 1995 UNDER RECORDER'S DOCUMENT NO. 95-0150371 OF OFFICIAL RECORDS OF TULARE COUNTY, ROSALIE M. GUINN, INDIVIDUALLY, AS EXECUTRIX OF THE WILL OF HERBERT G. GUINN AND TRUSTEE OF THE TRUSTS CREATED UNDER SUCH WILL, GRANTED TO JAMES UNY AND GLORIA MARIE UNY, HUSBAND AND WIFE, ALL RIGHT, TITLE AND INTEREST IN AND TO THE SOIL, DIRT, SAND, CLAY, GRAVEL, ROCK, DECOMPOSED GRANITE, QUARTZ AND OTHER COMMON AND ORDINARY SUBSTANCES, EITHER BEING SOLD AS IS OR USED FOR THE PRODUCTION AND SALE AGGREGATE AND AGGREGATE BASED PRODUCTS IN AND UNDER THE EAST HALF OF SECTION 23, TOWNSHIP 23 SOUTH, RANGE 28 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, BUT RESERVED ALL PRECIOUS MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, IN, ON AND UNDER SAID LAND.

PARCEL 4:

PARCEL NO. 7 AND THAT PORTION OF PARCEL NO. 5 OF PARCEL MAP NO. 4173, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42, PAGE 77 OF PARCEL MAPS, TULARE COUNTY RECORDS.

THAT PORTION OF SAID PARCEL NO. 5 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL NO. 5;  
THENCE, NORTH 00°03'23" EAST 463.96 FEET TO THE NORTHWEST CORNER OF PARCEL NO. 7 OF SAID PARCEL MAP NO. 4173;  
THENCE, SOUTH 89°41'00" WEST 159.99 FEET;  
THENCE, SOUTH 00°03'23" WEST 461.48 FEET TO A POINT IN THE SOUTH LINE OF SAID PARCEL NO. 5;  
THENCE, SOUTH 89°25'47" EAST 160.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH ALL EASEMENTS APPURTENANT THERETO FOR INGRESS AND EGRESS AS SHOWN ON SAID PARCEL MAP NO. 4173.

EXCEPTING THEREFROM ALL MINERALS, OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES, AS GRANTED BY DEED TO DOROTHY H. KRAEMER, TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, AS TO AN UNDIVIDED ONE-HALF INTEREST FROM HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE AND DOROTHY H. KRAEMER, ALSO KNOWN AS DOROTHY KRAEMER, INDIVIDUALLY AND AS TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, BY DEED RECORDED MARCH 18, 1981 IN BOOK 3848, PAGE 436 OF OFFICIAL RECORDS AS DOCUMENT NO. 12959 AND TO HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE, AS TO AN UNDIVIDED ONE-HALF INTEREST FROM HERBERT G. GUINN AND ROSALIE M. GUINN, HUSBAND AND WIFE AND

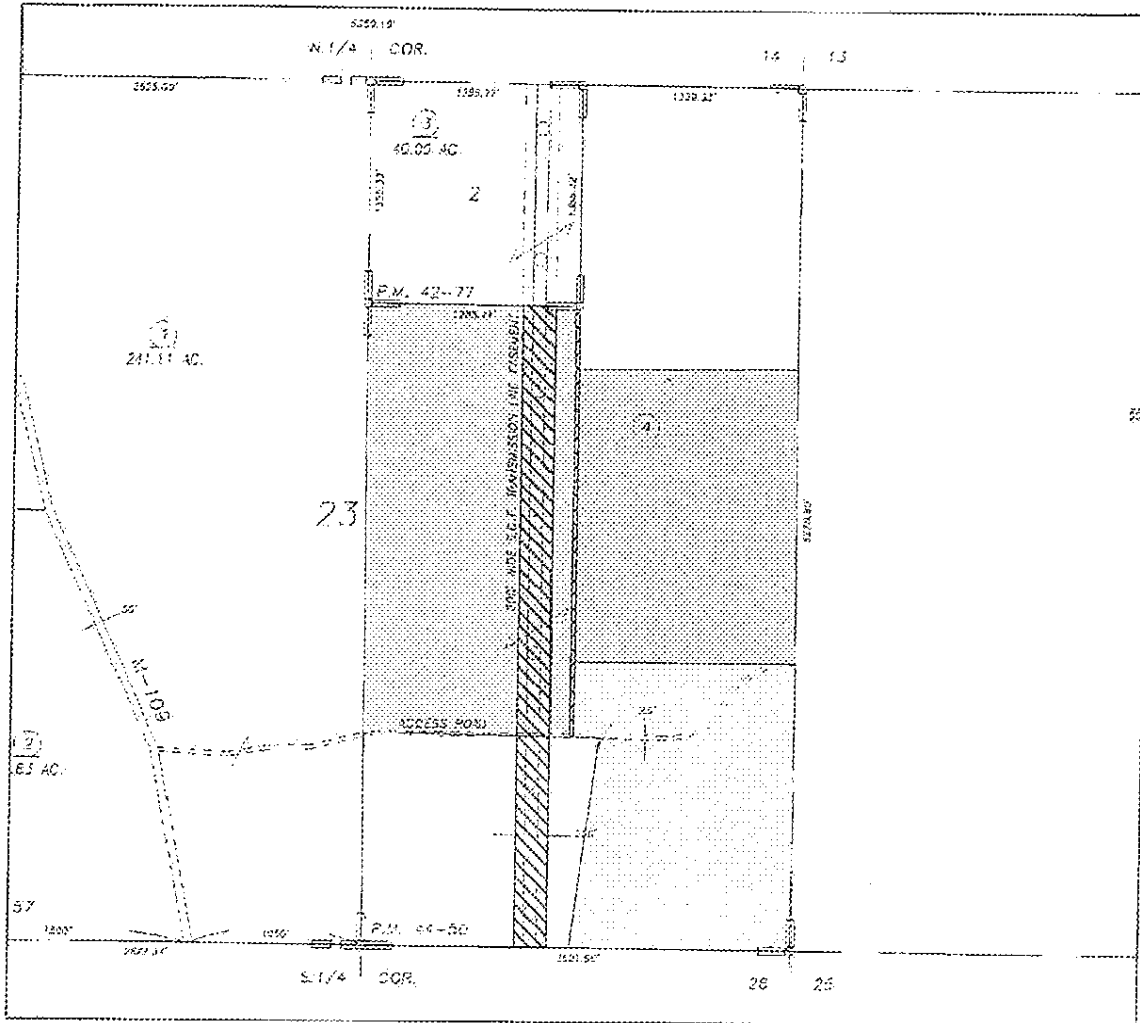
**EXHIBIT A-1**  
Legal Description  
(continued)

DOROTHY H. KRAEMER, ALSO KNOWN AS DOROTHY KRAEMER, INDIVIDUALLY AND AS TRUSTEE UNDER THE K-4-D TRUST DATED SEPTEMBER 25, 1973, RECORDED MARCH 18, 1981 IN BOOK 3848, PAGE 438 OF OFFICIAL RECORDS AS DOCUMENT NO. 12960.

