DEPARTMENT OF NATURAL RESOURCES COLORADO DIVISION OF RECLAMATION, MINING, AND SAFETY 1313 Sherman Street, Room 215 Denver, Co., 80203

RE: Adequacy Review of TR02 Submittal; East 8th St Project; DRMS Permit M200-082; Responses

Mr. Eric Scott;

- 1) Enclosed is a Topographic Survey of the site as it currently exists in its final configuration for reclamation of the site. Shown are the two unlined ponds in their as built locations, the final shoreline configuration of each pond, the permit and property line boundaries and permanent features including the South and East access roadways and the Ogilvy Ditch that runs between the two ponds. Presently the west pond has approx. 8.35 acres of exposed groundwater. This has been the normal exposed groundwater area for the past three years since pumping has ceased. The east pond was never pumped due to no groundwater being encountered during mining. If both ponds were filled to ground level there would be approx. 26 acres of area.
- A copy of the complete agreement between GURA and Superior Oilfield Services Co., LTD is included as is the agreement for the future water augmentation responsibilities.
- 3) Reclamation at the site concerning grading and sloping has been completed including the 3:1 sloping of the sides of both ponds as per the plan, and the grading and placement of the topsoil at the plans depth of 6" to 12" has been completed. The site has been seeded and waiting for the growing season to commence. There has been no scrubs or trees planted yet pending agreement with what the property owner would like to see. In the original plan there were two options for final configuration, upon direction from the owner the option for leaving the Ogilvy Ditch in place and constructing two unlined open water ponds was chosen and built, as no agreement with the Ditch Company for re-location was completed and the slurry wall was decided against. The Wet Meadow Range Site seed mix was used for seeding the site as described in the plan.

Sincerely,

Rick Miller President Superior Oilfield Services Co., LTD

03/18/21



SAND, GRAVEL AND AGGREGATE MINING LEASE

(Greeley Urban Renewal Authority. / CAMAS Colorado, Inc.)

Background of Agreement. The following background statements are made to aid in the understanding and interpretation of this Mining Lease:

- A. The Landlord owns the property described on **Exhibit A** (hereinafter known as the "Property" and the mining activity to occur thereon is sometimes hereinafter referred to as the "Sand, Gravel and Aggregate Mining Activity").
- B. The Tenant is willing to pay the costs associated with permitting the Property to allow the Sand, Gravel and Aggregate Mining Activity to occur.
- C. The Tenant is willing, in addition to paying royalties, to pay \$250,000 as additional rent to be used by the Landlord, or its designee, to develop and maintain one or more recreational fields in the City of Greeley.

NOW THEREFORE, in consideration of the royalties, terms, covenants, conditions and agreements of each of the parties, the Landlord hereby leases to The Tenant the Property for the purpose of mining sand and gravel under the circumstances described in this Lease.

- 1. **Incorporation of Background Statements by Reference**. All of the recitals are incorporated herein by this reference and made a part of the agreement of the parties.
- 2. **Materials to be Mined and Operations to be Conducted**. The Tenant shall have the exclusive right to remove sand, gravel and aggregate (hereinafter also referred to as "Material") from the Property, and to process, stock pile and sell the Material. Upon execution of this Lease, the Landlord shall commence good faith reasonable efforts to remove and sell as much manure from the Property as possible, beginning on the west side of the Property and progressing to the east side of the Property. The Tenant understands that the surface of the Property may contain fence posts, manure in excess of that removed by the Landlord and other similar minor items that are abandoned from the previous cattle feeding operation; provided, however, that none of the buildings or other structures from the cattle feeding operation shall be left on the Property at the commencement of this Lease.

3. The Landlord's Representations, Warranties and Covenants

- a. The Landlord has disclosed to Tenant all exceptions to title to the surface and mineral estates of the Property of which Landlord is aware (by tendering to the Tenant the title insurance commitment that it obtained when it bought the Property), and the Landlord represents to the best of its knowledge that there are no other exceptions to its ownership in fee simple of the Property;
- c. The Landlord covenants that it will defend the leasehold interest granted herein to the Tenant against any and all persons claiming an interest therein;
- d. The Landlord is not aware of any fact or circumstance which would prevent the Tenant from operating a sand and gravel pit mine, a sand and gravel crushing and wash plant, or a concrete batch plant on the Property; and
- e. The Landlord warrants and shall defend the Tenant in the quiet enjoyment and possession of the Property during the term hereof so long as the Tenant is not in default hereunder.
- 4. **Term.** This Lease is effective as of the date of execution and, unless otherwise extended as provided herein, shall expire upon the earlier of (a) the date upon which all of the Material is fully mined, or (b) twenty (20) years from the date of this Lease (the "Initial Term"). Provided that The Tenant is not in default under this Lease, the Tenant shall have the right to renew this Lease for an additional period of five (5) years if, upon the expiration of the Initial Term, the Material has not been fully mined. During the extended term however, the Tenant shall be under a duty to diligently mine the Property as quickly as removal of the remaining such Material is physically possible and will terminate the remaining portion of the extended term when there is no longer a commercial quantity of Material remaining or. Tenant is no longer diligently mining the Property, whichever is sooner. Any such extension of this Lease shall be on the same terms and conditions as are set forth herein. provided that (a) the Tenant must notify the Landlord in writing at least one year prior to the expiration of the Initial Term of the Tenant's election to exercise the option to extend the same and (b) at the start of any such extension, the royalties owed during the renewal period shall be adjusted to the then-prevailing market rate. The Initial Term, together with any renewal, shall be referred to herein as the "Term."

5. **Storage of Overburden.** The Tenant may temporarily store overburden for reclamation purposes only on the Property during the term of this Lease.

6. "Earned Royalties", "Annual Minimum Royalties" and "Additional Payments".

- a. **Earned Royalties.** The Tenant shall pay the Landlord as royalty, fifty-five cents (\$0.55) per ton of Material removed from the Property (the "Earned Royalties"). Earned Royalties for any year during the Term shall be offset first against Annual Minimum Royalties previously paid at any time during the Term.
- b. Process for Weighing and Paying Earned Royalties. The Tenant shall not remove Material from the Property without weighing and recording the quantity removed. The Tenant shall install and maintain on the Property suitable state certified scales for weighing sand and gravel before such Material is removed from Property. Earned Royalties shall be due and payable in arrears on or before the 25th day of the first month after the Material has been removed from the premises (for example, the royalty for materials removed in January shall be due and payable on or before February 25). The amount of Material removed shall be based upon weight and the Tenant shall weigh all Material removed from the premises. In order to permit the Landlord to verify the amount of Material removed, the Tenant's scale tickets shall be open to audit and inspection by the Landlord upon reasonable notice and at all reasonable times provided that the audit and inspection shall be conducted at the Landlord's sole expense and shall not unreasonably interfere with the Tenant's ongoing business activities. If an audit and inspection of the Tenant's scale tickets shows that prior royalty payments were inaccurate, adjustments and payments shall be made by the Landlord or the Tenant, as the case may be, within 30 days after the determination that an adjustment is appropriate. If the Tenant is found to have underpaid royalties by more than 10%, the Tenant shall also reimburse the Landlord for its reasonable audit and inspection expenses.
- c. Annual Minimum Royalty. During the Initial Term, the Tenant shall pay the Landlord an annual advanced minimum royalty (the "Annual Minimum Royalty") of \$100,000 (One Hundred Thousand Dollars) in cash, in advance. Annual Minimum Royalties shall commence at such time as the Tenant obtains the appropriate Use by Special Review for Mining from the City of Greeley and the Mining Permit and Bond from the Division of Minerals and Geology. Such Annual Minimum Royalty payment shall be due on the same calendar day of each year following the date of the first payment while this Lease is in effect, up to a total of \$2,000,000. When \$2,000,000 of Annual

Minimum Royalties and/or Earned Royalties have been paid, no further Annual Minimum Royalties shall be due.

- d. **Gold Recovery**. If the Tenant, in its sole discretion, determines that the benefit to the Tenant of such recovery will exceed the cost of such recovery, the Tenant shall take measures to recover and separate gold from the Material. If at any time the Tenant takes such measures, one-half (2) of the net amount realized by the Tenant after the expenses and costs of separation and recovery (including any share allowed any third party unrelated to the Tenant for effecting the separation and recovery) shall be paid over to the Landlord in addition to the Earned Royalties. The Landlord shall not be responsible for any recovery costs. Any gold recovery shall apply against the Annual Minimum Royalty.
- е. Additional Payments. In addition to all other payments due under this Lease, the Tenant shall be obligated to pay up to \$250,000, in installments as described below (each an "Additional Payment"). to the Landlord for development of soccer fields anywhere in the City of Greeley. The first Additional Payment of \$50,000 will be used to develop recreational fields anywhere in the City of Greeley the exact location to be determined by the Landlord. The remaining \$200,000 shall be paid during the Term of this Lease in eight annual installments of \$25,000 beginning on the first anniversary of the first Additional Payment, and shall be used to maintain such recreation fields. Upon receipt of each Additional Payment, the Landlord shall place such Additional Payment in a separate fund held by the Landlord and disbursed under an agreement with the City of Greeley, or other entity restricted to the uses noted in this paragraph. When developed, the soccer field where the funds are used shall be named the "CAMAS Colorado Recreational Field". The Tenant shall have no control or input on the use of such Additional Payments, except as expressly stated in this paragraph. The first Additional Payment of \$50,000 will be paid when the first Annual Minimum Royalty Payment is due. No further Additional Payments shall be due after the termination of this Lease for any reason.
- f. **Exclusion of Oil and Gas Rights**. This Lease does not include the oil and gas rights to the Property, or materials other than sand, gravel and aggregate (and gold under paragraph 6.d. above). The Tenant acknowledges that part of the Property is under an Oil and Gas Lease, and agrees that the Tenant's rights hereunder are subordinate to the rights of such oil and gas lessee.

