



RE: Surety Increase No. SI-4,  
issued on 10/4/2019

**VALCO, INC.**

9121 Sunshine Meadow Pl  
Parker, CO 80134  
(719)469-0840

**RECEIVED**

**NOV 16 2019**

**DIVISION OF RECLAMATION,  
MINING & SAFETY-MINERALS**

November 16, 2019

Division of Reclamation, Mining and Safety  
Attn: Ms. Amy Eschberger  
1313 Sherman St., Room 215  
Denver, CO 80203

Re: Rocky Ford East, Permit # M 1977-560, Approval of Technical Revision No. 3 (TR-3)

Dear Ms. Eschberger:

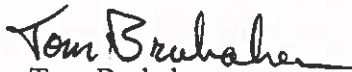
Valco, Inc has signed a contract with Habitat Construction, LLC (copy included) for the Mobilization, Dewatering, Topsoil and Cut and Fill of ponds C and D on our approved reclamation map. Projected time for completion is 54 working days. The contract should be complete by the end of February 2020.

The contract should cover all but \$187,394.91 of the current bond requirement. Please reference included spread sheet. The balance of the work for Ripping and Revegetation would be completed based on the best time frame to establish vegetation and would be covered by the current bonded amount of \$193,678.00. Completion by the fall of 2020.

Valco proposes that the requirement for additional bonding be extended until March 1, 2020 to allow for completion of the Habitat contract. At that time a review of the remaining reclamation cost could be made.

Please contact me with any questions.

Sincerely,  
Valco, Inc.

  
Tom Brubaker  
President

# CONSTRUCTION CONTRACT

This AGREEMENT (hereinafter called "Contract" or "Agreement") is made and entered into this day November 13<sup>th</sup>, 2019, by and between the Valco, Inc and Habitat Construction, LLC (hereinafter called "Habitat Construction" or "Contractor").

Witnessed:

Valco, Inc and Habitat Construction agree as follows:

**I. Scope of Work.** The Contractor shall provide service as proposed in the contractor's quote dated 11/1/2019. The work shall be completed as shown and specified in the Deere & Ault Construction Plans dated 6/13/2011 attached hereto. Contractor will provide labor and equipment to perform earthwork associated with filling in ponds C & D.

The Work is generally described as the cut/fill of 205,000 CY of onsite material to fill in pond D and the cut/fill of 68,500 CY of onsite material to fill in pond C. Those anticipated volumes are anticipated to be adequate to fill in the ponds to an elevation 2 feet higher than the existing water level. The ponds will be dewatered prior to being filled. Dewatering will be completed using the Owners pumps and electrical utilities. Existing topsoil will be salvaged and spread on the cut and fill areas. Removed Trees and Brushed will be stockpiled onsite.

**II. Completion Time.** The Work to be completed under this Contract shall be commenced in the month of November 2019 and is anticipated to be completed by the month of March 2020.

**III. Contract Amount and Basis.** Valco, Inc shall pay the Contractor the amount shown on the Contractor's bid dated November 1, 2019 for the satisfactory performance of the Work, subject to additions and deductions and as described by the following:

The unit prices set forth on the Contractor's revised bid dated November 1, 2019 shall be the basis for the contract price. Payment at the unit prices will be based on actual measured quantities in the Work, except where the unit is a lump sum, in which case payment will be based upon the lump sum price as stated.

**IV. Payments.** Valco, Inc shall make progress payments to the Contractor as follows:

Monthly progress payment requests shall be remitted within thirty (30) days of issuance to the Valco, Inc.

Anticipated Monthly Billing Schedule - Percentages to be agreed to on the 25<sup>th</sup> of each month

November - Invoice #1 = \$65,236.38 (70% Mobilization, 70% Dewatering)

December - Invoice #2 = \$222,521.34 (10% Mobilization, 10% Dewatering, 50% Pond D)

January - Invoice #3 = \$222,522.34 (10% Mobilization, 10% Dewatering, 50% Pond D)

February - Invoice #4 = \$151,803.34 (10% Mobilization, 10% Dewatering, 100% Pond C)

TOTAL CONTRACT AMOUNT = \$662,073.40

Payments may be withheld on account of (1) defective Work not remedied, (2) failure of Contractor to make payments properly to Subcontractors or for labor, materials, or equipment, (3) unsatisfactory prosecution of the Work by the Contractor.

# CONSTRUCTION CONTRACT

**V. Insurance.** The Contractor warrants it is adequately insured for injury to its employees and any others incurring loss or injury as a result of the acts of the Contractor or its employees and subcontractors. Such insurance shall be in addition to any other insurance requirements imposed by this Contract or by law, including but not limited to Workman's Compensation insurance.

**VI. Subcontractors.** The Contractor may engage subcontractors to perform work at its discretion hereunder, provided that the Contractor shall fully pay said subcontractor and in all instances remain responsible for the proper completion of this Contract.