BY DEED RECORDED AUGUST 4, 1995 UNDER RECORDER'S DOCUMENT NO. 95-0150371 OF OFFICIAL RECORDS OF TULARE COUNTY, ROSALIE M. GUINN, INDIVIDUALLY, AS EXECUTRIX OF THE WILL OF HERBERT G. GUINN AND TRUSTEE OF THE TRUSTS CREATED UNDER SUCH WILL, GRANTED TO JAMES UNY AND GLORIA MARIE UNY, HUSBAND AND WIFE, ALL RIGHT, TITLE AND INTEREST IN AND TO THE SOIL, DIRT, SAND, CLAY, GRAVEL, ROCK, DECOMPOSED GRANITE, QUARTZ AND OTHER COMMON AND ORDINARY SUBSTANCES, EITHER BEING SOLD AS IS OR USED FOR THE PRODUCTION AND SALE AGGREGATE AND AGGREGATE BASED PRODUCTS IN AND UNDER THE EAST HALF OF SECTION 23, TOWNSHIP 23 SOUTH, RANGE 28 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, BUT RESERVED ALL PRECIOUS MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, IN, ON AND UNDER SAID LAND.

NOTE: THE ABOVE DESCRIBED LAND IS NOW IN REVERSION TO ACREAGE BY A REVERSION OF ACREAGE OF PARCEL MAP NO. 4173 RECORDED IN BOOK 44 PAGE 50 OF PARCEL MAPS.

Scale 1 inch = 726.85 feet



**Legend**

- PARCEL 1 - Property In Question, Fee
- PARCEL 2 - Property In Question, Fee
- PARCEL 3 - Property In Question, Fee
- PARCEL 4 - Property In Question, Fee
- Item No. 3 - Easement for Public utilities in Bk125 Pg212 of Official Records Affects said portion as described in the document
- Item No. 4 - Easement for Public utilities in 04/26/1974 Bk3173 Pg309 #17342 of Official Records Affects said portion as described in the document
- Item No. 6 - Easement for Access in 10/17/1975 Bk3274 Pg291 #41857 of Official Records The exact location of the easement cannot be determined and is not plottable
- Item No. 7 - Easement for Public utilities in 05/19/1981 Bk3856 Pg615 #23505 of Official Records The exact location of the easement cannot be determined and is not plottable

- Item No. 8 - Easement for Public utilities in 06/24/1981 Bk3876 Pg440 #29459 of Official Records The exact location of the easement cannot be determined and is not plottable
- Item No. 10 - Easement for Public utilities in 01/25/1991 #5133 of Official Records The exact location of the easement cannot be determined and is not plottable
- Item No. 11 - Easement for Public utilities in 11/02/1992 #92-080850 of Official Records The exact location of the easement cannot be determined and is not plottable
- Item No. 19 - Easement for Private vehicular Access in Bk42 Pg77 of Parcel Map Affects said portion as shown on the map
- Item No. 19 - Easement for 45 foot Radius in Bk42 Pg77 of Parcel Map Affects said portion as shown on the map
- Item No. 21 - Easement for Public utilities in 12/12/1994 #94-090031 of Official Records The exact location of the easement cannot be determined and is not plottable

Chicago Title Company  
 2540 West Shaw Lane, #112  
 Fresno, CA 93711

THIS MAP IS BEING SUBMITTED AS AN AID IN LOCATING THE HERETO DESCRIBED LAND IN RELATION TO ADJOINING STREETS, ADJACENT PARCELS AND OTHER LAND, AND IS NOT A SURVEY OF THE LAND EMPLOYED. EXCEPT TO THE EXTENT A POLICY OF THIS INSURANCE IS EXPRESSLY MODIFIED BY ENDORSEMENT, IF ANY, THE COMPANY DOES NOT INSURE DIMENSIONS, DISTANCE, LOCATION OF EASEMENTS, OR OTHER MATTERS SHOWN THEREON.

Title Order No.: FWN-TG17001736, Preliminary Report dated: October 13, 2017  
 Reference:  
 Property: 523-260-004, Ducor, CA

Drawing Date: 10/01/2017 - FNR  
 Assessor's Parcel No.: 323-260-604  
 Date:

Plat Showing: A PORTION OF LAND IS SITUATE - 20 - CITY OF DUCOR, COUNTY OF TULARE, STATE OF CALIFORNIA

EXHIBIT C

1. The Real Property is subject to a Surface Mining and Reclamation Plan (CA Mine ID Number: 91-54-0016; PMR 9672002)
2. Interim Management Plan for the Fountain Springs Quarry ("IMP") (Application No. PMR 13-001),

**Exhibit B:**

Statement of Responsibility For New Operator Of Record accepting the approved permit, conditions of approval, and reclamation plan for PMR 88-003, PMR 93-003, PMR 96-002 & PMR 13-001.

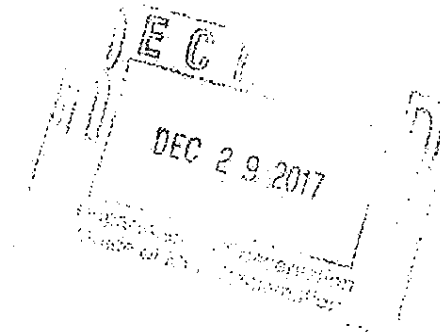
# Blue Stone Rock, LLC

---

14200 Road 284 Porterville, Ca. 93257 | 559-781-6389 | ebrown@ocsnet.net

December 22, 2017

Department of Conservation  
Division of Mine Reclamation  
801 K Street, MS 09-06  
Sacramento, CA 95814-3529



Sent Via email to: [DMR@conservation.ca.gov](mailto:DMR@conservation.ca.gov)

Sent via certified mail: 7011 2970 0002 2877 8964

To Whom it may concern,

Please find attached with this letter a Statement Of Responsibility For New Operator Of Record for the Fountain Springs Quarry, California Mine ID# 91-54-0016. A copy of the financial assurance mechanism in the form of a letter of credit is also attached. If you should have any questions, please contact me at 559-781-6389.

Sincerely,

Elizabeth Brown  
General Partner

STATEMENT OF RESPONSIBILITY FOR NEW OPERATOR OF RECORD

For Individuals and Partnerships  
Reference: Public Resources Code Sections 2773.1(c) and 2772(c)(10)  
Revised 11/15/16

MINE NAME: Fountain Springs Quarry CALIFORNIA MINE ID #: 91-54-0016  
PMR 88-003, PMR 93-003  
LEAD AGENCY: County of Tulare CONDITIONAL USE PERMIT #: PMR 96-002  
PMR 13-001  
DATE OF SALE OR TRANSFER: 12/22/2017

As of the date of sale or transfer noted herein, Mitchell F. Brown, Elizabeth J. Brown, Lauren Brown, Taylor Brown, Ryan Brown  
[Print Individual or All Partners Names] is/are the new operator(s) of the surface mining operation referenced above, and pursuant to Public Resources Code sections 2773.1, subdivision (c) and 2772, subdivision (c)(10), Mitchell F. Brown, Elizabeth J. Brown, Lauren Brown, Taylor Brown, Ryan Brown [Individual or All Partners Names] accepts responsibility for reclaiming the mined lands in accordance with the reclamation plan approved by the County of Tulare [Lead Agency] on 12/18/1996 [date], including all amendments.

