



COLORADO

Division of Reclamation,
Mining and Safety


Department of Natural Resources

MINERALS PROGRAM INSPECTION REPORT

PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: CEMEX Sandstone Quarry	MINE/PROSPECTING ID#: M-1977-361	MINERAL: Sandstone (silica, stone, quartzite)	COUNTY: Boulder
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy Eschberger	INSP. DATE: March 22, 2017	INSP. TIME: 10:15
OPERATOR: CEMEX, Inc.	OPERATOR REPRESENTATIVE: Denny Luke, Michael Whitehead	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$409,366.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 4, 2017

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Off-site Damage

PROBLEM: Land has been affected outside of the approved permit boundary; specifically, 0.85 acre of land located in the processing/stockpiling area, including material stockpiles and equipment/truck storage. This is a problem at this time pursuant to C.R.S. 34-32.5-116(4)(i) for failure to protect areas outside of the affected land from slides or damages occurring during the mining operation and reclamation.

CORRECTIVE ACTIONS: The operator shall sufficiently demonstrate to the Division the offsite affected land is not associated with the permitted operation in any way. In this case, it may be in the form of a signed and notarized letter from the adjacent landowner which clarifies the activities he conducts in the area, and confirms the material stockpiles and equipment/truck storage in the area are not related to the permitted operation. The letter should also specify from which permitted site(s) the stockpiled material was derived (if not from the adjacent quarry).

CORRECTIVE ACTION DUE DATE: May 04, 2017

OBSERVATIONS

This was a normal monitoring inspection of the CEMEX Sandstone Quarry (Permit No. M-1977-361) conducted by Amy Eschberger of the Division of Reclamation, Mining and Safety (Division). The operator was represented by Denny Luke and Michael Whitehead during the inspection. The site is located approximately one mile southeast from Lyons, Colorado. The site can be accessed from the east by taking a private road off US-36 and passing through a commercial stone yard owned by Loukonen Bros. Stone Company. The approved affected area is on land owned by CEMEX, Inc. The approved post-mining land use for the site is wildlife habitat.

This is a 110c operation permitted for 9.9 acres (**see enclosed Google Earth image of site showing permit area**) to extract sandstone for use as a silica additive in the cement manufacturing process at the operator's nearby cement plant. This operation is an open quarry situated on the south side of a ridge. The operation blasts the rock, then hauls it directly to the crusher facility at the operator's Dowe Flats Mine site (Permit No. M-1993-041). From there, the sandstone is transported approximately 2 miles south via a conveyor to the operator's cement plant (Lyons Quarry; Permit No. M-1977-208). Mining operations will create an open pit, including highwalls up to 120 feet in height with slope gradients of approximately 0.5H:1V. The pit floor will be at approximately 5,350 feet amsl at its lowest elevation. Mining will progress in horizontal benches. Any available topsoil will be salvaged and stored at the edges of the pit. If enough topsoil is not available for reclamation, additional growth media will be imported from the operator's nearby Dowe Flats Mine.

For final reclamation, highwall slopes will keep slope gradients of approximately 0.5H:1V. A bench of 10 feet high by 15 feet wide will be blasted at the top of the highwall to limit injury from a fall. Additionally, the operator will construct a fence at least 6 feet back from the crest of the highwall with signage that will serve as a visual and physical safety barrier. The pit floor will be graded to a 2% slope toward the southeast. A drainage channel will be constructed in the southeast corner of the pit to have 2H:1V cut slopes, leading down to a 48 inch diameter culvert that will be installed under the South Ledge Ditch, an existing ephemeral drainage. Growth media will be spread on all fill slopes and any cut slopes not steeper than 2H:1V at a depth of 12-18 inches. The growth media will be ripped on contour to reduce compaction. All retopsoiled areas will be seeded with an upland native seed mixture consisting of grasses, forbs, and shrubs. All haul roads will be reclaimed except for the main access road that enters the pit. Entrances to reclaimed roads will be blocked by barriers of native rock or earthen berms to prevent vehicular access, while continuing to allow wildlife access.

The Division approved Technical Revision No. 2 on March 25, 2014, which allows for importation of inert material for reclamation backfill. Approximately 400,000 cubic yards of sand was trucked in by a contractor in March of 2014, and was placed in the northern portion of the quarry. The Division approved permit Amendment No. 1 on July 11, 2014 to update the mining and reclamation plans, change the post-mining land use from agriculture to wildlife habitat, and clarify the permit boundary (**see enclosed approved mining and reclamation plan maps**).

At the time of the inspection, the site was not active. The last few annual reports indicate the site is active; however, a date for last excavation, processing, or hauling activity is not given. The Division recommends the operator provide this information in future annual reports. The Act and Rules require that operators who are not continuously engaged in mining activities must either file a notice of Temporary Cessation (TC) or apply for Intermittent Status (IS). Pursuant to C.R.S. 34-32.5-103(11)(b) and Rule 1.13.5(1), if material reserves are shown to remain in the operation, and the operator intends to, or does, temporarily cease production for more than a one year period, the operator must file a notice of TC (**see enclosed Temporary Cessation form**). Alternatively, if active mining occurs every year, but for less than 180 days, the operator may apply for IS status (**see enclosed Intermittent Status form**). If the operation is to be inactive (no extraction, processing, or

hauling off from stockpiled material), the Division recommends the operator file for either TC or IS, depending on whether or not the operation will be active every year. Otherwise, final reclamation of the site should commence as soon as possible.

The Division observed the mined pit (**Photo 1**) which has reached its maximum depth of approximately 120 feet. The highwalls have bench slopes of approximately 0.5H:1V. The western highwall (**Photos 2-4**) is approximately 800 feet in length. The highwall along the northern edge of the pit (**Photos 5 and 6**) is approximately 250 feet in length. The highwall along the eastern edge of the pit (**Photo 7**) is approximately 600 feet in length. The highwall along the southern edge of the pit (**Photo 8**) is approximately 200 feet in length. The pit has reached its allowable extent to the north and to the south. The highwall along the western edge of the pit is less than 100 feet from the western permit boundary, so there is not much room left on the western edge to safely mine. There is still some room for the pit to expand eastward. The Division observed the northern portion of the pit floor that was backfilled in 2014 with imported sand (shown in **Photos 4-6**), in accordance with Technical Revision No. 1. The operator stated the area was seeded in accordance with the approved reclamation plan. This material appeared to be fairly rocky in nature, with native grasses and minor weeds growing across the surface. The area has been graded to nearly flat with a gentle southward slope. No evidence of erosion problems was observed. Salvaged topsoil was stored at the southern edges of the pit, and appeared to be stable with vegetative cover (**Photo 9**).