7. Government Regulations.

- a. As used in this Lease, the term "applicable government regulations" means federal, state, and local laws, ordinances, rules, regulations, orders, permits and authorities, by whatever name known, as amended and in effect from time to time, and applicable to the Property or operations contemplated by this Lease. In the case of any permit or other authority, such authority includes any representations, undertakings or other commitments made as part of any application for such authority and any stipulations or other terms or conditions imposed by the government agency issuing such authority.
- b. Such regulations include, but are not limited to, the terms and conditions of the permit issued by the Division of Minerals and Geology and the Industrial Wastewater Discharge Permit issued through the Colorado Department of Health, the Air Pollution Emission Permit issued by the Air Pollution Control Division of the Colorado Department of Health, the permit for use by Special Review, issued by the City of Greeley, State Engineer's approved substitute supply plan and any Road Maintenance and Improvements Agreement ("RMIA") by and among Weld County, the State of Colorado and the Landlord or the Tenant. The Landlord represents and warrants that (1) it is not a party to any existing RMIAs nor to any negotiations regarding any new RMIAs, and (2) it is unaware of any such RMIAs or negotiations concerning RMIAs to which it is not a party.
- c. The Tenant shall exercise reasonable, good faith, expeditious efforts to secure any additional permits or other authorizations at its own expense that are needed to conduct the operation or install facilities contemplated by this Lease. The Tenant will not, without the written consent of the Landlord, seek or fail to object to any modification or any additional permits or authorities which are inconsistent with the terms and conditions of this Lease or the object of the reclamation plan, as approved by the Landlord.
- d. The Tenant shall comply with, abide by and perform its and the Landlord's duties and obligations under all applicable government regulations. This includes, but is not limited to, the obligation to make such commitments and to provide such bond or other security for restoration, reclamation or rehabilitation of the Property as may be required by the Division of Minerals and Geology. This excludes the payment of property tax on the Property and any tax imposed on the Landlord with respect to the royalties payable to the Landlord.

- e. The Tenant shall require its employees, agents, contractors, customers, invitees or others authorized by the Tenant to be on the Property or involved with operations contemplated by this Lease, to comply with and abide by such applicable government regulations.
- f. The Tenant shall provide to the Landlord a copy of any written correspondence, written notice or other written communication received by the Tenant regarding any violation or failure by the Tenant to comply with or abide by any applicable government regulation.

8. Operations.

- a. The Tenant shall conduct its operations on the Property in a workmanlike manner consistent with due regard to the applicable government regulations and in accordance with the customs and practices of gravel mine operations. The Tenant shall conduct its operations so as not to damage existing access right-of-ways, utility lines, gas lines or similar installations.
- b. The Property shall be in compliance with the standards for weed management as directed by the City of Greeley's Municipal Code when the Landlord delivers possession of the Property to the Tenant. The Tenant shall maintain the mining area in a reasonably neat and orderly condition consistent with the operation of an efficient gravel pit. During the Term, the Tenant shall maintain the Property in accordance with the standards for weed management as directed by the City of Greeley's Municipal Code; provided, however, that until mining operations begin on the portion of the Property east of the Olgivy Ditch, the Landlord shall maintain that portion of the Property in accordance with the standards for weed management as directed by the City of Greeley's Municipal Code; provided by the City of Greeley's Municipal Code. The Landlord shall not be entitled to any additional compensation for such maintenance. The Tenant will exclude livestock and unauthorized personnel from the mined or mining area.
- c. The Tenant shall not engage in or consent to any hunting, fishing or other recreational activities or other third-party use unless done with the Landlord's permission.

9. Liabilities.

The Tenant shall indemnify and hold harmless the Landlord from and against any and all claims arising from the Tenant's use of the Property or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by the Tenant in connection with the Property, and shall further indemnify and hold harmless the Landlord against and from any and all claims arising from any breach or default in the performance of any obligations on the Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, its officers, agents, guests, employees or invitees, and from all costs and reasonable attorneys' fees and liabilities incurred in connection with the defense of any such claim or any action or proceeding brought thereon (including any appeal thereof) and in case any action or proceeding be brought against the Landlord by reason of such claim, the Tenant upon notice from the Landlord shall engage counsel reasonably satisfactory to the Landlord to defend the same at the Tenant's expense.

- The Tenant shall, during the term of this Lease, keep in force public liability insurance with at least \$1,000,000 limits and property damage insurance with at least \$1,000,000 limits and will have the Landlord added as an additional insured. The Tenant shall provide the Landlord certificates of such insurance at the Landlord's request. The Tenant shall pay the personal property taxes on all personal property of the Tenant used or kept on the Property.
- The Landlord shall indemnify and hold harmless the Tenant from and against any and all claims arising from the Landlord's use of the Property or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by the Landlord in connection with the Property, and shall further indemnify and hold harmless the Tenant against and from any and all claims arising from any breach or default in the performance of any obligations on the Landlord's part to be performed under the terms of this Lease, or arising from any act or negligence of the Landlord, its officers, agents, guests, employees or invitees, and from all costs and reasonable attorney's fees and liabilities incurred in connection with the defense of any such claim or any action or proceeding brought thereon (including any appeal thereof) and in case any action or proceeding be brought against the Tenant by reason of such claim, the Landlord upon notice from the Tenant shall engage counsel reasonably satisfactory to the Tenant to defend the same at the Landlord's expense. The Landlord understands that the Tenant will be conducting excavation activities and operating heavy equipment on the Property, and that such activities are dangerous and may result in open. unprotected and/or hazardous areas upon the Property. The Landlord
 - waives any right to claim that the Tenant is liable for injury to the Landlord, its property, or its officers, agents, guests, employees or invitees due to the dangerous conditions that may exist on the Property during the term of the Lease.

- 10. Environmental Conditions With respect to environmental conditions:
- a. The Landlord represents that to its knowledge, none of the following exists on the Property: (i) underground storage tanks, whether in use or abandoned, (ii) asbestos-containing material in any form or condition, (iii) materials or equipment containing polychlorinated biphenyls, or (iv) landfills, surface impoundments, or disposal areas.
- b. The Landlord has not treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, or released any substance, including without limitation any hazardous substance, on the Property, or owned or operated the Property or any facility thereon (and neither the Property nor any facility thereon is contaminated by any such substance) in a manner that has given or would give rise to material liabilities, including any liability for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney's fees, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA), the Solid Waste Disposal Act, as amended (SWADA) or any other Environmental, Health, and Safety Requirements.
- c. The Landlord has provided to the Tenant a copy of the Mahoney Environmental Services report and represents and warrants that such report is the only environmental report of which it has knowledge.
- d. The Tenant shall have the right, prior to taking possession of the Property and at the Tenant's cost, to conduct environmental site assessments (each an "ESA"), including but not limited to drilling and testing, of the Property, and to examine any reports of any ESA previously conducted by the Landlord. If any ESA reveals the need for any clean up of the Property, and the Tenant is nevertheless commercially able to make use of the Property for the purposes set forth in this Lease, then the Tenant shall be responsible for all costs of such clean up.
- e. The Tenant shall not bring or create any of the following on the Property: (i) underground storage tanks, whether in use or abandoned, (ii) asbestoscontaining material in any form or condition, (iii) materials or equipment containing polychlorinated biphenyls, or (iv) landfills, surface impoundments, or disposal areas.
- f. During the Term of this Lease, the Tenant shall not treat, store, dispose of, arrange for or permit the disposal of, transport, handle, or release any substance, including without limitation any hazardous substance, on the

Property, or operate the Property or any facility thereon, in a manner that would give rise to material liabilities, including any liability for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney's fees, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA), the Solid Waste Disposal Act, as amended (SWADA) or any other Environmental, Health, and Safety Requirements.

- g. The Tenant shall be liable for and shall indemnify and hold harmless the Landlord from any and all claims, demands, actions, causes of action, liabilities, damages and expenses, including court costs and reasonable attorney's fees which the Landlord may suffer, incur or be required to pay as the result of the presence of any hazardous, toxic or otherwise illegal substances or materials placed on the Property by the Tenant.
- h. The Landlord shall be liable for and shall indemnify and hold harmless the Tenant from any and all claims, demands, actions, causes of action, liabilities, damages and expenses, including court costs and reasonable attorney's fees which the Tenant may suffer, incur or be required to pay as the result of the presence of any hazardous, toxic or otherwise illegal substances or materials placed on the Property (i) by the Landlord at any time or (ii) by any party before for after the Term of this Lease with the Landlord's knowledge.
- 11. Surface Rights of The Tenant. The Tenant may clear brush and undergrowth from portions of the Property as may be reasonably necessary to explore for Material, or to locate pits, quarries and stockpile areas.

In order to obtain access to the Property and to carry on its operations, the Tenant shall have the right to make use of all roadways now existing on the Property, and shall have the right to build such additional roads as may be necessary for the production and removal of Material.

The Tenant may install such machinery and equipment on the Property as may be useful in connection with its operations, including but not limited to a sand and gravel crushing and wash plant and a concrete batch plant; provided, however, that a majority of the materials used in the concrete batch plant shall be those removed from the Property.

12. Protection and Restoration of Surface. In digging pits for the purpose of producing and removing Material, the Tenant shall make separate stockpiles of topsoil and of waste substances. Before termination of the Lease, the Tenant shall level and re-seed with grass all areas where roads and stockpiles have existed pursuant to the Tenant's Reclamation Plan. For security purposes, adequate fencing shall be installed by the Tenant and security shall be required at all times.

- 13. **Payment of Taxes**. The Landlord shall, if required to do so, pay all real estate taxes levied against the Property before they become delinquent. If the Landlord fails to pay the taxes, the Tenant may, at its option, pay the taxes and assessments that could become a lien against the Property. The Landlord shall reimburse the Tenant for the amount of said taxes within thirty (30) days after notice of such taxes is delivered by the Tenant. The Tenant shall pay all taxes due on Personal Property.
- 14. **Removal of Improvements and Equipment**. All improvements and equipment placed on the Property by the Tenant shall remain the property of the Tenant.