Check one:

Pursuant to Public Resources Code section 2773.1, subdivision (c), a financial assurance mechanism that is at least equal to the lead agency approved financial assurance cost estimate dated \_\_\_\_\_ has been posted on behalf of the new operator of record. Date Posted: \_\_\_\_\_  
Mechanism Type (check one)  
 Surety Bond  Certificate of Deposit  Letter of Credit  Other: \_\_\_\_\_

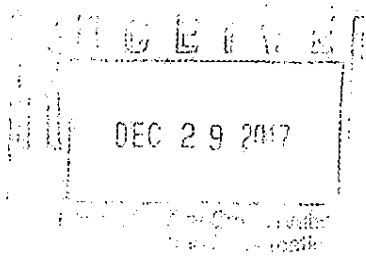
or

Pursuant to Public Resources Code section 2773.1, subdivision (c), a financial assurance mechanism, that is at least equal to the lead agency approved financial assurance cost estimate dated 12/18/2017 will be posted by 12/20/2017 [date] on behalf of the new operator of record.  
Mechanism Type (check one)  
 Surety Bond  Certificate of Deposit  Letter of Credit  Other: \_\_\_\_\_

On behalf of myself, or on behalf of the above named partners I certify that I am authorized to sign this Statement of Responsibility and to submit this information to the Department of Conservation and County of Tulare [Lead Agency] and that the information stated herein is true and accurate.

[Signature] Lead Partner 12/20/17  
Signature of Individual Title of Individual Date

FOR DEPARTMENT USE ONLY  
(completed by staff after approval of project)  
SMARA Database Entry Date Analyst Initials





**CHANGE OF ADDRESS FORM**

For Individuals and Partnerships  
Revised 11/15/16

DEC 29 2017

MINE NAME: Fountain Springs Quarry

CALIFORNIA MINE ID#: 91-54-0016

New Operator Business Structure:  
(check one)

Individual

Partnership

**NEW OPERATOR OF MINING OPERATION**

1. NAME: Blue Stone Rock, LLC  
 MAILING ADDRESS: 14200 Road 284  
 CITY/STATE/ZIP: Porterville, CA 93257  
 BUSINESS PHONE: 559-781-6389 FAX: 559-781-2358  
 CELL PHONE: \_\_\_\_\_ EMAIL: ebrown@ocsnet.net

**OWNER OF MINING OPERATION**

2. NAME: \_\_\_\_\_  
 MAILING ADDRESS: \_\_\_\_\_  
 CITY/STATE/ZIP: \_\_\_\_\_  
 BUSINESS PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_  
 CELL PHONE: \_\_\_\_\_ EMAIL: \_\_\_\_\_

Same as #1

**ON-SITE CONTACT**

3. NAME: \_\_\_\_\_ EMAIL: \_\_\_\_\_  
 BUSINESS PHONE: \_\_\_\_\_ CELL PHONE: \_\_\_\_\_

Same as #1

**LAND OWNER**

4. NAME: \_\_\_\_\_  
 MAILING ADDRESS: \_\_\_\_\_  
 CITY/STATE/ZIP: \_\_\_\_\_  
 BUSINESS PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_  
 CELL PHONE: \_\_\_\_\_ EMAIL: \_\_\_\_\_

Same as #1

**NEW DESIGNATED AGENT (Person/entity authorized to receive service of process on behalf of operation)**

5. NAME: Michael F. Brown  
 MAILING ADDRESS: 14200 Road 284  
 CITY/STATE/ZIP: Porterville, CA 93257  
 BUSINESS PHONE: 559-781-6389 FAX: 559-781-2358  
 CELL PHONE: 559-333-2994 EMAIL: ebrown@ocsnet.net

Same as #1

I Elizabeth J. Brown [print name], certify that I am authorized individually or by the partnership to sign this Change of Address form and to submit this information to the Department of Conservation and County of Inyo [Lead Agency] and that the information stated herein is true and accurate.

Elizabeth J. Brown  
SIGNATURE OF AUTHORIZED OFFICER

Bob Parmer  
TITLE OF AUTHORIZED OFFICER

12/20/17  
DATE

Exhibit A-5

STATEMENT OF RESPONSIBILITY FOR NEW OPERATOR OF RECORD

For Individuals and Partnerships  
Reference: Public Resources Code Sections 2773.1(c) and 2772(c)(10)  
Revised 11/15/16

MINE NAME: Fountain Springs Quarry

CALIFORNIA MINE ID #: 91-54-0016

PMR 88-003, PMR 93-003

LEAD AGENCY: County of Tulare

CONDITIONAL USE PERMIT #: PMR 96-002, PMR 13-001

DATE OF SALE OR TRANSFER: \_\_\_\_\_

As of the date of sale or transfer noted herein, Mitchell Brown, Elizabeth Brown, Lauryn Brown, Taylor Brown and Ryan Brown [Print Individual or All Partners Names] is/are the new operator(s) of the surface mining operation referenced above, and pursuant to Public Resources Code sections 2773.1, subdivision (c) and 2772, subdivision (c)(10), Mitchell Brown, Elizabeth Brown, Lauryn Brown, Taylor Brown and Ryan Brown [Individual or All Partners Names] accepts responsibility for reclaiming the mined lands in accordance with the reclamation plan approved by the County of Tulare [Lead Agency] on 12/18/1996 [date], including all amendments;

Check one:

Pursuant to Public Resources Code section 2773.1, subdivision (c), a financial assurance mechanism that is at least equal to the lead agency approved financial assurance cost estimate dated \_\_\_\_\_ has been posted on behalf of the new operator of record.

Date Posted: \_\_\_\_\_

Mechanism Type (check one)

Surety Bond     Certificate of Deposit     Letter of Credit     Other: \_\_\_\_\_

or

Pursuant to Public Resources Code section 2773.1, subdivision (c), a financial assurance mechanism, that is at least equal to the lead agency approved financial assurance cost estimate dated 6/18/2017 will be posted by 12/26/2017 [date] on behalf of the new operator of record.

Mechanism Type (check one)

Surety Bond     Certificate of Deposit     Letter of Credit     Other: \_\_\_\_\_

On behalf of myself, or on behalf of the above named partners I certify that I am authorized to sign this Statement of Responsibility and to submit this information to the Department of Conservation and County of Tulare [Lead Agency] and that the information stated herein is true and accurate.

[Signature]  
Signature of Individual

Project Specialist  
Title of Individual

12/19/2017  
Date

FOR DEPARTMENT USE ONLY  
(completed by staff after approval of project)  
SMARA Database Entry Date    Analyst Initials

# CHANGE OF ADDRESS FORM

For Individuals and Partnerships  
Revised 11/15/16

MINE NAME: Fountain Springs Quarry

CALIFORNIA MINE ID #: 91-54-0016

New Operator Business Structure: (check one)	<input type="checkbox"/> Individual	<input checked="" type="checkbox"/> Partnership
---	-------------------------------------	---

## NEW OPERATOR OF MINING OPERATION

1. NAME:	<u>Blue Stone Rock, LLC</u>		
MAILING ADDRESS:	<u>14200 Road 284</u>		
CITY/STATE/ZIP:	<u>Porterville, Ca. 93257</u>		
BUSINESS PHONE:	<u>559-781-6389</u>	FAX:	<u>559-781-2358</u>
CELL PHONE:	_____	EMAIL:	_____

## OWNER OF MINING OPERATION

Same as  
#1

2. NAME:	_____		
MAILING ADDRESS:	_____		
CITY/STATE/ZIP:	_____		
BUSINESS PHONE:	_____	FAX:	_____
CELL PHONE:	_____	EMAIL:	_____

## ON-SITE CONTACT

Same as  
#1

3. NAME:	_____	EMAIL:	_____
BUSINESS PHONE:	_____	CELL PHONE:	_____

## LAND OWNER

Same as  
#1

4. NAME:	_____		
MAILING ADDRESS:	_____		
CITY/STATE/ZIP:	_____		
BUSINESS PHONE:	_____	FAX:	_____
CELL PHONE:	_____	EMAIL:	_____

## NEW DESIGNATED AGENT (Person/entity authorized to receive service of process on behalf of operation)

Same as  
#1

5. NAME:	<u>Jerry Cobb</u>		
MAILING ADDRESS:	<u>14200 Road 284</u>		
CITY/STATE/ZIP:	<u>Porterville, Ca. 93257</u>		
BUSINESS PHONE:	<u>559-781-6389</u>	FAX:	<u>559-781-2358</u>
CELL PHONE:	<u>559-676-3847</u>	EMAIL:	<u>j.cobb.proc@csnet.net</u>

I, Elizabeth J. Brown (print name), certify that I am authorized individually or by the partnership to sign this Change of Address form and to submit this information to the Department of Conservation and County of Tulare (Lead Agency) and that the information stated herein is true and accurate.