The most recent aerial image of the site in Google Earth, taken on 10/9/2015, shows the southern portion of the pit holding quite a lot of water. At the time of the inspection, the Division observed the pit to be dry. There was a small bermed sediment pond constructed at the eastern edge of the pit which was holding a very small amount of water (**Photo 10**). This is compliant with the approved stormwater management plan for the site, which includes the use of berms, ditches, and small sediment traps. However, the operator should be advised the Division of Water Resources requires any stormwater runoff intercepted by the operation that is not diverted or captured in priority to infiltrate into the ground or be released to the stream system within 72 hours. This may require obtaining a discharge permit from the CDPHE Water Quality Control Division. Otherwise, the operator would need to make replacements for evaporation.

The Division observed the material processing area located east of the pit (**Photos 11-15**). This area included several stockpiles of mined and processed material, a stone crusher plant, a trailer, a few small sheds, and equipment/truck storage. This area is located at the top of a ridge, of which the western portion is owned by the operator, and the eastern portion is owned by the Loukonens. In looking at the clarified permit boundary approved in Amendment No. 1, the Division has determined that approximately 0.85 acre of land is affected outside of the approved eastern permit boundary (**see enclosed Google Earth image of site showing offsite disturbance**). The offsite affected land appears to be on land owned by the Loukonens. The crusher plant appears to be located inside the permit boundary on land owned by the operator. The offsite affected land includes material stockpiles and equipment/truck storage.

The Division found an Annual Crusher Site Lease in Amendment No. 1 which allowed Loukonen Brothers Stone Company to use the area for stone crushing and/or storage of materials associated with its nearby commercial stone yard (**see enclosed lease agreement; also see Photo 16**). This lease appears to have expired on December 31, 2013, but could potentially be continued on a month-by-month basis. The Division has no evidence that the lease has been renewed, and nothing on file discussing the source(s) for the stockpiled material. Therefore, a problem is cited in this report (see page 1) pursuant to C.R.S. 34-32.5-116(4)(i) for failure to protect areas outside of the affected land from slides or damages occurring during the mining operation and reclamation. Pursuant to C.R.S. 34-32.5-103(1), "affected land" means the surface of an area within the state where a mining operation is being or will be conducted, which surface is disturbed as a result of an operation. Affected land includes, but shall not be limited to, private ways, roads; land excavations, exploration sites; drill

sites or workings; refuse banks or spoil piles; evaporation or settling ponds; work, parking, storage, or waste discharge areas; and areas in which structures, facilities, equipment, machines, tools, or other materials or property that result from or are used in such operations are situated. The operator will need to sufficiently demonstrate to the Division that the offsite affected land is not associated with the permitted operation in any way. In this case, the Division would accept a signed and notarized letter from the Loukonens which clarifies the activities they conduct in the area of question, and confirms the stockpiled material was not extracted from the adjacent quarry.

In setting up this inspection, the Division encountered an error with the contact information on file for this permit. Currently, the permit file shows Bradley Wilson to be the Permittee/Operator contact, and John Lohr to be both the Permitting and Inspection contact. However, the Division learned at least two of these contacts have changed. Therefore, the Division recommends the operator submit an updated contact sheet for this permit (**see enclosed correspondence sheet**).

This concluded the inspection.

PHOTOGRAPHS



Photo 1. View looking southwest from pit floor toward southern end of quarry.



Photo 2. View looking west from eastern edge of pit, showing central portion of western highwall.



Photo 3. View looking southwest from pit floor, showing western highwall. Note highwall bench slopes have gradients of approximately 0.5H:1V.



Photo 4. View looking west from pit floor, showing northern portion of western highwall. Note portion of pit floor (in foreground) that was backfilled and seeded in 2014.



Photo 5. View looking north from eastern edge of pit, showing northern highwall (in distance). Note portion of pit floor (indicated with arrow) that was backfilled and seeded in 2014.



Photo 6. View looking north from pit floor, showing northern highwall. Note highwall bench slopes have gradients of approximately 0.5H:1V. Also note portion of pit floor (in foreground) that was backfilled and seeded in 2014.



Photo 7. View looking east from pit floor, showing northern portion of eastern highwall.



Photo 8. View looking west from southeastern corner of pit, showing southern highwall.



Photo 9. View looking west from southeastern edge of pit, showing topsoil stockpile stored at top of highwall (indicated with arrow).



Photo 10. View looking south from northeastern edge of pit, showing small bermed sediment pond constructed along eastern edge of pit floor. Note very little water retained in pond.



Photo 11. View looking southeast across processing area located east of pit. Note presence of stone crusher plant, material stockpiles, and small shed.



Photo 12. View looking west from eastern edge of processing area. Note presence of material stockpiles and small loader. This portion is located outside of the approved permit boundary.



Photo 13. View looking southwest from eastern edge of processing area. Note presence of material stockpiles and equipment (in background). This portion is located outside of the approved permit boundary.



Photo 14. View of rock stockpile stored at northern edge of processing area. This portion is located outside of the approved permit boundary.



Photo 15. View of rock stockpile and trucks stored at southwestern edge of processing area, adjacent to the approved eastern permit boundary.



Photo 16. View looking east across commercial stone yard located just east of the permitted mine, operated by Loukonen Bros. Stone Company. One must drive through this stone yard to access the mine site.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>Y</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>PB</u>	(ST) STIPULATIONS----- <u>NA</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

Inspection Contact Address

Denny Luke
CEMEX, Inc.
5134 Ute Highway
Longmont, CO 80503

Enclosures: Google Earth image of site showing permit area
Approved mining (1) and reclamation plan (3) maps
Temporary Cessation form
Intermittent Status form
Google Earth image of site showing offsite disturbance
Annual Crusher Site Lease between CEMEX and Loukonen Brothers Stone Co.
Correspondence Information sheet

CC: Michael Whitehead, CEMEX, Inc. (via email at: michaell.whitehead@cemex.com)
Denny Luke, CEMEX, Inc. (via email at: dennism.luke@cemex.com)

Wally Erickson, DRMS

M-1977-361 / CEMEX Sandstone Quarry / CEMEX, Inc.