On termination of this Lease for any cause, the Tenant shall have the right, if exercised within ninety (90) days after termination of this Lease for any cause, to enter onto the Property and remove all of the Tenant's improvements and equipment. The right to remove its improvements and equipment shall include any Material mined and produced, but not removed on the date of termination, all subject to payment of royalties provided in this Lease. Tenant shall continue to pay insurance and utilities on the Property during the time it takes Tenant to remove its improvements and equipment. Any such improvements and equipment remaining on the Property more than 90 days after termination of this Lease shall, at the option of the Landlord, become the exclusive property of the Landlord, without payment or reimbursement.

15. Default/Termination.

- a. The Landlord shall have the right, at its option, to terminate this Lease and/or seek damages under paragraph 17 below, in any of the following events:
 - (1) If the Tenant fails to pay any production royalty or minimum royalty and such royalty remains unpaid for more than ten (10) days after notice by the Landlord to the Tenant specifying such failure.
 - (2) If the Tenant fails to perform any other of its obligations hereunder and such failure continues for a period of thirty (30) days after notice by the Landlord to the Tenant specifying such failure. If such failure is of a nature that it cannot, with reasonable diligence, be corrected within a the 30 day period following the notice thereof, The Landlord shall not terminate this Lease for the default so noticed so long as the

Tenant commences correction within the 30 day period and thereafter prosecutes correction with continuity and diligence.

- If the Tenant violates or otherwise fails to comply with, and abide by (3) or perform any applicable government regulation and the Landlord reasonably believes (i) that the nature or duration of such violation, failure or other conduct of the Tenant creates a substantial risk that any necessary permit or other authority for any of the operations or installations contemplated by the Lease may be denied, suspended or revoked, and (ii) that termination of this Lease, together with other action, would influence the responsible government agency to grant, continue or reinstate such permit or authority. The Landlord shall give the Tenant immediate notice of its intent to invoke this subparagraph. This Lease shall be reinstated by the Landlord if the Tenant obtains written assurance, or oral assurance which the Landlord is able to confirm with the source, from the responsible government agency that the permit or other authority will not be suspended or revoked.
- (b) The Tenant shall have the right, at its option, to terminate this Lease in any of the following events:
- (1) If the cost of the removal of the Materials remaining to be mined on the Property exceeds the benefit to be obtained by the Tenant from such removal:
- (2) If, through no fault of the Tenant, the Property is destroyed or flooded or becomes otherwise unusable for mining operations;
- (3) If, as a result of an environmental accident not caused by the Tenant, mining of the Property becomes hazardous to the Tenant, third parties, or neighboring properties;
- (4) If all or substantially all of the Property is taken under the power of eminent domain or conveyed under threat of condemnation proceedings; <u>provided</u>, <u>however</u>, that if less than substantially all of the Property is so taken, the Lease shall not terminate unless the Tenant's use of the Property and operations thereon are rendered not feasible in the Tenant's reasonable discretion; <u>provided further</u>, <u>however</u> that if the Tenant's use of the Property is reduced by such condemnation, then the royalties (including Earned Royalties and Annual Minimum Royalties) due under this Lease shall be reduced by a factor equal to the portion of the Property that is condemned;
- (5) If the Property cannot continue to be mined for sand and gravel during the term of this Lease, including without limitation, the lack of approOpriate permits;

- (6) If the Landlord fails to perform or comply with the covenants, terms and conditions set forth in this Lease, provided that the same is not cured within thirty days after notice thereof from the Tenant to the Landlord, and provided further that the Landlord's time to cure such default shall be extended for such additional time as shall be reasonably necessary if (i) the Landlord proceeds with due diligence during such thirty day period to cure any such default and is unable by reason of the nature of the work involved to cure the same within such period, (ii) such extension of time shall not subject the Landlord or the Tenant in this Lease or the Property shall not be jeopardized by reason thereof.
- The Landlord's Remedies for Default. Any monies not paid to the Landlord when 16. due shall bear interest at 18% per annum from the date of nonpayment to the date of payment. In the event of default, the parties shall be entitled to any remedies available at law or in equity. If the Landlord terminates this Lease for default, as above provided, the Landlord may enter into the Property, or any part thereof, with or without process of law, convey, expel and remove the Tenant and/or seek damages therefor. If this Lease be so terminated, the Tenant shall surrender up and deliver the premises peaceably to the Landlord and if the Tenant should remain in possession of the premises after such termination of this Lease (except pursuant to the Tenant's right to re-enter the Property to take possession of its Personal Property), the Tenant shall be deemed guilty of an unlawful detainer of the demised premises and shall be subject to eviction and removal forceably or otherwise and the Landlord shall have such further rights, if any, as may be provided by law. In the event of termination prior to removal of all mineable quantities of Materials, the Tenant shall be obligated, to the extent permissible by applicable laws and if requested by the Landlord, to assign its mining authority and permits issued by the Department of Minerals and Geology and any other permits necessary to mine the Property to the Landlord, or its assignee, without cost, so long as the Landlord signs the necessary documents at the Department of Minerals and Geology (including a Succession of Operator) and agrees to indemnify the Tenant for any reclamation requirements. Upon termination of the Tenant's right to possession of the Property, or any portion of it, the Tenant shall give to the Landlord appropriate documentation relinquishing all interest in all or any portion of the Property with respect to which the Tenant's right to possession has expired or terminated.
 - 17. The Tenant's Remedies after Termination for Matters Set Forth in Paragraphs 15b (2), (3), (4) or (6). If this Lease is terminated for any reason set forth in paragraphs 15b (2), (3), (4) or (6) above, then the Tenant shall be entitled to a return of up to two years of Annual Minimum Royalties to the extent that the amount of such Annual Minimum Royalties paid on or before the date of the termination

exceeds the amount of Earned Royalties as of the date of such termination. Notwithstanding the foregoing however, the Tenant shall never be entitled to a return of any Annual Minimum Royalty after two years from the date of payment of any Annual Minimum Royalty.

- 18. No Partnership. It is the intent of the parties that this instrument establish a Lease for the extraction of Materials as expressly recited and that this instrument shall not appoint the Tenant the agent of the Landlord for any purpose and that this instrument shall not create a joint venture or partnership. The Landlord shall not be deemed the operator of the premises with respect to any gravel mining operation.
- 19. **Restoration of Property.** The Tenant will, at its expense, and in a workmanlike manner, restore, reclaim and rehabilitate the areas from which Materials have been removed. This work shall be commenced, performed and completed in accordance with a reclamation plan that is approved by the Landlord and the City of Greeley prior to commencement of any mining activity, and filed by the Tenant with the Department of Minerals and Geology, but in no event shall such work be completed later than one year after the expiration or earlier termination of this Lease.
- 20. Assignment and Subletting. The Tenant shall have the right to assign this Lease to any entity that controls, is controlled by, or is under common control with, the Tenant (an "Affiliate"). Except for such permitted assignment to any Affiliate of the Tenant, the Tenant will not assign or sublet any part of the premises except with the written consent of the Landlord, not to be unreasonably withheld, and then only to an organization controlled by the same interests as the Tenant and which at the time of the assignment or sublease is demonstrated by the Tenant to have a financial net worth as great as the Tenant's at the time of the execution of this Lease. In the case of an assignment or sublease, the Tenant shall not be relieved of liability for making the payments required by this Lease and otherwise complying with the terms and conditions of this Lease. The Tenant will be responsible to the Landlord for any other act or omission of assignees or subtenants of the Tenant as a principal is liable for the acts or omissions of its agent.
- 21. Notices. All notice required by this Lease shall be in writing. Notices to the Landlord shall be sufficiently given if delivered by certified mail, return receipt requested to:

Greeley Urban Renewal Authority 1100 10th Street, Suite 201 Greeley, Colorado 80631

with a copy to:

Otis, Coan & Stewart, LLC 1812 56th Avenue Greeley, Colorado 80634

Notices to the Tenant shall be sufficiently given if delivered by certified mail, return receipt requested to:

Vice President and General Manager Aggregates Division CAMAS Colorado, Inc. 3605 South Teller Street Lakewood, CO 80235

with a copy to: Holland & Hart LLP 555 Seventeenth Street Suite 3200 Denver, CO 80202 Attn: H. Gregory Austin, Esq.

The Tenant and the Landlord may each, from time to time, change their respective address for this purpose by notice to the other of the new address.

22. **Permits.** The Tenant shall be responsible for applying for all permits necessary to obtain legal permission to conduct its mining operations including a reclamation plan. The Landlord, for itself, its successors and assigns, agrees to cooperate in all reasonable ways in the Tenant's efforts to obtain such permits and agrees to furnish, without cost, all information regarding the Property which it has insofar as such information relates to sand, gravel, aggregate and other Materials.

The Tenant shall be solely responsible for all costs and fees of obtaining the necessary permits for its proposed mining operations and reclamation.