Elizabeth J. Brown  
SIGNATURE OF AUTHORIZED OFFICER

Partner  
TITLE OF AUTHORIZED OFFICER

12/20/17  
DATE

**Exhibit C:**

Granite Construction 2017 approved Financial Assurance Cost Estimate

BETA Excel Version of the FACE-1 Financial Assurance Cost Estimate Form.  
Please contact DMR if errors are found in this DRAFT document.

## FINANCIAL ASSURANCE COST ESTIMATE

FOR

Fountain Springs

(Mine Name)

CA Mine ID # 91- 54-0016

Reclamation Plan #/Name PMR 88-003, PMR 93-003, PMR 96-002, PMR 13-001

Prepared by: (Name & Affiliation)

Granite Construction Company

John McCabe, Plants Administrator

Date: 10/31/17

This financial assurance cost estimate prepared and submitted pursuant to (choose one):

A new or amended reclamation plan approved on (Date): \_\_\_\_\_

An annual mine inspection performed on (Date): 12/01/16

Other: Please Specify: \_\_\_\_\_

Most Recent Approved Financial Assurance Cost Estimate

Date: 1/18/17

Amount: \$ 1,176,435.01

Amount of existing Financial Assurance Mechansim(s)

Date: 6/18/17

Amount: \$ 1,176,435.01

**I. SUPPORTING DOCUMENTS**

This estimate represents the cost of conducting and completing reclamation in accordance with the Surface Mining and Reclamation Act (SMARA) and the following supporting documents:

**Reclamation Plan Approval Date and Number**

#PMR 88-003 approved on 05/10/89, PMR 93-003 approved on 02/09/94, PMR 96-002 approved on 12/18/96, and PMR 13-001 approved on 06/11/14.

**Permits and/or Environmental Documents Approved as, or Conditional upon, the Reclamation Plan**

Desert Aggregates Surface Mining Reclamation Plan

**Other Agency Financial Assurances Securing Reclamation of Disturbed Lands**

NA

**Wage Rates used in Cost Estimate\*** (cost estimates are required to use current 'General prevailing wege determinations made by the director of industrial relations' where applicable (<http://www.dir.ca.gov/OPRL/PWD/index.htm>) with employer labor burden added, or greater)

CA General Prevailing Wage Determination

**Equipment Rates used in Cost Estimates\*** (use current 'Labor Surcharge and Equipment Rental Rates (Cost of Equipment Ownership)' equipment rates published by Caltrans (<http://www.dot.ca.gov/hq/construct/equipment.html>) or other publicly available and verifiable local rates)

Caltrans Labor Surcharge and Equipment Rental Rates

**Equipment Production Rates used in Cost Estimate** (Use of current Caterpillar Performance Handbook or equivalent published production rates is required)

Caterpillar Performance Handbook and Professional Experience

*\*Many mine sites are remote projects that require hours of travel (to and from) and sometimes require additional time to prepare for even the simplest of tasks. In accordance with labor Code Sections 1773.1 and 1773.2, contractors are required to make travel and/or subsistence (per diem) payments to each worker to execute the work. These arrangements can be quite variable and site specific.*

**Attachments:**

NA

## II. Description of Current Site Conditions

*(i.e., disturbed acres, slope conditions, excavation depths, topsoil and overburden stockpiles, equipment and facilities, reclamation in progress, erosion control status, required corrective actions, etc.)*

☒ The Site has 95 acres disturbed, and is under an Interim Management Plan (IMP) approved on 06/11/14. The main pit is benched along the west and north faces, and the east pit face is planned as a fill area for aggregate wash fines with slopes at 2H:1V or flatter. The existing Decomposed Granite (DG) pit requires grading of existing slopes. Topsoil stockpiles are located at the north end of the permitted boundary. Equipment on-site consists of an aggregate processing plant, partial asphalt concrete plant, minor outbuildings (scale house, storage sheds, containers) and miscellaneous boneyard equipment.

## III. Description of Anticipated Site Conditions (12 months from date of estimate)

*(i.e., increase of disturbed acres, increase of depth, increases in amount of equipment and/or facilities, required corrective actions, etc.)*

☒ No change anticipated over the next 12 months. Site will remain under the approved IMP.

## IV. Description/Justification of Cost Increase/Decrease

☒ The cost estimate has changed from \$1,176,435.01 to 1,313,443.00 due predominantly to an increase in labor rates and an increase in Leady Agency/DMR administrative costs.

*(add additional pages as needed)*

**V. PLANT STRUCTURES AND EQUIPMENT REMOVAL** *( use multiple sheets as needed)*

*Provide documentation showing that rates, prices, and wages are available locally to all persons, including the lead agency and/or the Department.*

**Current Site Condition:**

On-site equipment consists of an aggregate processing plant and partial asphalt plant (including crushers, screens, wash equipment, and conveyors), minor outbuildings (scale house, storage sheds, containers) and miscellaneous boneyard equipment.

V1. Plant Structures Removal

V2. Foundation Demo

V3. Misc Building/Boneyard Removal

**Reclamation Plan Performance Standard (End Use):**

Open space and grazing.

**Describe tasks:**

Dismantle all plant equipment (one jaw crusher, two cone crushers, three screens, misc wash equipment and conveyors), recycle as much as possible and scrap remaining. Demo and offhaul all foundations; remove minor outbuildings, except main steel building. Concrete will be recycled at a local recycle yard and rebar will be recycled. Abandon all but one well to leave for grazing activity. Clean up boneyard equipment.

Equipment on site wholly owned by operator?