Red Outline = 9.9 acres = Approved Permit Area (as of AM-01 approval on 7/14/2014)
(Image data from = 10/9/2015)



Mining Plan Map

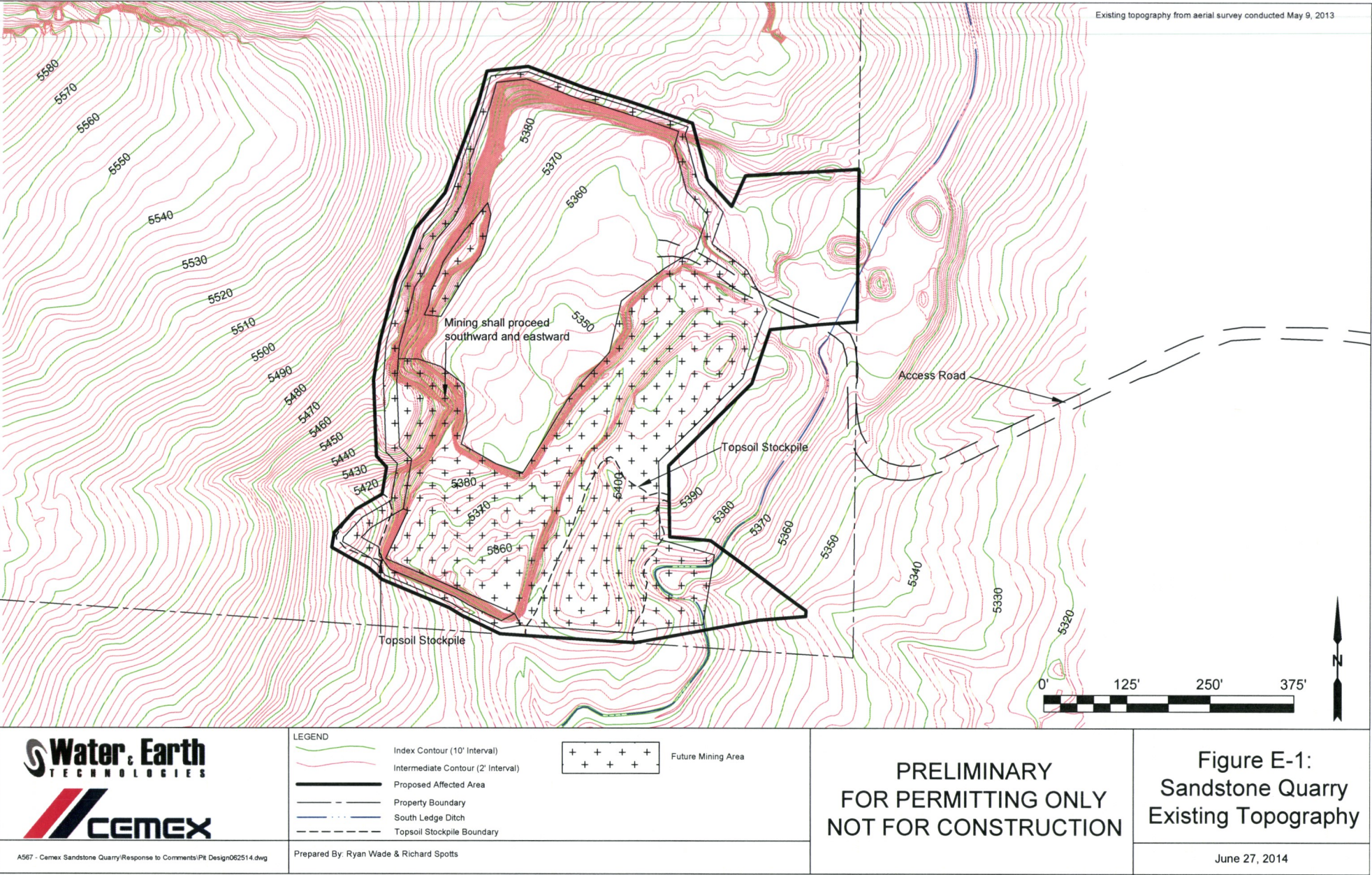


Figure E-2: Sandstone Quarry Final Reclamation Topography

LEGEND

- Index Contour (10' Interval)
- Intermediate Contour (2' Interval)
- Proposed Affected Area
- Property Boundary
- Outlet Channel Alignment
- Culvert
- Preformed Channel Section
- South Ledge Ditch