23. Agreement Concerning Reclamation. As part of the permit process described in this Lease, the Tenant will be required to prepare a plan of reclamation for the Property. The Tenant acknowledges that its reclamation plan must be consistent with the Landlord's ultimate development plans. Therefore, the Tenant shall consult with the Landlord in the preparation of the reclamation plan and to incorporate reasonable features in the plan desired by the Landlord. The parties shall agree on the plan prior to submittal of applications for mining permits. The Landlord may not unreasonably reject the plan but may require reasonable alterations in the plan, including, without limitation, any alterations necessary to make the plan consistent

with the Landlord's ultimate development plans. The reclamation plan agreed upon by the parties, and as finally approved by the various regulatory agencies reviewing it during the permit process (and the Landlord agrees to consent to the reasonable alterations required by such agencies, so long as consistent with the Landlord's ultimate development plans) shall be signed by the parties and shall thereafter be complied with by the Tenant and at the Tenant's expense. The reclamation of the property shall be completed in accordance with the reclamation plan within one year from date of completion of mining of a phase, or as set forth in the Division of Minerals and Geology permit, but prior to the expiration of the Term of this Lease. The reclamation Plan for the Property shall include at least the following key elements:

- a. A plan that will leave the Property in an attractive condition, suitable for commercial or recreational development.
- b. A trail corridor along the Poudre River.
- 24. **Contingencies.** This Lease is expressly contingent on the following contingencies being resolved:
 - a. **Development Plan**. The Landlord shall approve a development plan (the "Development Plan") for the Property that is mutually acceptable to both parties. The Tenant shall submit the development plan on or before the date that is two (2) months after the execution of this Lease and the Landlord's approval shall not be unreasonably denied. The elements of the development plan are:
 - i. Approval of a site plan for the Property that will allow a certain number, to be agreed upon between the Tenant and the Landlord, of industrial sites that are saleable by the Landlord and will not be mined by the Tenant. The Tenant shall release any mining rights to such industrial sites and shall allow access to such sites, without interference by the mining operation.
 - ii. A plan, acceptable to the Landlord regarding the Olgivy Ditch, i.e., whether to relocate the ditch or mine around it.
 - iii. A phasing plan that is acceptable to the Landlord indicating the order in which the Property will be mined.
 - b. Approval by the City of Greeley. Within thirty (30) days after the Tenant receives approval of the Development Plan from the City of Greeley, the

Tenant shall submit a request for Use by Special Review to the City of Greeley and diligently pursue approval of such request.

- c. Approval by the Department of Minerals and Geology. Within thirty (30) days after the Tenant receives approval of the Development Plan from the City of Greeley,¹ the Tenant shall submit a request for approval of the Department of Minerals and Geology for the Tenant's mining plan and reclamation plan.
- d. **Commencement of Mining Operations.** Mining operations on the Property shall begin on or before June 1, 2000, unless Landlord shall have provided a written extension.
- 25. Agreement Concerning Water Augmentation. During the Term of this Lease, the Tenant shall obtain water for use by the Tenant for its operations from the City of Greeley. The Tenant shall prepare and administer a Temporary Substitute Supply Plan to accommodate any evaporative or other loss due to the Tenant's operations. After termination of this Lease, the Landlord shall be responsible for augmentation requirements imposed by the State of Colorado.
- 26. Attorney's Fees. In the event of a dispute between the parties regarding this Lease, the Property, or the Sand, Gravel and Aggregate Mining Activity that results in litigation, the prevailing party shall be awarded its reasonable court costs and attorney's fees in connection with such lawsuit.
- 27. Lease Memorandum To Be Recorded. Upon the execution and delivery of this Lease, the parties shall also execute, deliver and record a written Memorandum hereof.

28. Miscellaneous.

- a. This Lease shall inure to the benefit of and shall be binding on the legal representatives, successors and assigns of the parties.
- b. Time is of the essence in all provisions of this Agreement.
- c. Colorado Law shall be used in the interpretation and construction of this Agreement and the resolution of all disputes hereunder.

- d. This Lease constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. No representations, promises, terms, conditions, obligations or warranties whatsoever referring to the subject matter hereof, other than those expressly set forth herein, shall be of any binding legal force or effect whatsoever. The provisions of this Lease may be amended only in writing signed by both parties.
- e. Paragraph headings are for convenience only and shall not be considered in any controversy involving the meaning and intent of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

LANDLORD:

TENANT:

Greeley Urban Renewal Authority

Dan Barrera, Chairperson

STATE OF COLORADO))ss. COUNTY OF WELD) CAMAS Colorado, Inc.

Its: Vice President and General Manager, Aggregates Division

The foregoing instrument was acknowledged before me this Enday of <u>Sume</u> 1999, by <u>Richard Margania</u>as <u>NE for March</u>for CAMAS Colorado, Inc."

Witness my hand and seal. My commission expires: Notary Public

STATE OF COLORADO))ss. COUNTY OF WELD)

The foregoing instrument was acknowledged before me this 9^{m} day of <u>Jone</u> 1999, by Dan Barrera as Chairperson for Greeley Urban Renewal Authority.

Witness my hand and seal. My commission expires: 1-17- 2003 OSTENES Notary Public **EXHIBITS**

EXHIBIT A LEGAL DESCRIPTION OF PROPERTY

TRANSNATION TITLE INSURANCE COMPANY

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Policy No.: 8044099

LEGAL DESCRIPTION

A tract of land located in Lots 3 and 4 of the NE1/4 of the SW1/4, Lots 1, 2, 3, and 4 of the SE1/4 of the SW1/4, Lots 1, 2, 3, and 4 of the SW1/4 of the SE1/4, and Lots 2 and 3 of the SE1/4 of the SE1/4 of Section 4; and in Lots 2 and 3 of the NE1/4 of the NW1/4 of Section 9; all according to the subdivision of lands by the Union Colony of Colorado; and in N1/2 of the SE1/4 of said Section 4; all in Township 5 North, Range 65 West of the 6th P.M., in the City of Greeley, County of Weld, State of Colorado, and being more particularly described as follows: Commencing at the Northwest corner of the SE1/4 (center of Section) of said Section 4 and considering the West line of said SE1/4 to bear South 01 degrees 32 minutes 50 seconds West with all other bearings contained herein being relative thereto; thence South 01 degree 32 minutes 50 seconds West, 1075.04 feet to a point on the South right of way line of Colorado State Highway 263 and the True Point of Beginning; thence Easterly along said South right of way line by the following 4 courses: South 87 degrees 12 minutes 06 seconds East, 182.33 feet; South 85 degrees 54 minutes 41 seconds East, 550.00 feet; South 80 degrees 41 minutes 57 seconds East, 345.00 feet; South 78 degrees 45 minutes 23 seconds East, 336.85 feet; thence South 00 degrees 45 minutes 51 seconds West, 616.48 feet; thence South 89 degrees 31 minutes 23 seconds East, 567.34 feet to a point on the East line of said Lots 2 and 3 of the SE1/4 of the SE1/4 of said Section 4; thence South 00 degrees 28 minutes 37 seconds West, 523.91 feet along said East line; thence North 89 degrees 29 minutes 21 seconds West, 569.97 feet; thence North 00 degrees 45 minutes 51 seconds East, 290.54 feet; thence North 89 degrees 29 minutes 43 seconds West, 621.19 feet along an existing fence line; thence South 30 degrees 18 mintues 37 seconds West, 31.91 feet to a point on the Southerly line of that parcel described in Book 537, Reception No. 1458671; thence along the boundary of said described parcel by the following 2 courses; thence North 59 degrees 41 minutes 23 seconds West, 132.64 feet; North 00 degrees 18 minutes 37 seconds East, 20.00 feet; thence along the North bank of the Cache La Poudre river by the following 3 courses; North 87 degrees 21 minutes 23 seconds West, 337.89 feet; South 76 degrees 09 minutes 05 seconds West, 725.71 feet; North 76 degrees 52 minutes 14 seconds West, 68.53 feet; thence North 00 degrees 22 minutes 41 seconds East, 85.97 feet to a point

Page 2

EXHIBIT A

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Policy No.: 8044099

SCHEDULE A - continued

LEGAL DESCRIPTION

on the North line of Lot 4, of the SE1/4 of the SW1/4 of said Section 4; thence North 88 degrees 58 minutes 07 West, 217.00 feet to the Northwest corner of said Lot 4; thence South 00 degrees 22 minutes 41 seconds West, 160.40 feet along the West line of said Lot 4 to the center of the Cache La Poudre River; thence Southwesterly along said centerline by the following 6 courses: South 68 degrees 50 minutes 00 seconds West, 109.38 feet; South 31 degrees 40 minutes 00 seconds West, 217.00 feet; South 12 degrees 20 minutes 00 seconds West, 215.00 feet; South 24 degrees 30 minutes 00 seconds West, 320.00 feet; South 45 degrees 30 minutes 00 seconds West, 178.00 feet; South 71 degrees 00 minutes 00 seconds West, 117.84 feet to a point on the East line of Sugar Factory Road; thence North 00 degrees 41 minutes 13 seconds East, 377.51 feet along said East line to a point on the North line of Lot 3 of the NE1/4 of the NW1/4 of said Section 9 (said point being 20 feet East of the Northwest corner of said Lot 3); thence along the East line of said Sugar Factory Road by the following 9 courses: North 00 degrees 58 mintues 13 seconds East, 383.14 feet; North 09 degrees 44 minutes 09 seconds East, 166.29 feet; North 14 degrees 38 minutes 19 seconds East, 294.46 feet; North 19 degrees 53 minutes 01 seconds East, 67.65 feet; North 27 degrees 59 minutes 02 seconds East, 291.21 feet; North 25 degrees 05 minutes 48 seconds East, 298.82 feet; North 11 degrees 17 minutes 04 seconds East, 90.55 feet; North 00 degrees 53 minutes 56 seconds East, 93.38 feet; North 51 degrees 21 minutes 26 seconds East, 29.56 feet to a point on the South right of way line of Colorado State Highway 263; thence 380.77 feet along the arc of a curve to the right whose radius is 6836 feet, central angle is 07 degrees 22 minutes 56 seconds East, 880.16 feet to North 00 degrees 58 mintues 13 seconds East, 383.14 feet; chord bears North 86 degrees 27 minutes 28 seconds East, 880.16 feet to the True Point of Beginning;

EXCEPTING THEREFROM the following described parcel of land: That portion of the North 30 feet of the S1/2 of Lot 3 in the SE1/4 of the SW1/4 of said Section 4; which lies West and North of the West and North bank of the Cache La Poudre River, as reserved by The Great Western Sugar Company in Warranty Deed to Farr Farms Company recorded in Book 1616 at Page 318 for use as a right of way for drainage purposes.