YES

NO

*(If no, please provide the name/s and contact information for any lien holder)*

NA



ONLINE RESOURCES	
DNR wage rates	DOT equip. & labor
SOE sales tax rates	surcharge rates
Division of Mine Reclamation	

**V. PLANT STRUCTURES & EQUIPMENT REMOVAL (cont.)**

Plant Structures Removal  
 (↑ Describe Reclamation Activity Being Estimated)

Methods to be used:

A. Equipment - List equipment required to complete identified task (for large reclamation jobs separate mine areas)

Equipment	\$/Unit	# of Units	Cost (\$)
Pickups 3/4 Ton	\$27.77	90.0	\$2,499
Mechanic Truck /2.5 Ton Service Truck	\$42.54	320.0	\$13,613
CAT 980 Loader	\$185.19	80.0	\$14,815
R/T HYD Crane 26-40 TN	\$105.35	80.0	\$8,428
Crane (Subcontract; Operated)	\$350.00	40.0	\$14,000

Total Equipment Cost for this Task = \$53,355

B. Labor - List all labor categories to complete identified task

Labor Category	\$/Unit (incl labor burden)	# of Units	Cost (\$)
Foreman	\$75.45	80.0	\$6,791
Mechanic (Operating Engineer)	\$71.06	320.0	\$22,739
Operating Engineer (HYD Crane)	\$77.08	80.0	\$6,166
Operating Engineer (CAT 980 Loader)	\$71.06	80.0	\$5,685
Electrical (Subcontract)	\$100.00	80.0	\$8,000

Total Labor Cost for this Task = \$49,381

C. Demolition - List all structures and equipment to be dismantled or demolished and removed from site

Structure/Equipment to be removed	Type of Material	Volume/ Quantity	Unit Cost Basis	Disposal Cost	Cost (\$)
Covered above.					\$0
					\$0
					\$0
					\$0
					\$0

Total Materials Cost for this Task = \$0

D. Total Direct Cost of Structure and Equipment Removal (Sum of A+B+C)

Equipment Cost + Labor Cost + Demolition Cost = \$102,736

E. Net Salvage Value\* (Supported by properly prepared third party estimate, bid, or cost calculation)

Net Salvage Value = \$ 0.00

F. Total Cost of Structure and Equipment Removal (Subtract Line D from Line E)

Total Cost of Structure and Equipment Removal = \$102,736

NOTE: Above Total Cost will display \$0.00 if net of entered removal costs and salvage value is negative.

\*Note: Salvage value may only be used to offset the direct cost of removing the single item for which salvage value is being claimed. Salvage value shall not be used to offset any other demolition, general cleanup, or reclamation costs.

ONLINE RESOURCES	
DIR wage rates	DOT equip & labor
BOE sales tax rates	surcharge rates
Division of Mine Reclamation	

V. PLANT STRUCTURES & EQUIPMENT REMOVAL (cont.)

Foundation Demo

(↑ Describe Reclamation Activity Being Estimated)

Methods to be used:

A. Equipment - List equipment required to complete identified task (for large reclamation jobs separate mine areas)

Equipment	\$/Unit	# of Units	Cost (\$)
Pickups 3/4 Ton	\$27.77	240.0	\$6,665
CAT 330 Excavator	\$122.36	80.0	\$9,789
CAT 330 Excavator w/Demo Hammer	\$157.64	80.0	\$12,611
CAT 980 Loader	\$185.19	80.0	\$14,815
End Dump Rental (Operated)	\$105.00	30.0	\$3,150

Total Equipment Cost for this Task = \$47,030

B. Labor - List all labor categories to complete identified task

Labor Category	\$/Unit (incl labor burden)	# of Units	Cost (\$)
Foreman	\$75.45	90.0	\$6,791
Operating Engineer (Excavators)	\$75.45	160.0	\$12,072
Operating Engineer (CAT 980 Loader)	\$71.06	80.0	\$5,685
Laborer	\$66.19	240.0	\$15,886
	\$0.00	0.0	\$0

Total Labor Cost for this Task = \$40,433

C. Demolition - List all structures and equipment to be dismantled or demolished and removed from site

Structure/Equipment to be removed	Type of Material	Volume/ Quantity	Unit Cost Basis	Disposal Cost	Cost (\$)
Misc. Dump Fees	Trash	1.00	\$10,000.00	\$240.00	\$10,240
		0.00	\$0.00	\$0.00	\$0
		0.00	\$0.00	\$0.00	\$0
		0.00	\$0.00	\$0.00	\$0
		0.00	\$0.00	\$0.00	\$0

Total Materials Cost for this Task = \$10,240

D. Total Direct Cost of Structure and Equipment Removal (Sum of A+B+C)

Equipment Cost + Labor Cost + Demolition Cost = \$97,703

E. Net Salvage Value\* (Supported by property prepared third party estimate, bid, or cost calculation)

Net Salvage Value = \$ 0.00

F. Total Cost of Structure and Equipment Removal (Subtract Line D from Line E)

Total Cost of Structure and Equipment Removal = \$97,703

NOTE: Above Total Cost will display \$0.00 if net of entered removal costs and salvage value is negative.

\*Note: Salvage value may only be used to offset the direct cost of removing the single item for which salvage value is being claimed. Salvage value shall not be used to offset any other demolition, general cleanup, or reclamation costs.

ONLINE RESOURCES	
Diff. wage rates	DOT equip. & labor
BOE sales tax rates	exchange rates
Division of Mine Reclamation	

V. PLANT STRUCTURES & EQUIPMENT REMOVAL (cont.)

Misc. Building and Boneyard Removal  
 (↑ Describe Reclamation Activity Being Estimated)

Methods to be used:

A. Equipment - List equipment required to complete identified task (for large reclamation jobs separate mine areas)

Equipment	\$/Unit	# of Units	Cost (\$)
Pickups 3/4 Ton	\$27.77	120.0	\$3,332
CAT 330 Excavator	\$122.36	40.0	\$4,894
CAT 980 Loader	\$185.19	40.0	\$7,408
	\$0.00	0.0	\$0
	\$0.00	0.0	\$0

Total Equipment Cost for this Task = \$15,634

B. Labor - List all labor categories to complete identified task

Labor Category	\$/Unit (incl labor burden)	# of Units	Cost (\$)
Foreman	\$75.45	45.0	\$3,395
Operating Engineer (Excavators)	\$75.45	40.0	\$3,018
Operating Engineer (CAT 980 Loader)	\$71.06	40.0	\$2,842
Laborers	\$66.19	120.0	\$7,943
	\$0.00	0.0	\$0

Total Labor Cost for this Task = \$17,198

C. Demolition - List all structures and equipment to be dismantled or demolished and removed from site

Structure/Equipment to be removed	Type of Material	Volume/Quantity	Unit Cost Basis	Disposal Cost	Cost (\$)
Misc. Dump Fees	Trash	1.00	\$5,000.00	\$0.00	\$5,000
		0.00	\$0.00	\$0.00	\$0
		0.00	\$0.00	\$0.00	\$0
		0.00	\$0.00	\$0.00	\$0
		0.00	\$0.00	\$0.00	\$0

Total Materials Cost for this Task = \$5,000

D. Total Direct Cost of Structure and Equipment Removal (Sum of A+B+C)

Equipment Cost + Labor Cost + Demolition Cost = \$37,833

E. Net Salvage Value\* (Supported by properly prepared third party estimate, bid, or cost calculation)

Net Salvage Value = \$ 0.00

F. Total Cost of Structure and Equipment Removal (Subtract Line D from Line E)

Total Cost of Structure and Equipment Removal = \$37,833

NOTE: Above Total Cost will display \$0.00 if net of entered removal costs and salvage value is negative.

\*Note: Salvage value may only be used to offset the direct cost of removing the single item for which salvage value is being claimed. Salvage value shall not be used to offset any other demolition, general cleanup, or reclamation costs.

## VI. PRIMARY RECLAMATION ACTIVITY Backfilling and Grading

*Use multiple sheets as necessary to estimate the cost of each activity required. Provide documentation showing that rates, prices, and wages are available locally to the lead agency and/or the Department if necessary.*

### Current Site Conditions:

The main pit is benched along the west and north faces, and the east pit face is planned as a fill area for aggregate wash fines with slopes at 2H:1V or flatter. The existing Decomposed Granite (DG) pit requires grading of existing slopes. Topsoil stockpiles are located at the north end of the permitted boundary.

### Reclamation Plan Performance Standard (End Use):

Open space and grazing.