**PRELIMINARY
FOR PERMITTING ONLY
NOT FOR CONSTRUCTION**

**Figure E-2:
Sandstone Quarry
Final Reclamation
Topography**

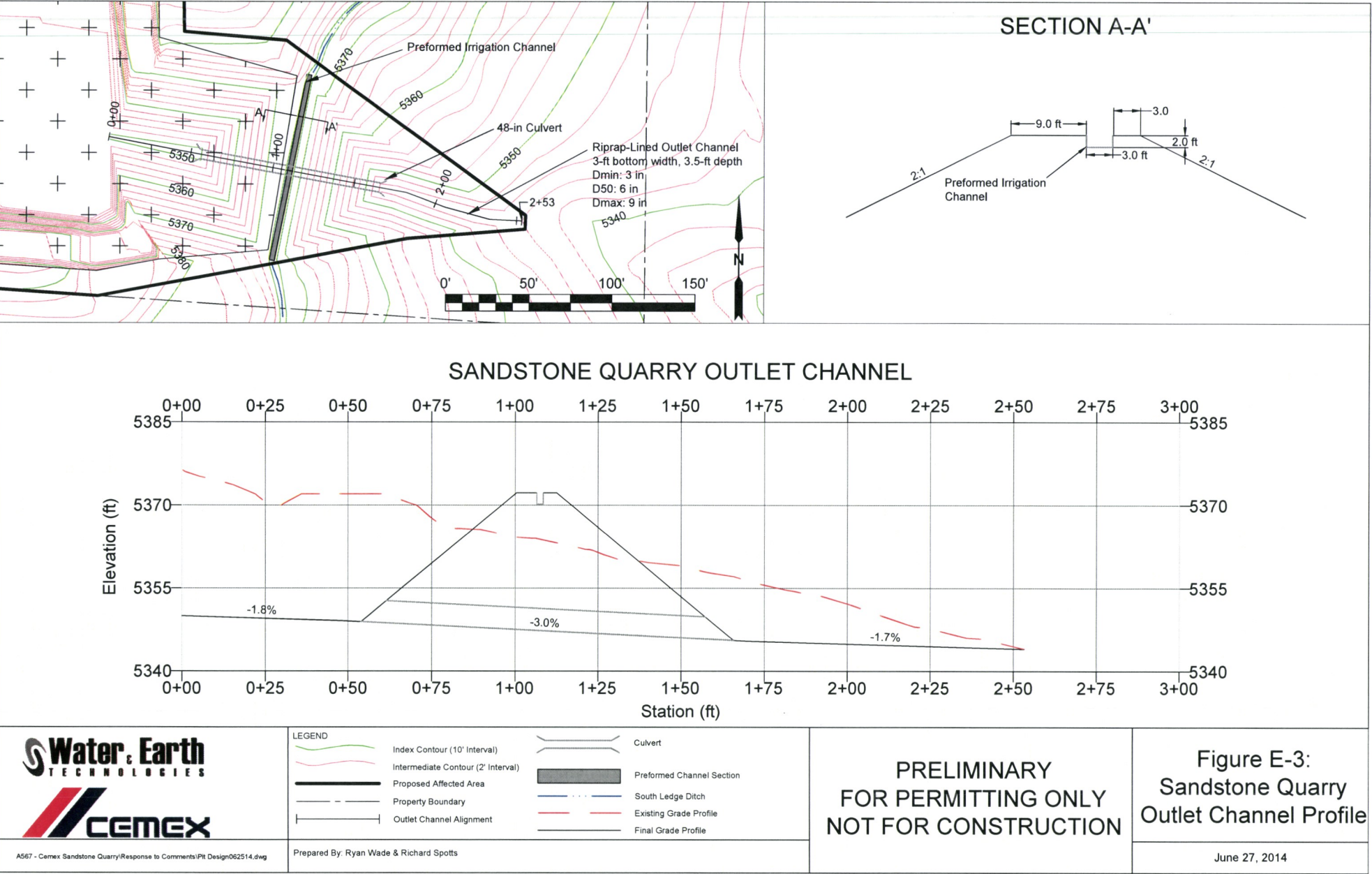
June 27, 2014

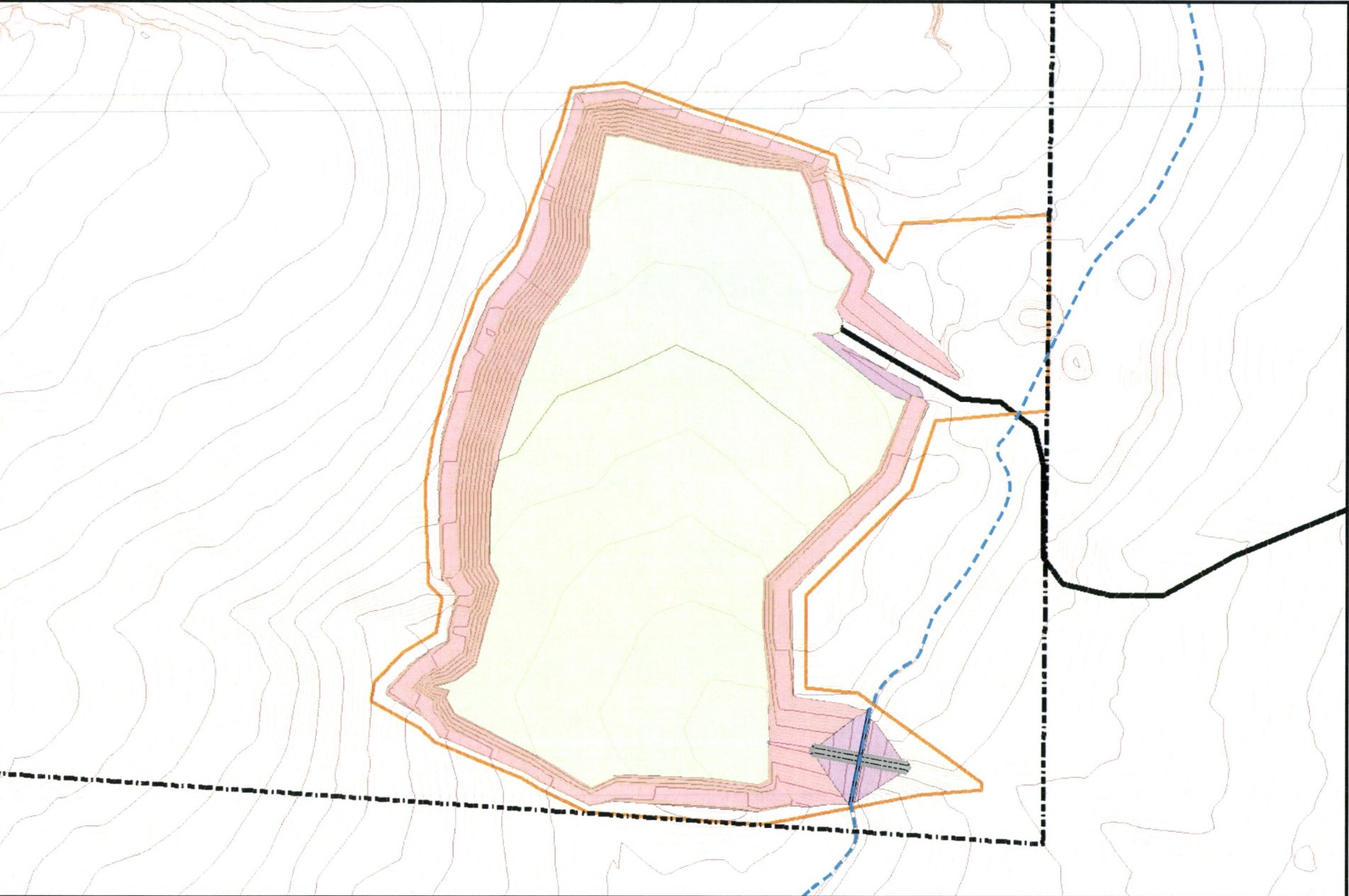
PRELIMINARY
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Figure E-2:
Sandstone Quarry
Final Reclamation
Topography

June 27, 2014

Reclamation Plan Map 2





2% slope - Native Revegetation	Property Boundary	Canal/Ditch	 Habitat Management A subsidiary of CEMEX	CEMEX SANDSTONE QUARRY		
50% slope - Native Revegetation + Erosion Control	Clarified Affected Area			FIGURE E-4		
Cut Rock Surface	Final Topography (10 ft)			FINAL RECLAMATION & REVEGETATION MAP		
48-Inch Culvert	Final Topography (2 ft)	1 inch = 150 feet				
Private Access Road						

0 75 150 300 Feet



COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY

1313 Sherman Street, Room 215, Denver, Colorado 80203 Phone (303) 866-3567

TEMPORARY CESSATION NOTICE

(mining activities temporarily cease for more than a one-year period)

Today's date: _____

Permit number: M- _____ Site name: _____

County: _____ TC number: _____ (DRMS use only)

Permittee making request: _____

Operator (if other than permittee): _____

Date the initial five-year period of Temporary Cessation begins: _____

Reason mining activities (materials extraction, processing, hauling) have ceased:

Description of plan to resume operations:

Description of plan to meet performance standards of Rule 3.1 during temporary cessation (reclamation, weed control, monitoring, signs, markers, etc.):

Number of affected acres: _____

Amount of financial warranty (bond) on deposit with the state: \$ _____

Required fees for Temporary Cessation by permit type (please mark the correct fee and submit it with this request for Temporary Cessation):

<u>Permit type</u>	<u>Required TR fee</u>	<u>Submitted (mark only one)</u>
Construction Materials	\$144	<input type="checkbox"/>
Hard Rock/ Metal Mining	\$115	<input type="checkbox"/>

The above-referenced permit has entered Temporary Cessation. This site has reserves remaining to be mined.