TOGETHER with all right, title, and interest of the grantors in and to all water and water rights, ditch, ditch rights, well, well rights, reservoir, reservoir rights appurtenant to the subject property, including but not necessarily limited to, one Greeley city water tap.

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PERPETUAL AUGMENTATION WATER AGREEMENT

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This Augmentation Water Agreement ("Agreement") is entered into this $\frac{4^{44}}{2012}$ day Octabel, 2012, by and between the City of Greeley, a Colorado municipal corporation, acting by and through its Water and Sewer Board ("Greeley") and the Greeley Urban Renewal Authority ("GURA") (collectively, the "Parties").

RECITALS

- GURA owns the property described on Exhibit A, commonly known as the 8th Street Pit Property, which will require augmentation water to replace out-of-priority depletions caused by evaporation of exposed groundwater (the "Property").
- 2) According to the "Sand, Gravel, and Aggregate Mining Lease" dated June 9, 1999, and 2002, 2008 and 2011 amendments thereto (together referred to as the "Mining Lease") between GURA and CAMAS Colorado, Inc., during the term of the lease, the tenant miner shall obtain water for its mining operations from Greeley and prepare and administer a Temporary Substitute Supply Plan to accommodate any evaporative or other losses. After termination of the lease, GURA is responsible for the water augmentation requirements imposed by the State for the Property.
- 3) Greeley owns water rights that are fully decreed and usable for augmentation purposes under Colorado water law ("Augmentation Water").
- 4) GURA desires to secure a permanent supply of augmentation water to be used to augment the 8th Street Pit commencing after the termination of the Mining Lease.
- 5) Greeley agrees to augment the out-of-priority depletions associated with the Property after termination of the Mining Lease subject to the terms and conditions set forth in this Agreement.

AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged, and in further consideration of the mutual covenants and agreements set forth below, the parties agree as follows:

1.1. <u>Augmentation Water</u>. Greeley agrees to perpetually augment the out-of-priority depletions caused by evaporative losses at the Property for a maximum of 23 exposed surface acres subject to the conditions in Section 1.2.

1.2. <u>Payment.</u> In consideration of Greeley's perpetual obligation to augment 23 surface acres of the Property, GURA shall pay to Greeley \$260,868.00 within 30 days of the

execution of this Agreement. After the initial payment, Greeley will provide augmentation water to cover the out-of-priority depletions caused by evaporative losses for a maximum of 12 exposed surface acres. If GURA determines that the maximum exposed surface acres will be greater than 12 surface acres, GURA shall pay to Greeley an additional payment of \$21,739.00 per exposed surface acre over 12 surface acres, escalated at five percent annually beginning in 2013. Payment shall be made within 30 days of providing written notice to Greeley of such additional augmentation water need. Such notice of additional augmentation water shall be given prior to June 30, 2024, otherwise, all references in this Agreement to 23 surface acres shall be amended to read 12 surface acres.

1.3. Assignment of Augmentation Water Agreement. This Agreement is non-transferable by GURA or its successors. The augmentation water provided by Greeley under this Agreement shall only be used to augment evaporative losses associated with the out-of-priority depletions caused by mining activities at the 8th Street Pit property. In no event shall the assignment, sale, conveyance, or subdivision of some or all of the Property require Greeley to provide augmentation water to an entity other than GURA, or require Greeley to provide Augmentation Water in amounts greater, or in a different manner, than as described herein.

1.4. <u>Administration</u>. To the extent that the maximum amount of exposed surface acres at the Property totals less than 23 surface acres, Greeley reserves the right to use the balance of the Augmentation Water for its own purposes. Greeley shall not be obligated to augment evaporative losses for more than 23 exposed surface acres. Any augmentation required beyond 23 surface acres shall be the sole responsibility of GURA.

1.5. 8th Street Pit Augmentation Plan and Substitute Water Supply Plans. The Parties intend that the augmentation water provided by Greeley hereunder will be used under and incorporated into a permanent augmentation plan for the Property to be filed in Water Court, Water Division No. 1. Greeley shall be responsible for filing the permanent augmentation plan in Water Court approximately two years prior to the termination of mining at the site ("Mining Termination") and for administering such plan once it is decreed. GURA shall provide written notice to Greeley at least 180 days prior to the Mining Termination date. Greeley shall not be responsible for filing the property during the term of the Mining Lease. GURA shall cooperate with and provide reasonable assistance and information to Greeley to enable Greeley to obtain Water Court approval of the permanent augmentation plan for the Property.

1.6. <u>Notices.</u> Any notices required hereunder shall be sent by certified mail or hand-delivered to the parties at the following addresses, unless a party notifies the other party in writing that such contact or address has changed:

For Greeley: Director, Water and Sewer Department City of Greeley 1100 10th Street, 3rd Floor Greeley, Colorado 80631

With a copy to:

City Attorney, Environmental and Water Resources Attorney City of Greeley 1100 10th Street, Suite 401 Greeley, Colorado 80631

For GURA:

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Secretary, Greeley Urban Renewal Authority c/o City of Greeley 1000 10th Street, Ste 107 Greeley CO 80631

With a copy to:

Fred L. Otis Otis, Coan & Peters, LLC 1812 56th Avenue Greeley, CO 80634

1.7. Water Rights Used for Augmentation Water. Greeley may use and deliver any water rights or water supplies, or any combination thereof, which Greeley owns or has a right to use to satisfy its obligations under this Agreement; provided that such water rights or water supplies are duly authorized for such use. Greeley has no obligation to ensure that the Augmentation Water provided hereunder is authorized for use in GURA's temporary substitute water supply plans.

1.8. <u>Right of First Negotiation</u>. GURA shall not, sell, transfer or otherwise dispose of the water storage in the Property, except in accordance with the provisions hereof. If GURA desires to transfer or dispose of the water storage in the Property, GURA shall first give written notice (a "Offer to Negotiate") to Greeley of its intent to sell such storage rights. Greeley shall have the right to negotiate for a period of ninety (90) days after receipt of the Offer to Negotiate, but if no agreement is reached within said ninety (90) day period, GURA shall be at liberty to sell or transfer the water storage in the Property to third parties. Nothing herein is intended to infer that GURA has any water storage rights established.

1.9. <u>Prior Agreements</u>. This Agreement cancels and supersedes all prior agreements between the parties related to the rental or lease of Augmentation Water.

1.10. Default. If either party shall fail or refuse to perform according to the terms of this Agreement, such party may be declared in default. Such declaration of default must be made in writing. If a party has been declared in default of this Agreement, such defaulting party shall be allowed a period of sixty days within which to cure the default. If the default remains uncorrected, the party declaring the default may elect to: (a) terminate the Agreement and seek damages; (b) treat the Agreement as continuing and seek specific performance; or (c) pursue any other remedy at law or equity.

1.11. <u>Costs.</u> In addition to the remedies available in Paragraph 1.13, if the default of any of the provisions of this Agreement by either party require the party not in default to commence legal action against the defaulting party, the defaulting party shall be liable to the non-defaulting

party for the costs incurred because of the default, including reasonable attorney's fees.

1.12. <u>Governing Law: Venue.</u> This Agreement shall be governed and enforced in accordance with the laws of the State of Colorado. Venue for any action regarding this Agreement shall be in the District Court for Weld County, Colorado or Water Court as appropriate.

1.13. <u>Recording</u>. This Agreement may be recorded by either party, and may be disclosed and utilized in any Water Court proceeding related to the Property's augmentation plan and related matters.

1.14. <u>Counterparts.</u> This Agreement may be executed in counterparts, each of which (or combination of which), when signed by both parties shall be deemed an original, but both together shall constitute one agreement.

1.15. No Third Party Enforcement. The terms and conditions of this Agreement, and all rights of action relating thereto, are strictly reserved to the Parties, and nothing in this Agreement shall give or allow any claim or right or cause of action whatsoever by any other person not included in this Agreement. Any person and/or entity, other than the Parties, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.

1.16. <u>Runs with Land</u>. The benefits and burdens of this Agreement shall run with the Property.

1.17. Effect of Invalidity. The Parties intend for this Agreement to establish GURA's perpetual right to use the Augmentation Water, subject to conditions. Should a Court of competent jurisdiction determine that such right may not be conveyed, the Parties intend that this Agreement be interpreted as a 99-year lease, which will renew automatically at the end of its term unless, at least one calendar year prior to its expiration, either party gives a notice of breach and the breaching party files to cure within 60 days of such notice.

1.18. <u>Waiver</u>. A waiver of a breach of any provision of this Agreement shall not waive any subsequent breach of the same or different provision of this Agreement.

1.19. <u>Binding Agreement</u>. This Agreement binds and benefits the Parties and their respective survivors, heirs, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

3881586 10/17/2012 10:41 AM Page 5 of 8

Greeley Urban Renewal Authority

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arris Name: Title:

STATE OF Colo) SS. COUNTY OF weld ¥

The foregoing instrument was acknowledged before me this $\frac{4}{4}$ day of $\frac{0.166 \text{ e.f.}}{2012}$ by $\frac{5}{4}$ day of $\frac{0.166 \text{ e.f.}}{2012}$

Witness my hand and official seal.

My commission expires: 4-28-2014

Pauler E. Turner Notary Public

	PAULA E. TURNER
	NOTARY SHALL
	STATE OF COLORADO
ŀ	NOTARY ID 20104014979 MY COMMISSION EXPIRES APRIL 28, 2014
-	CONTRACTOR EAFIRES APRIL 28, 2014

1. 1. 1.

CITY OF GREELEY, COLORADO, a Municipal Corporation, acting by and through its Water and Sewer Board

By: Board Chairman ATTESTED AND APPROVED SUBSTANCE: By: Ci Secretary to Board APPROVED AS TO LEGAL FORM: AS TO AVAILABILITY OF FUNDS: By: By: City A Director of Finance

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Exhibit A

Lot 3, Meyer Minor Subdivision, a Subdivision of the City of Greeley, Weld County, Colorado.