### Describe tasks, methods, equipment, etc:

*Decompaction, cut, fill, haul, slope reduction, compaction, grading, topsoil placement, drainage work, soil amendment, special requirements, etc. Separate sheets may be used for each task if necessary.*

Cut to fill utilizing dozers and haul trucks, contour grade DG pit and stockpile areas to natural contours, and spread topsoil utilizing dozers and haul trucks.

### Provide Quantities:

*Overburden and topsoil, cut and fill, import or export (cubic yards), area (acres), haul distance (feet), equipment production rates (cubic yards/hour, or as applicable), etc.*

- VI-1. Approximately 300,000 CY of cut to fill.
- VI-2. Approximately 74 acres of contouring.
- VI-3. Approximately 128,000 CY of topsoil spread.

ONLINE RESOURCES	
DIR wage rates	DOT equip & labor
BOE sales tax rates	surcharge rates
Division of Mine Reclamation	

VI. PRIMARY RECLAMATION ACTIVITY (cont.)

Cut to Fill East Pit Wall

(↑ Describe Reclamation Activity Being Estimated)

Acres:		Overburden (cy):	145,000
Haul Distance (ft):	1,000	Topsoil (cy):	NA
Production Rate (cy/hr):	1,400 CY/HR	(NOTE: no automatic calculations occur to data in this upper table)	

Methods to be used:

A. Equipment - List equipment to complete identified task (for large reclamation jobs separate mine areas)

Equipment	\$/Unit	# of Units	Cost (\$)
CAT D9 Dozer	\$233.24	208.0	\$48,514
CAT 988 Loader	\$212.86	104.0	\$22,137
CAT 745 Haul Trucks	\$139.88	624.0	\$87,285
CAT 825 Compactor	\$177.71	104.0	\$18,482
CAT 140 Blade	\$78.54	104.0	\$8,168
Water Truck	\$42.54	104.0	\$4,424

Total Equipment Cost for this Task = \$189,011

B. Labor - List all labor categories to complete identified tasks

Labor Category	\$/Unit (incl labor burden)	# of Units	Cost (\$)
Foreman	\$75.45	117.0	\$8,828
Operating Engineer (CAT D9 Dozer)	\$71.08	208.0	\$14,780
Operating Engineer (CAT 988 Loader)	\$71.08	208.0	\$14,780
Operating Engineer (CAT 745 Haul Trucks)	\$71.08	624.0	\$44,341
Operating Engineer (Gradesetter/Blade Operator)	\$71.08	208.0	\$14,780
Water Truck	\$58.87	104.0	\$6,122

Total Labor Cost for this Task = \$103,633

C. Materials - List all materials required to complete identified task

Item	Quantity	\$/Unit (incl sales tax)	Cost (\$)
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0
	0.00	\$5.00	\$0
	0.00	\$0.00	\$0

Total Materials Cost for this Task = \$0

D. Total Direct Cost for this task

Equipment Cost + Labor Cost + Materials Cost = \$292,644

ONLINE RESOURCES	
DIR wage rates	NOT equip & labor
PCE sales tax rates	surcharge rates
Division of Mine Reclamation	

VI. PRIMARY RECLAMATION ACTIVITY (cont.)

Contour Grading

(↑ Describe Reclamation Activity Being Estimated)

Acres:	74	Overburden (cy):	
Haul Distance (ft):		Topsoil (cy):	
Production Rate (cy/hr):	4 Acres/Day	(NOTE: no automatic calculations occur to data in this upper table)	

Methods to be used:

A. Equipment - List equipment to complete identified task (for large reclamation jobs separate mine areas)

Equipment	\$/Unit	# of Units	Cost (\$)
Pickups 3/4 Ton	\$27.77	272.0	\$7,553
CAT D9 Dozer w/Ripper	\$233.24	128.0	\$29,855
CAT D8 Dozer w/Ripper	\$171.43	128.0	\$21,843
CAT 14 Blade	\$111.44	128.0	\$14,264
Water Truck	\$42.54	128.0	\$5,445
	\$0.00	0.0	\$0

Total Equipment Cost for this Task = \$79,061

B. Labor - List all labor categories to complete identified tasks

Labor Category	\$/Unit (incl labor burden)	# of Units	Cost (\$)
Foreman	\$75.45	144.0	\$10,865
Operating Engineer (CAT Dozers)	\$71.06	128.0	\$9,096
Operating Engineer (CAT 14 Blade)	\$71.06	256.0	\$18,191
Operating Engineer (Gradesetter)	\$71.06	128.0	\$9,096
Water Truck	\$58.87	128.0	\$7,535
	\$0.00	0.0	\$0

Total Labor Cost for this Task = \$64,783

C. Materials - List all materials required to complete identified task

Item	Quantity	\$/Unit (incl sales tax)	Cost (\$)
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0

Total Materials Cost for this Task = \$0

D. Total Direct Cost for this task

Equipment Cost + Labor Cost + Materials Cost = \$133,844

ONLINE RESOURCES	
DIR wage rates	COT grade & labor
ROE sales tax rates	Overcrow rates
Division of Mine Reclamation	

VI. PRIMARY RECLAMATION ACTIVITY (cont.)

Spread Topsoil

(↑ Describe Reclamation Activity Being Estimated)

Acres:		Overburden (cy):	
Haul Distance (ft):	1,000 - 1,500	Topsoil (cy):	128,000 CY
Production Rate (cy/hr):	1,500 CY/HR	(NOTE: no automatic calculations occur to data in this upper table)	

Methods to be used:

A. Equipment - List equipment to complete identified task (for large reclamation jobs separate mine areas)

Equipment	\$/Unit	# of Units	Cost (\$)
Pickups 3/4 Ton	\$27.77	99.0	\$2,749
CAT D8 Dozer w/Ripper	\$171.43	176.0	\$30,172
CAT 988 Loader	\$212.86	88.0	\$18,732
CAT 745 Haul Trucks	\$139.86	528.0	\$73,846
Water Truck	\$42.54	88.0	\$3,744
	\$0.00	0.0	\$0

Total Equipment Cost for this Task = \$139,242

B. Labor - List all labor categories to complete identified tasks

Labor Category	\$/Unit (incl labor burden)	# of Units	Cost (\$)
Foreman	\$75.45	99.0	\$7,470
Operating Engineer (CAT D8 Dozer)	\$71.06	176.0	\$12,507
Operating Engineer (CAT 988 Loader)	\$71.06	88.0	\$6,253
Operating Engineer (CAT 745 Haul Trucks)	\$71.06	528.0	\$37,520
Water Truck	\$58.87	88.0	\$5,181
	\$0.00	0.0	\$0

Total Labor Cost for this Task = \$68,930

C. Materials - List all materials required to complete identified task

Item	Quantity	\$/Unit (incl sales tax)	Cost (\$)
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0
	0.00	\$0.00	\$0

Total Materials Cost for this Task = \$0

D. Total Direct Cost for this task

Equipment Cost + Labor Cost + Materials Cost = \$198,172

**VII. REVEGETATION** *(use multiple sheets as needed)*

*Provide documentation showing that rates, prices, and wages are available locally to the lead agency and/or the Department.*

**Current Site Condition:**

- ☒ Site is partially undisturbed and has remained grassland. Disturbed areas will require seeding.

**Reclamation Plan Performance Standard (End Use):**

- ☒ Open space and grazing.

**Describe Tasks:**

- ☒ Broadcast seed all disturbed flat areas = approximately 66 acres
- Hydroseed all disturbed slope areas = approximately 13 acres.
- Seed mix to closely represent the natural vegetation on-site.