Operator's signature: _____

Please note:

- 1. While in Temporary Cessation, the operator must continue to comply with the Rules and Act, including maintaining the site, and must continue to file an annual report and annual fee.*



COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY

1313 Sherman Street, Room 215, Denver, Colorado 80203 Phone (303) 866-3567

TECHNICAL REVISION (TR) APPLICATION FOR INTERMITTENT STATUS (mining activities occur each year, for less than 180 days each year)

Today's date: _____

Permit number: M-_____ Site name: _____

County: _____ TR number: _____ (*DRMS use only*)

Permittee making request: _____

Operator (if other than permittee): _____

Date intermittent status begins: _____

Reason mining activities (materials extraction, processing, or hauling) will occur less than 180 days per year:

Number of affected acres: _____

Amount of financial warranty (bond) on deposit with the state: \$ _____

Required fees for technical revision by permit type (please mark the correct fee and submit it with this request for a technical revision):

<u>Permit type</u>	<u>Required TR fee</u>	<u>Submitted (mark only one)</u>
110c, 111, 112 construction materials, and 112 quarries	\$216	<input type="checkbox"/>
112 hard rock (not DMO)	\$175	<input type="checkbox"/>
110d, 112d(1, 2 or 3)	\$1,006	<input type="checkbox"/>

I request intermittent status for the above-referenced permit. This site has reserves remaining to be mined. Mining activities will occur each year for less than 180 days per year.

Operator's signature: _____

Please note:

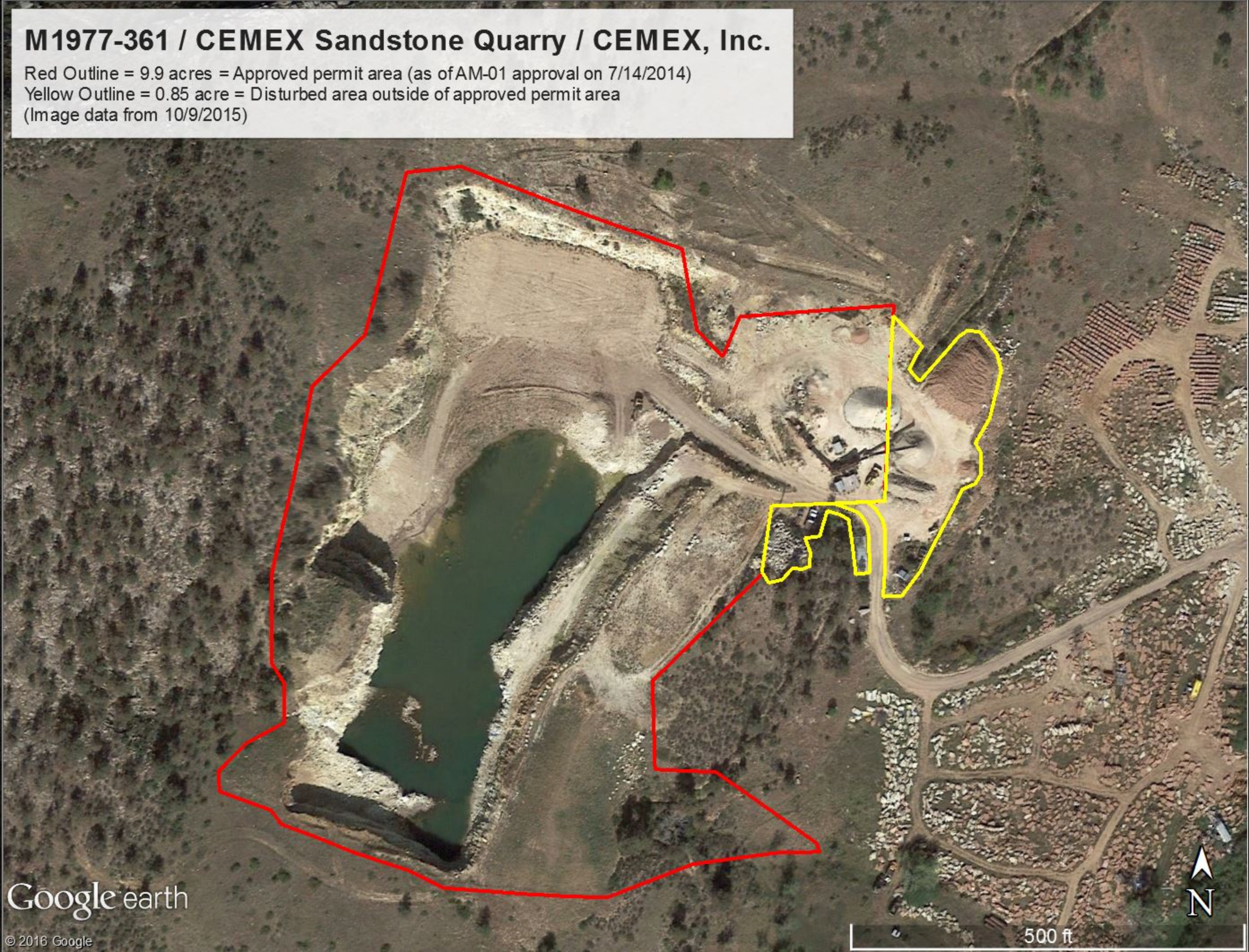
1. While in intermittent status, the operator must continue to comply with the Rules and Act, including maintaining the site, and must continue to file an annual report and annual fee when due.
2. If production ceases for 180 days or more, the operator must either file a Notice of Temporary Cessation, or reclaim the site.

M1977-361 / CEMEX Sandstone Quarry / CEMEX, Inc.

Red Outline = 9.9 acres = Approved permit area (as of AM-01 approval on 7/14/2014)

Yellow Outline = 0.85 acre = Disturbed area outside of approved permit area

(Image data from 10/9/2015)



ANNUAL CRUSHER SITE LEASE

THIS AGREEMENT is made as of January 1, 2013 between CEMEX Construction Materials South, LLC, ("Lessor") and Loukonen Brothers Stone Company, ("Lessee").