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AMENDMENT, ASSIGNMENT AND ASSUMPTION OF MINING LEASE

This Amendment, Assignment and Assumption of Mining Lease (this "Assignment and Assumption Agreement") is entered into as of October <u>19</u>, 2012 by and between Aggregate Industries-WCR, Inc., a Colorado corporation, the successor by merger to CAMAS Colorado, Inc. ("Assignor"), and Superior Oilfield Services Co., Ltd, a Colorado limited liability company ("Assignee") and by Greeley Urban Renewal Authority ("Landlord") for the purposes hereinafter set forth.

RECITALS

- A. Assignor wishes to assign to Assignee, and Assignee wishes to assume from Assignor, all rights and obligations of Assignor under that certain Sand, Gravel and Aggregate Mining Lease Agreement dated June 9, 1999 and recorded a Memorandum thereof in the Weld County Clerk and Recorder's records on August 25, 1999 at Reception No. 2716280, as amended by the Agreement to Amend Sand, Gravel and Aggregate Mining Lease dated May 31, 2002, the Second Amendment to Sand, Gravel and Aggregate Mining Lease dated May 21, 2008 and the Third Amendment to Sand, Gravel and Aggregate Mining Lease dated May 23, 2011 (together referred to hereafter as the "Mining Lease Agreement").
- B. Pursuant to paragraph 20 of the Mining Lease Agreement, the written consent of Greeley Urban Renewal Authority, as Landlord, is required in order for Assignor to assign all its right, title and interest in and to the Mining Lease Agreement to Assignee.
- C. In exchange for certain modifications to the Mining Lease Agreement, as hereafter set forth, Landlord is willing to permit the assignment and assumption described in this Assignment and Assumption Agreement and to release Assignor and any of Assignor's predecessors in interest of all liability and obligations under the Mining Lease Agreement.

NOW THEREFORE, for the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the parties hereto do agree as follows:

AGREEMENT

- 1. <u>Assignment</u>. Assignor does hereby transfer, assign, convey and deliver to Assignee its entire right, title and interest in and to the Mining Lease Agreement. Assignor shall remain liable for any claim that has arisen, or may arise, under the Mining Lease Agreement for non-compliance with the terms thereof by Assignor prior to the effective date hereof.
- 2. <u>Assumption</u>. Assignee does hereby accept the assignment from Assignor and, for the benefit of Assignor and Landlord, expressly assumes and agrees to hereafter perform all of the terms, covenants, conditions and obligations of Assignor under the Mining Lease Agreement that accrue from and after the effective date hereof, including but not limited to payment of remaining advanced royalties to Landlord in the amount of \$35,000.00 on January 5, 2013.

- 3. <u>Modification of Mining Lease Agreement</u>. The Mining Lease Agreement is hereby amended by the following changes, which the Assignee accepts:
 - a. Paragraph A. The term "Property" in the Mining Lease Agreement, any amendment of the Mining Lease Agreement and this Assignment and Assumption Agreement means solely Lot 3 of Meyer Minor Subdivision, a Subdivision of the City of Greeley, Weld County, Colorado, except the "Square Parcel" as shown on Exhibit A to this Assignment and Assumption Agreement. To be clear, the Property that is subject to the Mining Lease Agreement is only the Property shown as Lot 3 on the attached Exhibit A and exclusive of the Square Parcel, and all other property that was described in the Mining Lease Agreement is released and not subject to the Mining Lease Agreement.
 - b. Paragraph 25. The last sentence of Paragraph 25 of the Mining Lease Agreement is hereby amended to read as follows: "After termination of this Mining Lease Agreement, the Landlord shall be responsible for a maximum of 23 surface acres of augmentation requirements imposed by the State of Colorado. However, Landlord shall not be responsible for the permanent augmentation until 2 years following written notice by Tenant that it intends to terminate mining and terminate the temporary supply plan. Any augmentation required beyond 23 surface acres shall be the sole responsibility of Tenant. Tenant shall not mine the Property to the extent that more than 23 surface acres are exposed until it proves and adequately provides security to Landlord, to Landlord's satisfaction that it can meet the anticipated augmentation requirements that will be required because more than 23 surface acres are exposed."
 - c. Ogilvy Ditch. Tenant agrees that it will not move the Ogilvy Ditch without Landlord's consent which will not be unreasonably withheld if (a) the Tenant can prove that the move would not increase Landlord's augmentation obligation beyond the augmentation required by landlord in paragraph b above and (b) the move will not create any new obligations to the Ogilvy Ditch Company or require the Landlord to provide any new easement to the Ogilvy Ditch Company.
 - d. New Paragraph 7 g. Regarding Government Regulations. Paragraph 7 g. of the Mining Lease Agreement is added to read as follows:
 - "g. Tenant shall at Tenant's cost comply with all rules of the Colorado Division of Reclamation Mining and Safety and the Mined Land Reclamation Board and shall file an amended mining plan on or before December 15, 2012 to reflect the new mining area, change in mining operator, any new requirements based on the change in reclamation of the Property and any plan required to identify augmentation plans and obligations. All amendments to the mining plan, reclamation plan and augmentation plan shall be subject to approval by Landlord, which shall not be unreasonably withheld, but in all events, the reclamation plan filed by Tenant shall include a 30 foot easement along the Southern border of the Property to be reserved for the Poudre Trail. The Poudre Trail shall

not use the 30 foot easement during the term of the Mining Lease Agreement unless a 6 foot chain link fence is constructed, separating the easement from the mining area. Tenant shall also comply with the USR Requirements of the City of Greeley, which shall be amended by Tenant to reflect the revised description of the Property (paragraph 3.a. above). Tenant is aware that any use of an office, or temporary office on the Property will require identification on the amended mining plan and the USR required by the City of Greeley. Tenant will not use the Property for uses that are not connected with mining of the Property, except that the Tenant may backfill the mining area to the extent permitted by its mining plan and reclamation plan on file with the Colorado Division of Reclamation Mining and Safety and the Mined Land Reclamation Board."

- e. Public Works. Tenant shall, until January 1, 2015, permit the Landlord to use 5 acres on the East Side of the Property as shown on the attached Exhibit A for storage by the City of Greeley, Public Works Department.
- f. Castle Rock. Tenant may sublease approximately 4 acres of the Property for staging of Castle Rock while it is doing contract work on Highway 85. No other assignments or subleases of the Property shall be made by the Tenant.
- g. Oil and Gas Waiver. Tenant agrees that any oil and gas drilling on Lot 2 of Meyer Minor Subdivision will not impact Tenant and Tenant agrees to waive any setback requirements of the City of Greeley or the Oil and Gas Conservation Commission upon request.
- h. Paragraph 17. Paragraph 17 is hereby deleted in its entirety. There shall be no refund of the Annual Minimum Royaltics for any reason. All references to Paragraph 17 in the Mining Lease Agreement are also deleted.
- 4. <u>Consent to Assignment by Landlord</u>. In exchange for the amendments in paragraph 3 above, Landlord hereby consents to the assignment by Assignor of all of its right, title and interest in and to the Mining Lease Agreement to Assignee, and Assignee's assumption of Assignor's obligations under the Mining Lease Agreement, including but not limited to payment of remaining advanced royalties to Landlord in the amount of \$35,000.00 on January 5, 2013. All references in the Mining Lease Agreement (including all exhibits and attachments thereto) to the Assignor shall be deemed references to the Assignee.
- 5. <u>Release of Assignor by Landlord</u>. Notwithstanding any provision of the Mining Lease Agreement, including but not limited to paragraph 20 thereof, Landlord hereby agrees that such assignment to, and assumption by, Assignee shall result in the release of Assignor (including Assignor's predecessors in interest) from any and all further liability and obligations under the Mining Lease Agreement without any additional act by any of Landlord, Assignor or Assignee. The foregoing release is made and given to Assignor (including Assignor's predecessors in interest) and shall not extend or be deemed to extend to Assignee.

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- 6. <u>Indemnity</u>. Assignce agrees to save; indemnify, defend and hold Assignor hamless from and on account of any claims, demands, actions, losses, expenses and liabilities (including reasonable attorneys' fees) of Assignor under the Mining Lease Agreement on account of or arising out of Assignee's obligations and liabilities under the Mining Lease Agreement or activities on the Property, in each case, arising on and after the effective date hereof. Assignor agrees to save, indemnify, defend and hold Assignee hamless from and on account of any claims, demands, actions, losses, expenses and liabilities (including reasonable attorneys' fees) of Assignee on account of or arising out of (i) Assignor's obligations and liabilities under the Mining Lease Agreement or activities on the Property, in each case, arising out of (i) Assignor's obligations and liabilities under the Mining Lease Agreement or activities on the Property, in each case, arising prior to the effective date hereof and not assumed by Assignee hereunder or (ii) Assignor's breach of any representation or warranty contained herein.
- 7. <u>Condition of Property</u>. Assignee acknowledges and agrees that Assignee has inspected the Property and accepts the Property "as is", without any representation or warranty by Assignor or Landlord.
- 8. <u>Representations by Assignor</u>. Assignor represents and warrants to Assignee that Assignor is current in its obligations and payments under the Mining Lease Agreement and that no event of default or event which, with the passage of time, the giving of notice or both, would constitute an event of default has occurred and is continuing as of the date hereof.
- 9. <u>Conditions Precedent to Effectiveness</u>. The effectiveness of this Assignment and Assumption Agreement is subject to the satisfaction of all of the following conditions precedent: (i) Assignor, Assignee and Landlord shall have executed and delivered signature pages hereto, and (ii) Assignee shall have paid to Assignor, by certified check or wire transfer, \$800,000 as reimbursement for advance royalties paid by Assignor to Landlord. The date on which the foregoing conditions are satisfied shall be the "effective date" of this Assignment and Assumption Agreement.
- 10. <u>Condition</u>. If the Assignee has not, by December 15, 2013, obtained approval from Colorado Division of Reclamation Mining and Safety and the Mined Land Reclamation Board of its amended mining plan (showing the changes required by this Assignment and Assumption Agreement, including the new mining area, change in mining operator, any new requirements based on the change in reclamation of the Property and any plan required to identify augmentation plans and obligations), Assignee shall immediately cease all operations and activity on the Property and if Assignee has diligently pursued such approvals, but for reasons not within the control of Assignee are not obtained by March 3, 2014, the Mining Lease Agreement shall automatically terminate.
- 11. <u>Miscellaneous</u>. This Assignment and Assumption Agreement shall be governed by and construed in accordance with the laws of the State of Colorado applicable to contracts made and wholly performed in that jurisdiction, without regard to conflicts of law principles. This Assignment and Assumption Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. This Assignment and Assumption Agreement may be executed by facsimile and by counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. By its signature below, each party represents that all necessary approvals and authorizations for

such party's entry into this Assignment and Assumption Agreement have been received.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Assignment and Assumption Agreement as of the date first written above.