ONLINE RESOURCES	
DIR wage rates	DIR equip & labor
BOE sales tax rates	surcharge rates
Division of Mine Reclamation	

Seeding

**VII. REVEGETATION** (cont.)

Methods to be used:

(↑ Describe Revegetation Activity Being Estimated)

A. Equipment - List equipment to complete identified task. (For large reclamation jobs separate mine areas)

Equipment	\$/Unit	# of Units	Cost (\$)
Pickup 3/4 Ton	\$27.77	27.0	\$750
Water Truck	\$42.54	24.0	\$1,021
			\$0
			\$0
			\$0
			\$0

Total Equipment Cost for this Task = \$1,771

B. Labor - List all labor categories to complete identified task.

Labor Category	\$/Unit (incl labor burden)	# of Units	Cost (\$)
Foreman	\$75.45	27.0	\$2,037
Water Truck	\$58.87	24.0	\$1,413
			\$0
			\$0
			\$0

Total Labor Cost for this Task = \$3,450

C. Materials - List all materials required to complete identified task

Item/Plant Species	Unit of measure	Quantity	\$/Unit (incl sales tax)	Cost (\$)
Broadcast seeding (Subcontract)	Acre	66.00	\$750.00	\$49,500
Hydroseeding (Subcontract)	Acre	13.00	\$3,500.00	\$45,500
		\$0.00	\$0.00	\$0
		\$0.00	\$0.00	\$0
		\$0.00	\$0.00	\$0
		\$0.00	\$0.00	\$0
		\$0.00	\$0.00	\$0
		\$0.00	\$0.00	\$0
		\$0.00	\$0.00	\$0

Total Materials Cost for this Task = \$95,000

D. Total Direct Cost for this task

Equipment Cost + Labor Cost + Materials Cost = \$100,221

ONLINE RESOURCES	
DIR wage rates	DOT rates & labor
BOE sales tax rates	suppliers rates
Division of Mine Reclamation	

**VIII. MISCELLANEOUS COSTS** *(use multiple sheets as needed)*

*Provide documentation showing that rates, prices, and wages are available locally to all persons, including the lead agency and/or the Department.*

Examples of this type of costs may include temporary storage of equipment and materials off site, special one-time permits (i.e. transportation permits for extra wide overweight loads, etc.), decommissioning a process mill (i.e. decontamination of equipment), disposal of warehouse inventories, well abandonment, remediation of fueling and waste oil storage sites, septic system removal, costs to prepare closure and monitoring reports, site security, preserving potable water and maintaining utilities, etc.

Item/Task	Quantity	\$/Unit	Cost (\$)
Revegetation Monitoring	2.0	\$10,000.00	\$20,000
	0.0	\$0.00	\$0
	0.0	\$0.00	\$0
	0.0	\$0.00	\$0
	0.0	\$0.00	\$0
	0.0	\$0.00	\$0
	0.0	\$0.00	\$0
	0.0	\$0.00	\$0
	0.0	\$0.00	\$0
	0.0	\$0.00	\$0

Total Miscellaneous Costs = \$20,000

**IX. MONITORING COSTS**

Monitoring Task	\$/Visit	# Visits/Year	# of Monitoring Years	Cost (\$)
	\$0.00	0.0	0.0	\$0
	\$0.00	0.0	0.0	\$0
	\$0.00	0.0	0.0	\$0
	\$0.00	0.0	0.0	\$0
	\$0.00	0.0	0.0	\$0
	\$0.00	0.0	0.0	\$0
	\$0.00	0.0	0.0	\$0

Total Monitoring Costs = \$0

**X. SUMMARY OF COSTS**

This section shall be used to summarize all the cost sheets in one place.

(V) Total of all Plant Structures & Equipment Removal Costs	\$ 238,272
(VI) Total of all Primary Reclamation Activities Costs	\$ 624,659
(VII) Total of all Revegetation Costs	\$ 100,221
(VII) Total of all Miscellaneous Costs	\$ 20,000
(IX) Total of all Monitoring Costs	<u>\$ 0</u>
Total of Direct Costs	\$ 983,152

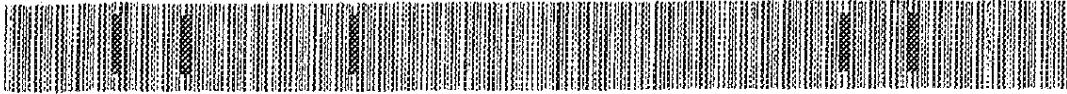
**XI. SUPERVISION / PROFIT & OVERHEAD / CONTINGENCIES / MOBILIZATION**

(A) Supervision ( <u>4.6</u> %)	\$ 45,192
(B) Profit/Overhead ( <u>9.1</u> %)	\$ 89,492
(C) Contingencies ( <u>7.0</u> %)	\$ 68,821
(D) Mobilization ( <u>3.0</u> %)	<u>\$ 29,495</u>
Total of Indirect Costs	\$ 232,999
Total of Direct and Indirect Costs	\$ 1,216,151
(E) Lead Agency and/or Dept. of Conservation Administrative Costs ( <u>8%</u> )	<u>\$ 97,292</u>

**Total Estimated Cost of Reclamation** \$ 1,313,443

**Exhibit D:**

A copy of the Financial Assurance Mechanism [Irrevocable Letter of Credit] for Fountain Springs Quarry (California Mine ID Number 91-54-0016).



\*00000001022300001%1470%12212017%0000000000000\*

### IRREVOCABLE LETTER OF CREDIT

**Borrower:** Blue Stone Rock, LLC  
14200 Road 284  
Porterville, CA 93257

**Lender:** Bank of the Sierra  
Main Office  
90 North Main  
Porterville, CA 93257

**Beneficiary:** County of Tulare  
561 South Mooney Blvd.  
Visalia, CA 93277  
  
California Dept. of Conservation-Division of Mine Reclamation  
801 K Street, MS 09-06  
Sacramento, CA 95814-3529

*[Handwritten signatures and dates]*  
2017

**NO: 1022300001**

**EXPIRATION DATE.** This letter of credit shall expire upon the close of business on 12-21-2018 and all drafts and accompanying statements or documents must be presented to Lender on or before that time (the "Expiration Date").

**AMOUNT OF CREDIT.** Lender hereby establishes at the request and for the account of Borrower, an Irrevocable Letter of Credit in favor of Beneficiary for a sum of One Million Two Hundred Thirty-three Thousand One Hundred Fifty-seven & 01/100 Dollars (\$1,233,157.01) (the "Letter of Credit"). These funds shall be made available to Beneficiary upon Lender's receipt from Beneficiary of sight drafts drawn on Lender at Lender's address indicated above (or other such address that Lender may provide Beneficiary in writing) during regular business hours and accompanied by the signed written statements or documents indicated below.

**WARNING TO BENEFICIARY: PLEASE EXAMINE THIS LETTER OF CREDIT AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, EITHER SINGLY OR TOGETHER, YOU SHOULD CONTACT BORROWER IMMEDIATELY TO SEE IF THE LETTER OF CREDIT CAN BE AMENDED. OTHERWISE, YOU WILL RISK LOSING PAYMENT UNDER THIS LETTER OF CREDIT FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.**

**DRAFT TERMS AND CONDITIONS.** Lender shall honor drafts submitted by Beneficiary under the following terms and conditions:

Upon Lender's honor of such drafts, Lender shall be fully discharged of Lender's obligations under this Letter of Credit and shall not be obligated to make any further payments under this Letter of Credit once the full amount of credit available under this Letter of Credit has been drawn.