1. Land Description

Lessor owns the real property described in attached Exhibit A ("Premises"). Lessee desires to lease the Premises for stone crushing and/or storage of materials associated with its stone business on the terms set forth in this agreement ("Lease"), and Lessor desires to lease the Premises to Lessee on the terms set forth in this Lease.

2. Term

The term of this Lease is 12 months, beginning on January 1, 2013 and ending at 12:00 midnight, December 31, 2013, unless terminated sooner as provided by this Lease or by law. Lessee or Lessor may terminate the Lease at any time before the end of the lease term by providing written notice thirty (30) days in advance of termination. No refund shall be granted for early lease termination by Lessee.

Any use of the Premises by Lessee after the termination or expiration of the Lease term shall not constitute or be construed as a renewal of this Lease. If Lessee holds over and remains in possession of the Premises after this Lease expires, it shall not be deemed or construed to be a renewal or an extension of this Lease (See Paragraph 19).

3. Rent

Lessee shall pay Lessor one hundred dollars (\$100.00) as rent for the Premises during the Lease term. The entire sum is due upon signing of this agreement. Payment shall be made to CEMEX Inc., and mailed to CEMEX, Attention Linda Jackson, P.O. Box 529 Lyons, Colorado 80540 or hand delivered to Linda Jackson. Default of payment shall be grounds for immediate termination by written notice.

4. Use of Premises and Duties of Lessee

Lessee may use the Premises for rock crushing, stone stockpiles, other supplies and related lawful activities.

Lessee understands Lessor's sandstone quarry access easement crosses the Premises, and agrees its use of the Premises and its related stone yard activities will not to interfere with use of this easement by Lessor or its agents.

Lessee shall not make any unlawful, wasteful, or offensive use of the Premises (e.g., growing marijuana) and shall maintain it in a reasonable state of repair. Lessee shall keep the Premises free and clear of rubbish, trash, weeds and reasonably neat at all times.

If required for Lessee's activities on the Premises, Lessee shall acquire and maintain its own expense a Storm Water Permit for the Premises per the Clean Water Act 33 U.S.C. §1251 et seq. (1972). Lessee shall also acquire and maintain any and all other applicable permits and environmental plans (e.g., Spill Prevention Control and Countermeasure Plan, Air Permit etc.).

5. Maintenance

Lessee shall keep the Premises and all improvements (including but not limited to buildings, stockpiles, fences) in good order and repair. Lessee will operate the Premises in accordance with principles of good working practices, will control soil erosion, and be responsible for controlling noxious weeds at Lessee's sole expense (See Exhibit C). Lessor may make any necessary repairs, alterations or maintenance at the expense of Lessee, but shall not be obligated to do so.

6. Purchase of Stone by Lessee

Lessee may purchase blocks of stone from Lessor's adjacent sandstone quarry, as not to exceed 6,000 tons for the year as available. Purchase price for the sandstone will be \$ 4.00 per cubic yard. Lessor will first identify the stone available to Lessee, which Lessee may then remove and weigh to determine the amount to be paid. Payment term will be net 30 days. Failure to pay for purchased stone as provided will subject Lessee to remedies at law, but will not be considered a default of this Lease.

7. Compliance with Law

Lessee agrees to comply with any laws, statutes, ordinances or rules of regulations of any governmental authority (local, state or federal) having any jurisdiction over the use or occupancy of the Premises.

8. Indemnification and Risk of Loss

Lessee agrees to indemnify and hold Lessor harmless for any property damage or personal injury arising out of the tenancy or Lessee's operations on the Premises. All machinery on the Premises shall be maintained at Lessee's sole risk. Upon notification, Lessee or designated agent shall respond immediately to remedy any distress or emergency event pertaining to the Premises including but not limited to dust and equipment failure that impinges or restrict Lessors access to the adjacent property, fire flooding etc.

9. Insurance

Lessee shall purchase, maintain and keep current at Lessee's own expense, a Commercial General Liability Insurance policy with minimum limit of one million dollars (\$1,000,000) for each occurrence. Prior to execution of the Lease Lessee shall provide to Lessor a Certificate of Insurance that lists CEMEX Construction Materials South, LLC, as Additional Named Insured. This policy shall insure Lessor and Lessee against all liability for injury to persons, livestock, animals and damages to the Premises resulting from use, occupancy, or possession of the Premises by Lessee, its agents, guests and invitees. Lessee shall be responsible for obtaining its own vehicle, fire and

casualty insurance coverage for its personal property. Regardless of the form and amount of insurance, Lessee shall indemnify and hold Lessor harmless from any claims, including attorneys' fees and costs, arising out of or in any manner related to Lessee's use and occupancy of the Premises following damage or destruction by casualty or fire, but if such damage renders the Premises substantially untenable, the Lessee may terminate this Lease by giving five (5) days written notice to Lessor.

10. Taxes

Lessor shall pay all real property taxes related to the Premises. Lessee shall be responsible for and pay all personal property, inventory, sales, use, income, or other taxes related to Lessee's use or occupancy of the Premises.

11. Condemnation

If all or any part of the Premises is taken for public or quasi-public use under any right of condemnation or eminent domain or similar private purchase as provided by law, this Lease shall terminate as to the effected part, and the entire award shall belong solely to Lessor.

12. Right of Entry

Lessor may enter the Premises at any time during the term for any purpose that does not substantially interfere with Lessee's possession.

13. Subletting and Encumbrances

Lessee shall not assign, sublet or encumber the Premises or any part of the Premises without Lessor's prior written consent. Lessor reserves the right to terminate any sub-lease at any time at Lessor's sole discretion.

14. Mechanic's Liens

Lessor shall not under any circumstance be liable for the payment of any expense incurred for the value of any work done or material furnished to the Premises by Lessee. All such work shall be at Lessee's expense and Lessee shall be solely and wholly responsible to all contractors, laborers and materialmen furnishing labor and material to the Premises. Nothing herein shall authorize Lessee to charge the Premises or any interest of Lessor therein or this Lease with any Mechanic's, Materialman's or other statutory liens and, on the contrary, right and power to change any lien or encumbrance of any kind against Lessor or the Premises is hereby expressly denied.

If because of any act or omission of Lessee, any Mechanic's, Materialman's or other lien or order for the payment of money shall be filed against the Premises or against Lessor (whether or not such lien or order is valid or enforceable) Lessee shall, at Lessee's own cost and expense, cause the same to be canceled and discharged of record, and further shall indemnify and save harmless Lessor from and against any and all resulting costs, expenses, claims or damages, including reasonable attorney's fees.