ASSIGNOR:

Aggregate Industries-WCR, Inc.

By:/

Name: Wes Stearns Its: Vice-President

ASSIGNEE:

Superior Oilfield Services Co., Ltd

By:

Name: Michael Miller Title: Member

LANDLORD:

Greeley Urban Renewal Authority

By: <u>/ .</u> Name: Kebecca Title: Secretary

STATE OF COLORADO

COUNTY OF WELD Jefferson

The foregoing instrument was acknowledged before me this 1st day of October, 2012 by Wcs Stearns as Vice-President of Aggregate Industries-WCR, Inc.

) ss.

)

Witness my hand and official seal. My commission expires: 2-26-2013

Notary Public





STATE OF COLORADO

COUNTY OF WELD

The foregoing instrument was acknowledged before me this $\underline{/9}$ day of October, 2012 by Michael Miller as Member of Superior Oilfield Services Co., Ltd.

)) ss.)

Witness my hand and official seal. My commission expires: $6 - 15 - 13$	SOTARY PUBLIC		
	Pan A. They PAMELA ANN THOMPSON		
	Notary Public		
STATE OF COLORADO)) ss.		
COUNTY OF WELD	ý		
November The foregoing instrument was acknowledged before me this <u>/49</u> day of October , 2012 by <u>Rebecca L. Saforik as Secretary</u> of Greeley Urban Renewal			
Authority.			
Witness my hand and official seal. My commission expires: $1 - 17 - 2015$			

SOSTENES L SALAS NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19904017497 MY COMMISSION EXPIRES JAN. 17, 2015

Hatene Jalan Notary Public


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4TH AMENDMENT OF MINING LEASE

THIS 4TH AMENDMENT OF MINING LEASE ("4th Amendment") is entered into as of the 9th day of June, 2019 (the "Effective Date") by and between **Superior Oilfield Services Co., Ltd**, a Colorado limited liability company d/b/a Laser Oilfield Services ("Laser") and **Greeley Urban Renewal Authority**, a body corporate and politic ("GURA") for the purposes hereinafter set forth. The parties may hereafter be referred to as a "Party", or jointly hereafter as the "Parties".

RECITALS

- A. GURA was the Landlord and Aggregate Industries–WCR, Inc., a Colorado corporation, the successor by merger to CAMAS Colorado, Inc., was the original Tenant under that certain Sand, Gravel and Aggregate Mining Lease Agreement dated June 9, 1999 and recorded a Memorandum thereof in the Weld County Clerk and Recorder's records on August 25, 1999 at Reception No. 2716280 ("Original Lease"), as amended by the Agreement to Amend Sand, Gravel and Aggregate Mining Lease dated May 31, 2002, the Second Amendment to Sand, Gravel and Aggregate Mining Lease dated May 21, 2008, the Third Amendment to Sand, Gravel and Aggregate Mining Lease dated May 23, 2011 and an Amendment, Assignment and Assumption of Mining Lease entered into as of October 19, 2012 (the "Assignment") with the consent of GURA and which was recorded in the Weld County Clerk and Recorder's records on November 2, 2012 at Reception No. 3885999 (all of the foregoing documents are together referred to hereafter as the "Mining Lease"). The Assignment transferred all rights, title and interests of the Tenant under the Mining Lease to Laser.
- B. The property that remains the subject matter of the Mining Lease, after the above described amendments, is hereafter known as the "Property".
- C. The Parties have agreed to further modify and amend the Mining Lease as set forth in this 4th Amendment.
- D. Laser has the obligation to reclaim the Property pursuant to the Reclamation Plan filed with the Colorado Division of Mined Land Reclamation, a copy of which is attached as **Exhibit A** ("Laser Reclamation Plan"), and for which a financial warranty in the form of a cash bond was given by Laser in the amount of \$270,000.00 ("Reclamation Bond").
- E. The Parties acknowledge that completion of the Laser Reclamation Plan may take a longer period than contemplated by the Mining Lease and therefore desire to establish new timelines for completion of reclamation.

NOW THEREFORE, for the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the Parties agree as follows:

AGREEMENT

- 1. <u>Incorporation of Recitals</u>. The Recitals set forth above are incorporated herein as though set forth in full.
- 2. <u>Termination of Mining Rights.</u> The Parties agree that the term of the Mining Lease shall expire as of the Effective Date. The Parties agree that from and after the Effective Date, Laser shall have no further right to mine the Property or to extract sand, gravel and aggregate from the Property except for the sole purpose of satisfying its obligations under the Laser Reclamation Plan.
- 3. <u>Removal of Improvements, Equipment and Asphalt Stockpile</u>. Notwithstanding the 90 day time limit set forth in Section 14 of the Mining Lease, Laser shall have until April 30, 2020 to completely

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remove the asphalt stockpile currently located on the Property and shall have until December 31, 2019 to remove Laser's improvements and equipment from the Property.

- 4. <u>Reclamation</u>. Laser acknowledges and affirms its obligation to complete the Laser Reclamation Plan.
- 5. <u>Access.</u> After the Effective Date, Laser shall have access to the Property solely for the purpose of implementing the Laser Reclamation Plan, removal of the asphalt stockpile and the removal of Laser's improvements and equipment. Without limiting the foregoing, Laser shall not store equipment, supplies, personal property or materials on the Property that are unrelated to the Laser Reclamation Plan without GURA's written consent. In the event Laser stores equipment on the Property for the purpose of implementing the Laser Reclamation Plan and gates to the Property are utilized to protect such equipment, GURA shall at all times be given keys, combinations or codes to assure that GURA's agents and employees have access to the Property.
- 6. <u>Timing of Laser Reclamation Plan.</u> Laser shall pursue the Laser Reclamation Plan with commercially reasonable diligence and shall complete the work required under the Laser Reclamation Plan on or before June 9, 2020. However, if reseeding or replanting becomes necessary to meet the obligations of the Laser Reclamation Plan, Laser shall have access to the Property solely for those purposes through June 9, 2021. For purposes of giving the two (2) year notice of termination of mining and termination of the temporary supply plan required by paragraph 3b of the Assignment, the notice shall be deemed to have been given by Laser on June 9, 2019.
- 7. <u>Litigation</u>. The Parties are currently embroiled in litigation in the Weld County District Court. Upon full execution of this 4th Amendment, the Parties agree to file a stipulated motion with said court requesting that the pending litigation be dismissed without prejudice each Party being responsible for its own costs and attorneys' fees associated therewith.
- 8. <u>No other changes to Mining Lease</u>. Except as modified by this 4th Amendment, the Mining Lease is unchanged.
- 9. <u>Miscellaneous.</u> This 4th Amendment shall be governed by and construed in accordance with the laws of the State of Colorado applicable to contracts made and wholly performed in that jurisdiction, without regard to conflicts of law principles. This 4th Amendment shall bind and inure to the benefit of the Parties hereto and their respective successors and assigns. This 4th Amendment may be executed by facsimile or electronic mail and by counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. By their signatures below, each Party represents that all necessary approvals and authorizations for such Party's entry into this 4th Amendment have been received.

[Signatures on following page.]

IN WITNESS WHEREOF, the undersigned have executed and delivered this 4th Amendment as of the date first written above.

LASER:

Superior Oilfield Services Co., Ltd, a Colorado limited liability company d/b/a Laser Oilfield Services

By: Richard Miller, Member

STATE OF COLORADO

COUNTY OF WELD

The foregoing instrument was acknowledged before me this _____ day of _____, 2019 by Richard Miller as a Member of Superior Oilfield Services Co., Ltd, a Colorado limited liability company d/b/a Laser Oilfield Services.

) ss.

Witness my hand and official seal. My commission expires:

Notary Public

GURA:

Greeley Urban Renewal Authority

Bv: Name: Jed 12 Title: Chair

STATE OF COLORADO

COUNTY OF WELD

)) ss.

The foregoing instrument was acknowledged before me this 13 day of November, 2019 by Jeliah D. Cummins as Chair of Greeley Urban Renewal Authority.

Witness my hand and official seal. My commission expires: January 17, 2023

Notary Public fattine

SOSTENES L. SALAS NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19904017497 MY COMMISSION EXPIRES JAN. 17, 2023

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LASER:

Superior Oilfield Services Co., Ltd, a Colorado limited liability company d/b/a Laser Oilfield Services

By:

Richard Miller, Member

STATE OF COLORADO

COUNTY OF WELD

The foregoing instrument was acknowledged before me this <u>16</u> day of <u>November</u> 2019 by Richard Miller as a Member of Superior Oilfield Services Co., Ltd, a Colorado limited liability company d/b/a Laser Oilfield Services.

)) ss.