Beneficiary shall have no recourse against Lender for any amount paid under this Letter of Credit once Lender has honored any draft or other document which complies strictly with this Letter of Credit, and which on its face appears otherwise in order but which is signed, issued, or presented by a party or under the name of a party purporting to act for Beneficiary, purporting to claim through Beneficiary, or posing as Beneficiary without Beneficiary's authorization. By paying an amount demanded in accordance with this Letter of Credit, Lender makes no representation as to the correctness of the amount demanded and Lender shall not be liable to Beneficiary, or any other person, for any amount paid or disbursed for any reason whatsoever, including, without limitation, any nonapplication or misapplication by Beneficiary of the proceeds of such payment. By presenting upon Lender or a confirming bank, Beneficiary certifies that Beneficiary has not and will not present upon the other, unless and until Beneficiary meets with dishonor. Beneficiary promises to return to Lender any funds received by Beneficiary in excess of the Letter of Credit's maximum drawing amount.

**USE RESTRICTIONS.** All drafts must be marked "DRAWN UNDER Bank of the Sierra IRREVOCABLE LETTER OF CREDIT NO. 1022300001 DATED 12-21-2017," and the amount of each draft shall be marked on the draft. Only Beneficiary may complete a draft and accompanying statements or documents required by this Letter of Credit and make a draw under this Letter of Credit. This original Letter of Credit must accompany any draft drawn hereunder.

Partial draws are not permitted under this Letter of Credit.

**PERMITTED TRANSFEREES.** The right to draw under this Letter of Credit shall be nontransferable, except for:

- A. A transfer (in its entirety, but not in part) by direct operation of law to the administrator, executor, bankruptcy trustee, receiver, liquidator, successor, or other representative at law of the original Beneficiary; and
- B. The first immediate transfer (in its entirety, but not in part) by such legal representative to a third party after express approval of a governmental body (judicial, administrative, or executive).

**TRANSFEREES REQUIRED DOCUMENTS.** When the presenter is a permitted transferee (i) by operation of law or (ii) a third party receiving transfer from a legal representative, as described above, the documents required for a draw shall include a certified copy of the one or more documents which show the presenter's authority to claim through or to act with authority for the original Beneficiary.

**COMPLIANCE BURDEN.** Lender is not responsible for any impossibility or other difficulty in achieving strict compliance with the requirements of this Letter of Credit precisely as written. Beneficiary understands and acknowledges: (i) that unless and until the present wording of this Letter of Credit is amended with Lender's prior written consent, the burden of complying strictly with such wording remains solely upon Beneficiary, and (ii) that Lender is relying upon the lack of such amendment as constituting Beneficiary's initial and continued approval of such wording.

**NON-SEVERABILITY.** If any aspect of this Letter of Credit is ever declared unenforceable for any reason by any court or governmental body having jurisdiction, Lender's entire engagement under this Letter of Credit shall be deemed null and void ab initio, and both Lender and Beneficiary shall be restored to the position each would have occupied with all rights available as though this Letter of Credit had never occurred. This non-severability provision shall override all other provisions in this Letter of Credit, no matter where such provision appears within this Letter of Credit.

**GOVERNING LAW.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions, and except to the extent such laws are inconsistent with the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, ICC Publication No. 600. This Agreement has been accepted by Lender in the State of California.

**EXPIRATION.** Lender hereby agrees with Beneficiary that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to Lender on or before the Expiration Date unless otherwise provided for above.

IRREVOCABLE LETTER OF CREDIT  
(Continued)

Loan No: 1022300001

Page 2

Dated: December 21, 2017

LENDER:

BANK OF THE SIERRA

By: James F. Garduno  
Authorized Signer.

11  
20  
1000

James Garduno  
EVP Chief Credit Officer  
Bank of the Sierra

Exhibit E:

Granite Construction 2017 Request for release of FAM



Valley Region  
P. O. Box 15287  
Sacramento, CA 95851

t 916.855.4400  
f 916.369.0429

[graniteconstruction.com](http://graniteconstruction.com)

January 8, 2018

County of Tulare  
Community and Development Services  
5961 South Mooney Boulevard  
Visalia, CA 93277  
Attn: Chuck Przybylski

RE: Sale of Fountain Springs Quarry

Dear Mr. Przybylski,

Granite Construction Company (Granite) has sold the Fountain Springs Quarry (CA Mine ID #91-54-0016) to Blue Stone Rock, LLC, and signed an agreement transferring responsibility for the Quarry's Reclamation Plan and financial assurances to Blue Stone Rock, effective as of 12/18/17. Blue Stone Rock has signed a Statement of Responsibility and has posted an Irrevocable Letter of Credit in the amount of \$1,200,000, naming the County of Tulare and Department of Conservation as beneficiaries (enclosed).

Granite respectfully requests that the County release Granite's financial assurances associated with Fountain Springs Quarry, Surety Bond #8159-17-20 in the amount of \$1,176,435.01.

If you have any questions or concerns, please feel free to contact me.

Sincerely,  
GRANITE CONSTRUCTION COMPANY

Candice Longnecker  
Environmental Manager  
Valley Region  
Cell: (408) 640-6553  
Office: (916) 855-4473  
[candice.longnecker@gcinc.com](mailto:candice.longnecker@gcinc.com)



Exhibit F:

DMR's Email Acceptance

**From:** "Slaughter, Christopher@DOC" <Christopher.Slaughter@conservation.ca.gov>  
**To:** Charles Przybylski <CPrzybyl@co.tulare.ca.us>  
**Date:** 01/16/2018 2:18 PM  
**Subject:** RE: 54-0016 SOR Submittal

Thank you Chuck.

Sincerely,

[cid:image001.png@01D13E6C.21FF61F0]Christopher Slaughter  
Division of Mine Reclamation  
Phone: (916) 319-0336  
Fax: (916) 322-0975  
Christopher.Slaughter@conservation.ca.gov<mailto:Christopher.Slaughter@conservation.ca.gov>

**From:** Charles Przybylski [mailto:CPrzybyl@co.tulare.ca.us]  
**Sent:** Tuesday, January 16, 2018 12:00 PM  
**To:** Slaughter, Christopher@DOC <Christopher.Slaughter@conservation.ca.gov>  
**Subject:** Re: 54-0016 SOR Submittal

Hello Christopher,  
Yes, it is ok to use the Statement of Responsibility for Blue Stone Rock.

Thanks

Chuck Przybylski, Planner  
Resource Management Agency  
Economic Development and Planning Branch  
5961 South Mooney Blvd.  
Visalia, CA 93277  
(559) 624-7000

>>> "Slaughter, Christopher@DOC"  
<Christopher.Slaughter@conservation.ca.gov<mailto:Christopher.Slaughter@conservation.ca.gov>>  
01/16/2018 11:48 AM >>>  
Hello Chuck,

Thank you for speaking with me over the phone.

Per our conversation, please verify it is ok to use the attached Statement of Responsibility.

Upon your approval, I will enter it into our system.

Thank you again for your assistance.

Sincerely,

[cid:image001.png@01D13E6C.21FF61F0]Christopher Slaughter  
Division of Mine Reclamation  
Phone: (916) 319-0336  
Fax: (916) 322-0975  
Christopher.Slaughter@conservation.ca.gov<mailto:Christopher.Slaughter@conservation.ca.gov>