15. Lessor's Early Termination Right

If at any time during the Lease term, Lessor chooses to begin developing the Premises for any other purpose, Lessor may terminate this lease by giving Lessee thirty (30) days prior written notice. If Lessor terminates the Lease before the end of the Lease term to begin developing the Premises, Lessor will refund rent pro rata to Lessee for the remainder of the Lease term.

16. Default by Lessee and Remedies

Except for failure to pay rent, which is addressed in Paragraph 3, Lessee's failure to perform any obligation under this Lease shall constitute a default and Lessor may terminate the lease as follows: a) Lessor shall give Lessee written notice. b) Lessee shall have ten (10) days to cure the default. c) If Lessee fails to cure the default within ten (10) days Lessor may give written notice of the failure to cure and termination, and take possession of the Premises. If Lease is terminated by Lessee's default, Lessor shall be entitled to retain all rent paid under Paragraph 3.

17. Quiet Possession

Lessor agrees that Lessee, while in compliance with the Lease provisions, and as otherwise limited by the Lease, shall be entitled to possession of the Premises for the term of this Lease.

18. End of Term

At the end of the term, Lessee shall peaceably surrender possession and occupancy of the Premises and all improvements on the Premises, except personal property, in the condition in which Lessee is required to maintain the Premises. Lessee may remove before the end of the term, personal and Company property and must repair any damage to the Premises caused by removing private property. All Lessee's property not removed by the end of the term shall become Lessor's property.

19. Hold Over

No holding over by Lessee, however long, shall renew or extend this Lease. If Lessee remains in possession of the Premises after the Lease term expires, Lessee shall become a Lessee from month-to-month on all the provisions of this Lease, except as to (a) term, which shall be month-to-month, and (b) rent, which shall be at the monthly rate of ten dollars (\$10.00). Any month-to-month tenancy is terminable by either Lessor or Lessee on ten (10) days' written notice given to the other party.

20. Notices

All notices shall be hand delivered or sent by certified U.S. mail, return receipt requested, and, if intended for Lessor shall be addressed to Lessor at: CEMEX, P.O. Box 529, Lyons, Colorado 80540, or to any other address Lessor requests in writing, and, if intended for Lessee, shall be addressed to Lessee at: Loukonen Brothers Stone CO., 12993 North Foothills Hwy. Longmont, CO. 80503 or any other address Lessee requests in writing. Mailed notices shall be effective when placed in the U.S. mail, certified, return receipt requested.

21. Attorney's Fees and Costs

If it becomes necessary for either party to engage an attorney to enforce any default or breach of this Lease, the prevailing party in any proceeding brought thereafter shall be entitled to collect reasonable attorney's fees and costs from the other.

22. Access

Access to the Premises shall be from Hwy 36 through the Loukonen Brothers Stone Co. yard operation.

23. Alterations

Lessee shall not make any changes in or additions to the Premises without Lessor's prior written consent, which shall not be unreasonably withheld. Among other requirements, as a condition of approval, Lessor may require, that any additions remain with the Premises or that the Premises be restored to its former condition at the end of the term.

24. Miscellaneous

This Lease, together with all attached exhibits, contains the entire agreement between the parties and shall not be modified except in a writing signed by both parties.

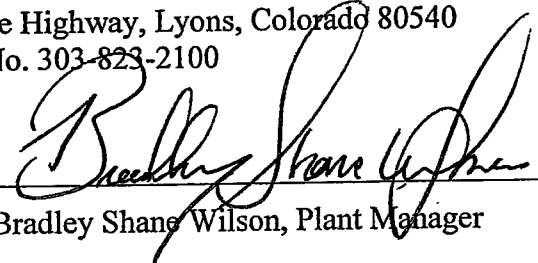
The paragraph headings are inserted only as a matter of convenience and do not define, limit or describe the scope or intent of this Lease or in any way affect its interpretation.

IN WITNESS WHEREOF, the parties have signed this Lease as of the date first set forth above.

Lessor:

CEMEX Construction Materials South, LLC
5134 Ute Highway, Lyons, Colorado 80540
Phone No. 303-823-2100

By:

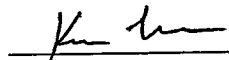

Bradley Shane Wilson, Plant Manager

Date: 1/28/13

Lessee:

Loukonen Brothers Stone Co.
12993 North Foothills Hwy.
Lyons, CO. 80540
Phone No. 303-823-6268

By:


Lessee

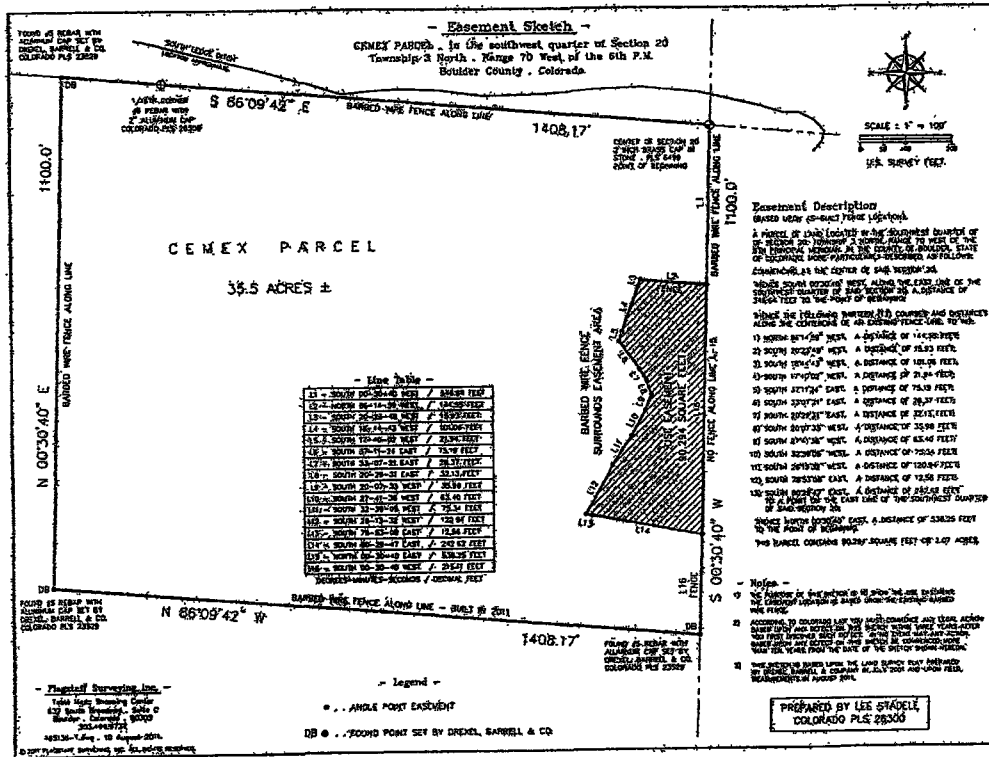
Date: 1/8/13

Exhibit A

Premises Description

Lease Parcel is approximately 2.07 acres; SW ¼ of Section 20 Township 3 North Range 70 West of the 6th Principle Meridian Boulder County. This area is identified on the Plat map (Exhibit B) as the "Use Easement". The "Use Easement" is within the CEMEX 35.5 acre Parcel along the center eastern edge.

