

LETTER OF UNDERSTANDING  
FOR  
JONES FAMILY TRUST AND EULA JONES TESTAMENTARY TRUST

TO Jones Family Trust and Eula Jones Testamentary Trust Beneficiaries

Bank of Oklahoma ("BOK") agrees to serve as successor trustee for the Jones Family Trust , a living trust dated May 1, 1973, and the Eula K Jones Testamentary Trusts (respectively "the Family Trust", "the Eula Trust" and jointly, "the Trusts") contingent on the following.

A Appointment of BOK as successor trustee by the beneficiaries of the Family Trust currently having an aggregate beneficial interest of at least three-fourths in the Family Trust as provided under Article "Eleventh" of the Family Trust Agreement;

B Upon entry of a final order of the McCracken District Court, Paducah, McCracken County, Kentucky, appointing BOK as successor trustee of the Eula Trust and approving the accountings and actions of the current and all predecessor trustees of the Eula Trust,

C Written agreement and indemnification by the beneficiaries of the Family Trust currently having an aggregate beneficial interest of at least three-fourths in the Family Trust that BOK, as successor trustee, shall be under no duty to inquire into the acts of any prior trustee or to bring suit with respect to any such act unless the trustee holds funds out of which the trustee may be indemnified against all expenses of suit, including legal fees. BOK may rely upon the records and/or accountings of any such prior trustees as full, complete and accurate;

D Written agreement by the beneficiaries of the Trusts that (i) virtually 100% of the Trusts' assets is the Quarry, (ii) that concentrating all Trust investment in a single asset poses substantial financial risks and is contrary to generally accepted prudent investment principles, (iii) directing the Trustee to retain the Quarry and indemnifying the Trustee from any losses, costs, and damages resulting from such retention, and

E An environmental inspection satisfactory to Bank of Oklahoma with regard to the real property which comprises the corpus of the trust

BOK understands that the current trustee of the Eula Trust may object to its removal as trustee and BOK agrees to serve as successor trustee of the Family Trust pending the removal or resignation of the current trustee of the Eula Trust and BOK's appointment by the court as successor trustee

The Beneficiaries and BOK agree to the following principles with respect to management of the Trusts

**FEES**

BOK agrees to accept an annual trustee fee equal to 4.00% of the gross revenue by the Trusts for those services described on the attached Schedule 1 The fee will be computed and charged on a

monthly basis and will be deducted proportionately from the income of the Trusts. If the Trustee performs additional services (not described on Schedule 1) the trustee fee will be an hourly rate for actual time (in addition to the 4% fee). BOK and the Trusts' beneficiaries will adopt a written fee agreement identifying hourly rates and fee renegotiation dates

#### EXPERTS

As Trustee, BOK expects to hire, at the Trusts' expense, Mid-America Energy & Mining Services, Inc., and/or Kenvirons Inc., for to provide consultation and assistance with negotiations and/or arbitration relating to leasing and ongoing management of the Three Rivers Quarry ("the Quarry") Bank of Oklahoma will invite participation and input from the Trusts' beneficiaries with regard to any contract negotiations, arbitration, hiring of attorneys, engineers or others during the administration of the Trusts However, Trustee shall at all times have ultimate authority with regard to the administration of the trusts

As Trustee, BOK may, from time to time, retain other experts as agents as required to prudently manage the Quarry. All fees and expenses of such experts and agents will be paid by the Trusts

Third-party costs, including, but not limited to attorneys' fees, already incurred or incurred hereafter by beneficiaries pertaining to the legal proceedings for "Transfer of the Trustee" and "Royalty Appeals", will be reimbursed from the Trusts to beneficiaries based on submission of the appropriate paid billing invoices.

#### ADMINISTRATION.

The Trusts will continue to have a Kentucky situs and be governed by the laws of Kentucky When appropriate, Kentucky legal counsel will be retained in trust matters

#### REOPENER NEGOTIATIONS:

In the reopener negotiations, BOK will consult and be guided by recommendations from Mid-America Energy & Mining Services, Inc. In the reopener negotiations, Trustee (i) will not accept a royalty rate of less than 5.0% (for rock mined in excess of 3,000,000 tons) and (ii) will require retention of the current One-Mile Radius clause

#### COMMUNICATION

Each year, BOK, at its own expense, will make its representative available for a one-day meeting with Trust beneficiaries to discuss plans, review expense and income, and answer question and concerns An ongoing communication plan will be developed later

#### LITIGATION.

BOK agrees that upon its appointment as trustee of each trust, it shall seek the resolution and dismissal of all legal proceedings and litigation now pending in the state of Indiana

#### TERMINATION OF TRUSTEESHIP

Bank of Oklahoma agrees that if its trusteeship of the Jones Family Trust is terminated for any reason whatsoever, it shall voluntarily terminate its trusteeship of the Eula K Jones Testamentary Trust

We appreciate the Family's confidence in Bank of Oklahoma as successor trustee We look forward to working with the Family in the administration of these trusts

Bank of Oklahoma



Elise Anderson  
Vice President and Trust Officer

Acknowledged

\_\_\_\_\_  
Beneficiary Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Beneficiary Printed Name

State of \_\_\_\_\_

County of \_\_\_\_\_

Subscribed, sworn to, and acknowledged before me by

\_\_\_\_\_, on this the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

My commission expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

## **SCHEDULE 1**

### **SERVICES TO BE PROVIDED BY BANK OF OKLAHOMA**

- 1 Preparation and distribution to beneficiaries of monthly production reports detailing the tons and rates paid by Tenant for the month and year to date
- 2 Development and implementation of an audit procedure and the check and balance of the Tenant's production records
- 3 Provide record-keeping and regular trust statements and monthly checks and deposits to the beneficiaries of the trust.
- 4 Overseeing and coordinating the preparation of annual trust tax returns and payment of other taxes as due
5. Coordinating regular beneficiary meetings to provide for an open exchange of ideas and status of quarry operation and lease negotiations
- 6 Coordinating regular engineering reports, fly over reviews, limestone market studies and other such activities to prepare in advance for each reopen period
- 7 To review on an ongoing basis compliance by Tenant with all lease/contract terms
- 8 Negotiate lease re-openers and related lease matters.