**VII. Contract Documents.** The Contract Documents consist of the following collection of documents:

1. Executed Construction Contract between Valco, Inc and the Contractor
2. Contractor's Bid
3. Construction Plans and Drawings
4. Change Orders
5. Field Orders

**VIII. Acceptance of the Work.** The Contractor shall correct any Work that fails to conform to the requirements of the Contract Documents where such failure to conform appears during the progress of the Work, and shall remedy any defects due to faulty materials, equipment or workmanship which appear within a period of one year from the Date of Final Payment of the Contract or within such longer period of time as may be prescribed by law. The provisions of this article apply to Work done by Subcontractors as well as to Work done by direct employees of the Contractor and are in addition to any other remedies or warranties provided by law.

**IX. Safety.** The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. The Contractor shall take all reasonable safety precautions and provide all reasonable protection to prevent damage, injury, or loss to all employees and Subcontractors at the work site and all other persons affected by the Work, all materials and equipment in the care and custody of the Contractor or Subcontractor, all Work, and all property at the work site.

**X. Compliance with Laws.** The Contractor shall perform the Work in a workmanlike manner, and in compliance with all applicable federal, state and local laws and regulations,

Valco, Inc

By: Thomas E. Brubaker Thomas E. Brubaker, Pres. 11-13-2019  
Printed Name Signature Date

Habitat Construction, LLC

By: Randall Kurtz Randall Kurtz 11-14-19  
Printed Name Signature Date

# Valco Aggregate Mine Reclamation 2019



## Habitat Construction, LLC

PO Box 550 / 200 S 17th Street

Rocky Ford, CO 81067

Contact: Randall Kurtz

Phone: (719) 254-3900

Fax: (719) 254-3901

Quote To:

VALCO  
Tom Brubaker

Estimate No:

HC1003

Quote Date

11/1/2019

Date of Plans

6/13/2011

Revision Date:

Phone:

719-469-0840

Fax:

Volumes from Draft Deere & Ault Plans

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Mobilization	1.00	LS	61,714.80	61,714.80
2	Dewatering	1.00	LS	31,478.60	31,478.60
3	Pond C Fill-In	68,500.00	CY	2.08	142,480.00
4	Pond D Fill-In	205,000.00	CY	2.08	426,400.00
<b>GRAND TOTAL</b>					<b>\$662,073.40</b>

### NOTES:

HC assumes that Valco will supply 12" pumping equipment and all electric wiring and hookup. The anticipated pump is a Large Portable Electric 12" Submersible Pump capable of pumping between 4,000 and 5,000 GPM for the anticipated site conditions. The pump system is designed to float just below the surface of the water. The pump system is not anticipated to have to pump to any elevations higher than 30 feet above the pump. HC has included costs to furnish, install, and hook up a maximum of 1,200 feet of 16" HDPE piping. HC included costs to rent a fusing machine for 1 week to connect the pipe sections. A 330 Excavator will be provided to set and move the pump. A laborer will be provided to monitor the pump for the duration of the project. HC has not included costs to comply with any special requirements of a dewatering permit if required.

HC has included costs to complete the excavation work in a manner that creates positive drainage towards the existing pond areas to prevent stormwater from flowing offsite. Berms, straw bales, or erosion logs will be used as BMPs in areas where stormwater may leave the site.

Existing topsoil will be salvaged and placed on fill areas.

### EXCLUSIONS:

Bonding, Traffic Control, Materials Testing, Permitting, Licensing, Construction Fence, QA/QC, Seeding, Mulching, Herbicide / Weed Control, Erosion Control (Other than items referenced above), Electrical Work, Engineering, Import Aggregates or Topsoil.

## DRMS COST ANALYSIS AFTER HABITAT CONTRACT COMPLETION

### ITEMS REMAINING

#### DIRECT COSTS

TASK	DESCRIPTION	AMOUNT
002	RIP 50 ACRES	\$17,913.00
004	REVEGETATE 74 ACRES	\$99,716.00
005	MOBILIZATION/DEMOBILIZATION	\$10,000.00
	SUBTOTAL	<u>\$127,629.00</u>

#### INDIRECT COSTS

##### OVERHEAD AND PROFIT

LIABILITY INSURANCE @ 2.02%	\$2,578.11
PERFORMANCE BOND @ 1.05%	\$1,340.10
JOB SUPERINTENDENT FOR 15 DAYS	\$6,000.00
PROFIT @ 10%	<u>\$12,762.90</u>
TOTAL O&P	<u>\$22,681.11</u>
CONTRACT AMOUNT DIRECT+O&P	\$150,310.11

##### LEGAL-ENGINEERING-PROJECT MANAGEMENT

FINANCIAL WARRANTY PROCESSING	\$500.00
ENG. WORK AND/OR CONTRACT/BID PREP @ 4.25%	\$6,388.18
RECLAMATION MGT. AND/OR ADMIN. @5%	\$7,515.51
TOTAL INDIRECT COST	\$37,084.80

**TOTAL REMAINING BOND AMOUNT \$187,394.91**