EXHIBIT B



- EASEMENT EXHIBIT -

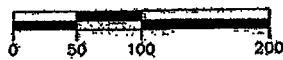
CEMEX PARCEL . In the SW 1/4 of Section 20
Township 3 North . Range 70 West of the 6th P.M.
Boulder County . Colorado

- Line Table -

L1 - SOUTH 00-30-40 WEST	/	346.84 FEET
L2 - NORTH 88-14-59 WEST	/	144.55 FEET
L3 - SOUTH 20-23-48 WEST	/	15.93 FEET
L4 - SOUTH 18-44-33 WEST	/	101.06 FEET
L5 - SOUTH 17-40-02 WEST	/	21.94 FEET
L6 - SOUTH 37-14-24 EAST	/	75.18 FEET
L7 - SOUTH 33-07-21 EAST	/	28.37 FEET
L8 - SOUTH 20-29-31 EAST	/	32.13 FEET
L9 - SOUTH 20-07-33 WEST	/	35.98 FEET
L10 - SOUTH 27-41-36 WEST	/	63.40 FEET
L11 - SOUTH 32-39-05 WEST	/	75.34 FEET
L12 - SOUTH 28-13-32 WEST	/	126.94 FEET
L13 - SOUTH 78-53-08 EAST	/	12.56 FEET
L14 - SOUTH 80-29-47 EAST	/	242.62 FEET
L15 - NORTH 00-30-40 EAST	/	538.25 FEET
L16 - SOUTH 00-30-40 WEST	/	215.11 FEET

DEGREES-MINUTES-SECONDS / DECIMAL FEET

SCALE : 1" = 100'



U.S. SURVEY FEET

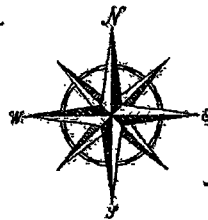
- Flagstaff Surveying Inc. -

Table Mesa Shopping Center
637 South Broadway . Suite 0
Boulder . Colorado . 80305
303.499.9737

18513b-1.dwg . 10 August 2011

PREPARED BY LEE STADELE

COLORADO PLS 26300



SOUTHEAST
CORNER
CEMEX PARCEL

CENTER
SECTION 20

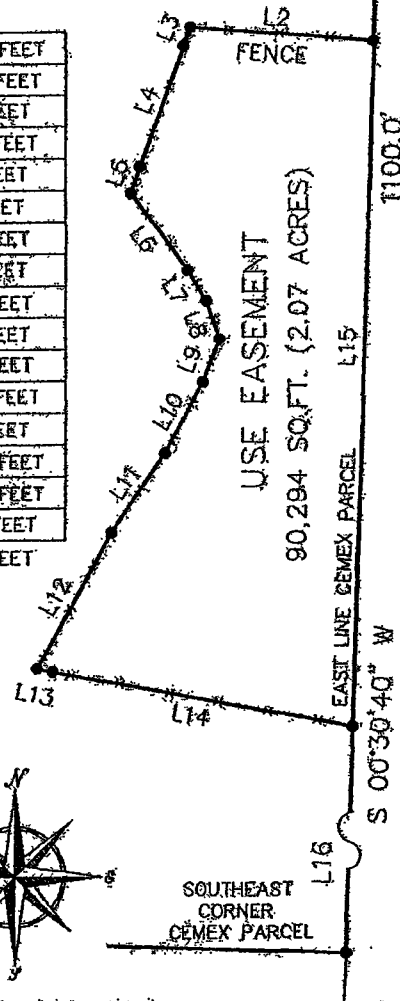


Exhibit C

a. Weed Management

Lessee shall structure a weed management plan using control methods effective to the specific weeds on the premises. Acceptable Controls may include Chemical, Biological or Mechanical methods. Control methods employed must prevent weed seed heads from maturing. Colorado State A list Weed species will be managed by total eradication per State regulation. State weed species B list, and Boulder County Weed list species will be aggressively managed. The plan; (control method and type, application sites, target species and estimated timing of applications) will be available to Lessor upon request and may be subject to Lessor's approval. Lessee shall notify Land Manager of application dates. Lessor may inspect progress of all weed management activities.

2. Chemicals: Pollutants

Lessee shall not apply any chemical or other control substances to the Premises, which has a residual effect of greater than two years. No chemicals shall be stored on the Premises. Lessee shall become liable for the reduced valuation of the premises, or other monetary judgment resulting from application or storage of chemicals. Lessees shall take all measures necessary to prevent pollutants from directly or indirectly entering storm drains or watercourses.

4. Mining Activities

Lessee will acquire and maintain all required permits to conduct work on the leased property including, but not limited to Mining, Stormwater, and air permits. All permitting requirements will be the lessee responsibility and at the lessee own cost.

Correspondence Information:

APPLICANT/OPERATOR (name, address, and phone of name to be used on permit)

Contact's Name: _____ Title: _____

Company Name: _____

Street/P.O. Box: _____ P.O. Box: _____

City: _____

State: _____ Zip Code: _____

Telephone Number: (_____) - _____

Fax Number: (_____) - _____

PERMITTING CONTACT (if different from applicant/operator above)

Contact's Name: _____ Title: _____

Company Name: _____

Street/P.O. Box: _____ P.O. Box: _____

City: _____

State: _____ Zip Code: _____

Telephone Number: (_____) - _____

Fax Number: (_____) - _____

INSPECTION CONTACT

Contact's Name: _____ Title: _____

Company Name: _____

Street/P.O. Box: _____ P.O. Box: _____

City: _____

State: _____ Zip Code: _____

Telephone Number: (_____) - _____

Fax Number: (_____) - _____

CC: STATE OR FEDERAL LANDOWNER (if any)

Agency: _____

Street: _____

City: _____

State: _____ Zip Code: _____

Telephone Number: (_____) - _____

CC: STATE OR FEDERAL LANDOWNER (if any)

Agency: _____

Street: _____

City: _____

State: _____ Zip Code: _____

Telephone Number: (_____) - _____