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Witness my hand and offi	icial seal.
My commission expires:	6.5.2022

JODI COX Notary Public State of Colorado Notary ID # 20144022503 My Commission Expires 06-05-2022

Notary Public

GURA:

Greeley Urban Renewal Authority

By:	
Name:	
Title:	

STATE OF COLORADO

COUNTY OF WELD

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)	SS.
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The foregoing instrument was acknowledged before me this _____ day of _____, 2019 by _____, as _____ of Greeley Urban Renewal Authority.

Witness my hand and official seal. My commission expires:

Notary Public



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VI. EXHIBIT E - RECLAMATION PLAN

The primary focus of reclamation of the site following mining is the creation of an open water lake or water reservoir with a stable and vegetated shoreline around the perimeter as depicted in Figures F-1 and F-2, Exhibit F - Reclamation Plan Map(s). Reclamation will occur , concurrently with mining and is expected to be completed by the year 2018. The final reclamation land use will be as either an open lake or water reservoir. Wildlife habitat and/or open space areas will surround the reclaimed site and a trail corridor will be preserved along the Cache La Poudre River.

Reclamation, as for mining, will proceed from the southwest portion of the site towards the north and east, and reclamation grading will be concurrent with mining. Final reclamation grading will be in the Phase 4 mining area where the final mining will take place. Grading will be followed by planting of trees, shrubs, and grasses on the newly established shoreline and side slopes. The southern portion of the site will contain a trail corridor along the Cache La Poudre River.

Grading will be performed to create a natural shoreline around the lake constructed entirely within the existing floodplain and almost entirely within the floodway. The 3:1 (H:V) final reclamation side slopes will be reclaimed with overburden and waste soil materials to create stable shoreline slopes. No excavation "highwalls" will be left at the site.

Backfilling will occur concurrently with mining. Grading will be uniform and continuous and performed in such a manner to provide stable slopes, minimize erosion, and limit siltation. The time table for each mining phase, and hence for each reclamation phase, is included in Exhibit D.

The topsoil and clayey overburden soils will be stockpiled locally within each phase and, to a limited extent, on the East 8th Street Pit Area, then worked around the perimeter of the active mining phase while it is being mined. Limited final reclamation of any given phase will occur during initial mining of the subsequent phase. Some stockpiling of excess overburden and temporary topsoil supply may occur along the east end of the site boundary within the excavation setbacks to improve visual impact mitigation. Topsoil and overburden stockpiles that remain in place for periods longer than one growing season will be seeded with a fast-growing temporary cover seed mix to protect them from erosion by wind or precipitation.



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Reclaimed slopes and disturbed excavation bank tops will be recovered with 6 to 12 in. of topsoil material prior to planting and seeding. Topsoil spreading will be performed in a manner to minimize the potential for over-compaction and, hence, create a viable root zone.

A limited number of cottonwood trees and snags will be incidentally excavated randomly throughout the site. As much as possible, felled trees will be dragged into nearby tree stands along the river that will remain to enhance wildlife habitat. A 150 ft trail corridor from the top of bank will be established along the Cache La Poudre River.

Replanting of trees to enhance shoreline vegetation and habitat will be performed along the Cache La Poudre River. A trail corridor will be preserved as a buffer zone along the northern shore of the river.

Revegetation is an important part of this reclamation plan. After backfilling and grading, planting and seeding will be initiated as soon as practicable. This will usually be at the beginning of the following growing season after a given mining year is completed. For disturbed areas around the lake shoreline, including stockpile areas, and for shoreline side slopes where grasses will be planted, the following seed mixes and application rates will be used where appropriate:

	Dryla	and Seedlings		
Species	Variety	(PLS) 100% Pounds PLS/acre	% of Species in Mix	PLS ¹ Rate in Mix
Western Wheatgrass	Arriba or Barton	8.0	20%	1.20
Big Bluestem	Kaw	5.5	20%	
Switchgrass	Grenville or Blackwell	2.5	20%	0.83
Prairie Cordgrass	Variety unstated	15.0	25%	2.25
Yellow Indiangrass	Llano	5.0	15%	2.25 0.50

Wet Meadow Range Site (Wt and Sm soils)



	Dijia	ind Seedlings	
Species	Variety	(PLS) 100% Pounds PLS/acre	% of Species in Mix
Western Wheatgrass	Arriba or Barton	8.0	20%
Big Bluestem	Kaw	5.5	
Switchgrass	Grenville or Blackwell	2.5	20%
Little Bluestem	Pastura	3.5	
Sideoats Grama	Vaughn or Butte		20%
1	Dunc	4.5	20%

Overflow/Gravel Breaks Range Site (Lw and Tc soils) Dryland Seedlings

Seeding of Topsoil	and	Overhurden	Starl 1

	den blockpiles			
Species	Variety	(PLS) 100% Pounds PLS/acre	% of Species in	
Perennial Ryegrass	E-1 ·	- ounds i Loracie	Mix	
-9-51455	Ephraim	10.0	100%	

Notes: 1. PLS = Pure Live Seed

These seeding rates assume that a drill will be used for seeding. Seeding will generally to completed during November through April, preferably in the late Fall, and planting will done ¼ to ¾ in. deep in approximately 0.5 to 1.0-ft rows. Seeding rates will be approximately doubled if done by broadcast rather than drill-seeding methods.

In order to ensure successful planting, mulch will be used. Straw mulch at approximately tons per acre will be used. Overburden soils will be tested for primary nutrients (nitroger phosphorous, and potassium) prior to selecting an appropriate fertilizer, which will be use the time of seeding.

The mixture for water edges will add Reed Canary grass to the above species mixes at the rate of 0.5 to 1.0 lb per 1,000 linear feet of shoreline. The grass seed will be planted with grass drill equipped with depth bands and press wheels. Seed will be planted approximatel ¼ to ¾ in. deep.

In shallower areas, marsh and aquatic plants may establish themselves depending upon reservoir operation and resultant water level fluctuations. These plants would likely include species of Cattails, Sago Pondweed, Widgeongrass, Wildmillet, and Bulrushes. Over time, aquatic plants may spread around the entire shoreline and help buffer against shore erosion



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from wave action and water level fluctuation, but such development is not planned and only be an incidental vegetation and erosion benefit.

The purpose of the revegetation is to establish a healthy native plant community. A significant invasion of pest weeds would rob desired plants of nutrients and moisture, ar would be contradictory to the proposed reclamation. Therefore, selective areas will be r. periodically to control weeds. The weeds will be mowed when they reach a height of 12 during the first growing season.

Along limited portions of the shoreline of the newly created lakes, clusters of trees and s will be planted to create a more natural appearance of the reservoir. Trees and shrubs wi selected from the recommended list below:

	TREES	
Popular Name	Genus and Species	
Western Cottonwood	Populus sargentii	
Narrowleaf Cottonwood	Populus augustifolia	
Lanceleaf Cottonwood	Populus acuminata	
Willows	Salix sp.	
Green Ash	Frexinus pennsylvanica	

	SHRUBS	
Popular Name	Genus and Species	
Snowberry	Symphoricarpus albus	
Buffaloberry	Shepherdia argentea	
Cistena Cherry	Prunus cistena	
Bluestem Willow	Salix irrorata	
Golden Current	Ribes aureum	
Dogwood	Cornus stolonifera	
Multiflora Rose	Rose multiflora	

Deciduous trees will be one or two-year-old saplings from 18 in. to five feet tall and deciduous shrubs will be in one- and five-gallon containers. Along the Cache La Poudre

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River, where tree densities are not already sufficient, and where mining activities have a existing conditions, two inch caliper cottonwood trees will be planted on approximately 4 centers to improve existing conditions near the riparian shoreline. The permitee hereby commits to a proposed survival rate of approximately 80 percent for proposed tree and sh plantings.

Estimates of reclamation costs have been included in Exhibit L - Reclamation Costs, based the proposed mining and reclamation plans described herein.

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COST SUMMARY WORK

Task de	scription: Cost Summary						
Site:	E 8th Street Operation	Permit Action:	SO-02 Bo Estimate		t/Job#: <u>M2000082</u>		
H	PROJECT IDENTIFICATION						
	Task #: 000 State: Colora	do		Abbreviation			
	Date: 2/14/2013 County: Weld User: PSH			Filename	: <u>M082-000</u>		
	Agency or organization name: DRMS						
1	ASK LIST (DIRECT COSTS)						
Task ·		Form	Fleet	Task			
001	Description Backfill Perimeter Slopes and Upland Areas with	Used TRUCK1	Size	Hours	Cost		
	Overburden	IROCKI	1	365.65	\$199,761.85		
002	Transport and Place Topsoil - 9.1 acres at 12" depth	TRUCK1	1	44.11	\$20,709.35		
003	Revegetate Shoreline - 2.3 Acres	REVEGE	1	40.00	\$5,765.82		
004	Revegetate Upland - 6.8 Acres	REVEGE	1	80.00	\$10,425.60		
005	Mob/Demob	MOBILIZE	1	3.33	\$1,948.35		
	<u>SUBTOTALS:</u> 533.09 \$238,610.97						
n	NDIRECT COSTS						
	VERHEAD AND PROFIT:						
	Liability insurance: 2.02%			Total =	\$4,819.94		
	Performance bond: 1.05% Total = $$2,505.42$						
	Job superintendent: 0.00 hrs				\$0.00		
	Profit: 10.00%		TOT		\$23,861.10		
	CO	NTRACT AMO		ALO&P = - t + O&P = -	\$31,186.46 \$269,797.43		
			(00000				
L	EGAL - ENGINEERING - PROJECT MANAGEMEN	NT:					
	Financial warranty processing (legal/related costs)				500.00		
	Engineering work and/or contract/bid preparation				\$0.00		
	Reclamation management and/or administration: 0.00% \$0.00						
	CONTINGENCY	: 0.00		Total =	\$0.00		

\$270,000.00



M-2000-082

Permit Number: