CONTINENTAL MATERIALS CORPORATION
440 SOUTH LASALLE STREET, SUITE 3100
CHICAGO, ILLINOIS 60605
TELEPHONE: 312.553.3661 FAX: 312.541.8089

OFFICERS' CERTIFICATE OF CONTINENTAL MATERIALS CORPORATION

MAY 7, 2021

The undersigned, an officer of Continental Materials Corporation, a Delaware corporation (the "Company"), hereby certifies on behalf of the Company that:

1. The undersigned is a duly elected, qualified, and acting officer of the Company.

2. Noah Mineo, Chief Financial Officer of the Company, is authorized and directed, for and on behalf of the Company, to execute and deliver any and all agreements, instruments, certificates, or other documents.

[*Signature Page Follows*]

IN WITNESS WHEREOF, I have executed this certificate as of the date set forth above.

By: _____
Name: Ryan Sullivan
Title: Chief Executive Officer

August 21, 2020

Resolution of the Board of Directors of the Colorado Water Protective and Development Association

Resolution No. 2020-7

As provided in the Article IV, Section 5 of the Bylaws, the Board of Directors has the "immediate control and supervision over the business affairs and management of the Association and shall have the power and authority to hire and employ such . . . employees . . . as may be necessary and advisable to carry out the purposes of this Association . . . ." Article Second, section 1.(d) of the Articles of Incorporation provides the Association's purposes include to "[a]cquire, develop and operate a permanent water supply, including . . . to acquire, construct, maintain and operate a system for the diversion, supply storage, and distribution of water to its members, or for benefit of its members, for the beneficial purposes within the area served by the Association."

WHEREAS, The Board of Directors has agreed to pursue purchase certain properties ("TMOP Properties") from Castle Concrete Company and TMOP Legacy Company, f/k/a/ Transit Mix of Pueblo (collectively, "Seller"), and to pursue development of the TMOP Properties, if successfully purchased, for water diversion, storage, and distribution for the benefit of CWPDA members.

WHEREAS, on July 15, 2020, CWPDA, entered into a Purchase and Sale Agreement ("PSA") with Seller to purchase the TMOP Properties.

Now, therefore, be it resolved by the Board of Directors that the President and the General Manger are hereby authorized and directed to take all steps necessary and execute all documents to implement the terms of the PSA, including, but not limited to, to transfer DRMS Permit Nos. M1977573 and M1984008, for as long as the PSA is in effect.

Signed, this 21st day of August, 2020.

THE BOARD OF DIRECTORS OF THE COLORADO WATER PROTECTIVE AND DEVELOPMENT ASSOCIATION

President of the Board of Directors:

Name: Matthew Proctor

Secretary of the Board of Directors:

Name: Celesta Jane Rhodes

STATE OF COLORADO

Lennberg - DNR, Patrick <patrick.lennberg@state.co.us>

SO Due Date, Incompleteness Notice, Pueblo East and West (M1986-015 and M1977-573)

Kent Ricken <kent@cwpda.org> Tue, Jun 29, 2021 at 5:10 PM
To: "Lennberg - DNR, Patrick" <patrick.lennberg@state.co.us>
Cc: Jerald Schnabel <Jerald_Schnabel@castleaggregate.com>, Dan Tucker <dan@cwpda.org>

Patrick,
Please find attached a Resolution by the CWPDA Board of Directors granting the General Manager (myself) to execute all documents related to this project. This should satisfy item 2 of the incompleteness letter.

Best Regards,

Kent Ricken

General Manager

Colorado **W**ater **P**rotective and **D**evelopment **A**ssociation
Arkansas **G**roundwater **U**sers **A**ssociation

www.cwpda.org www.arkwater.com

205 S. Main St Fowler, CO 81039

(719) 826-2597 **Office -** (719) 826-2599 **Fax -** (719) 406-6418 **Cell**

[Quoted text hidden]

CWPDA Board Resolution 2020-7 - Authorizing K Ricken re TMOP Purchase.PDF
279K

APPLICANTS' AGREEMENT TO REQUEST TRANSFER OF MINERAL PERMIT AND SUCCESSION OF OPERATORS

WHEREAS, on _____, 1986 Permit Number M-1986-015 ("Permit") was granted to Noah Mineo Continental Materials Corporation ("Permittee"), pursuant to which Permit, Permittee has engaged in a mining operation located in Pueblo County, Colorado.

WHEREAS, The Permit includes and incorporates any and all subsequent Amendments, Technical Revisions and/or Conversions.

WHEREAS, Permittee wishes to assign the entire Permit, along with all associated rights and responsibilities to Colorado Water Protective and Development Association ("Prospective Successor"), and Prospective Successor wishes to become Successor Permittee under the Permit.

WHEREAS, Prospective Successor has inspected the mining and reclamation operations and is fully aware of the conditions thereof.

WHEREAS, Prospective Successor understands that the Reclamation Plan (the "Plan") is an integral part of the Permit and is required by law. Prospective Successor has had an opportunity to thoroughly review the Plan, understands that the Plan has not been completed and that, if Prospective Successor becomes Successor, he/she/it will assume full responsibility for the completion of the Plan.

NOW THEREFORE, Permittee and Prospective Successor hereby agree, for their own benefit and for the benefit of the State, as follows:

Prospective Successor agrees to accept all of the conditions of the Permit, including the condition that the operation remains in compliance with all applicable laws and regulations, and to perform all of the obligations of the Permittee under the Permit.

Prospective Successor agrees to complete the Plan, and to assume all liability for the same, as to all areas presently disturbed, as well as to all areas hereafter disturbed.

Prospective Successor agrees to submit to the Division of Reclamation, Mining and Safety ("Division"), Performance and Financial Warranties, as required by applicable law and regulations, which will be substituted for the Performance and Financial Warranties previously filed by the Permittee, if and when the Division approves a Transfer of Mineral Permit and Succession of Operators ("SO") and releases the latter Warranties.

Prospective Successor represents to the State that, to the best of its knowledge, information and belief, it is not in violation of any of the provisions of the Mined Land Reclamation Act (C.R.S. § 34-32-101 *et. seq.*) ("Hard Rock Act") and associated Rules (2 C.C.R. 407-1) ("Hard Rock Rules") or the Land Reclamation Act for the Extraction of

Construction Materials (C.R.S. § 34-32.5-101 *et. seq.*) ("Construction Materials Act") and associated Rules (2 C.C.R. 407-4) ("Construction Materials Rules"), with respect to any other operation conducted by the Prospective Successor in the State of Colorado.

Permittee and Prospective Successor hereby request that the Mined Land Reclamation Board ("Board") approves their SO Application, recognizes the Prospective Successor as Successor Operator under the Permit, accepts the Prospective Successor's Performance and Financial Warranties, and releases the current Permittee's Performance and Financial Warranties.

SIGNED, SEALED AND DATED this 12 day of May, 2021.

PERMITTEE

Noah MIneo Continental Materials Corporation
Name of Permittee

By _____
Signature of Officer

CFO
Title of Officer

PROSPECTIVE SUCCESSOR

Colorado Water Protective and Development Association
Name of Prospective Successor

By _____
Signature of Officer

_____
Title of Officer

NOTARY FOR PERMITTEE

STATE OF Illinois)
) ss.:
COUNTY OF McHenry)

The foregoing instrument was acknowledged before me this 12 day of May, 2021
by Lucas Auchstetter as Notary Public of Illinois

Notary Public _____
My Commission Expires 10-15-2024

OFFICIAL SEAL
LUCAS AUCHSTETTER
Notary Public, State of Illinois
My Commission Expires 10-15-2024

NOTARY FOR PROSPECTIVE SUCCESSOR

STATE OF _____)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____ as _____ of _____.

Notary Public _____

My Commission Expires _____

STATE APPROVAL
[for completion by Division]

(a) The Board hereby approves the transfer of permit number _____ from _____ to _____.

(b) The Board hereby recognizes _____ as Successor Operator under such Permit.

(c) The Board hereby accepts the Performance and Financial Warranties submitted by Successor and hereby releases _____, as former Permittee from all obligations under its Performance and Financial Warranties. The Board further releases all affected financial warrantors from obligations under Financial Warranties associated with the former Permittee.

STATE OF COLORADO
DEPARTMENT OF NATURAL RESOURCES
MINED LAND RECLAMATION BOARD
DIVISION OF RECLAMATION, MINING AND SAFETY

By: _____ Date Executed: _____
Division Director

Colorado **W**ater **P**rotective and **D**evelopment **A**ssociation

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September 13, 2021

Mr. Patrick Lennberg
Environmental Protection Specialist
Colorado Division of Reclamation, Mining, and Safety
1313 Sherman Street, Rm. 215
Denver, CO 80203

RE: Existing Slope Stability Conditions at Transit Mix of Pueblo – Pueblo East

Dear Mr. Lennberg,

This letter is written on behalf of Colorado Water Protective and Development Association (CWPDA) and seeks approval of an existing slope stability analysis performed by Lyman Henn, an engineering firm which was hired to perform the analysis, in 2011. That report analyzed conditions that were proposed at that time by Transit Mix of Pueblo (TMOP) for its Phase 7 pit. Mining operations that would result in near-vertical highwalls or 1:1 slopes were analyzed for geotechnical stability, and appropriate setback distances from the limits of excavation created during mining were defined and proposed for use by the operator, to ensure safe distances were maintained from the pit limits.

The Division of Reclamation, Mining, and Safety (DRMS) has requested that CWPDA verify, as part of the Succession of Operator (SO) process currently underway by CWPDA as part of its assumption of ownership of the TMOP Pueblo East gravel pits, the stability of all existing slopes around the exposed excavations at the site, as well as whether adjacent structures are at risk due to cut slopes remaining on-site from mining operations.

CWPDA has reviewed the 2011 letter written by Lyman Henn and the recommendations contained therein. This letter will summarize CWPDA's findings from that report and will seek to demonstrate

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to DRMS the still-extant adequacy of those 2011 results to existing site conditions at TMOP – Pueblo East.

Background Information

In 2011 Lyman Henn, a Denver-based geotechnical engineering firm, performed an analysis of the proposed Phase 7 pit area for TMOP, and summarized the results of this analysis in a report entitled "Slope Stability for Pueblo East, Phase 7 Mining, Pueblo Colorado". This report has been attached here as Exhibit A.

This analysis used drilled borings collected at two locations around the proposed mining area to define the engineering characteristics of the soils at those locations. Once the appropriate parameters had been determined for each layer present along the axis of each boring, such as internal angle of friction (ϕ), unit weight, and cohesion C, those parameters were used to analyze the global slope stability at two cross sections (D-D and E-E) cut perpendicular to the limit of excavation along the proposed pit perimeter.

The analysis of stability along these two cross sections resulted in recommendations for two slope configurations; one was a near-vertical highwall and the other, a 1:1 slope. These results are below in Table 1.

Table 1. Summary of Proposed Slope Conditions from Lyman Henn Report

Slope Condition	Recommended Setback, in Feet
Near-Vertical Highwall	94
1:1 Slope	55

Existing Conditions

Existing conditions at the TMOP – Pueblo East location are not substantially changed from the time of the Lyman Henn analysis and report. There are currently two unreclaimed pit on-site: Phase 1 and Phase 7. Phase 1 is a large pit with a surface area of exposed groundwater of approximately 45

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acres. This pit has slopes ranging from near-vertical highwalls to slopes of 3:1 around some small portions of the pit perimeter. An analysis using AutoCAD to examine the current distance between the edge of the existing excavation limits to the nearest structure, which would be a fence delineating the property line between TMOP-Pueblo East and a private property at the northwestern corner of the TMOP property, shows that there is a distance greater than 94 feet between the pit limit and the fence. Around the rest of the Phase 1 pit, there are no other encroachments that are close enough to merit examination.

Phase 7 is a smaller open excavation to the east of Phase 1. Phase 7's excavation is defined by near-vertical highwalls around its southern and eastern sides, and flatter slopes around its western edges resulting from the filling of portions of the pit with concrete washout waste generated by the existing Transit Mix batch plant north of the TMOP gravel pits.

Along the eastern side of Phase 7, the pit is bounded by a fence and beyond that, some agricultural out-buildings owned by adjacent property owners. An examination of existing setbacks between the edge of the Phase 7 excavation limits and the nearest adjacent structures, which in this case are fences delineating the property boundary, are usually approximately 110-120 feet outside of the pit limits. This is in accord with the Lyman Henn report, which recommends a setback of 109 feet where a drainage channel is present between the pit limits and the nearest structures, which is the case here.

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Summary and Request for Approval

A slope stability analysis performed by Lyman Henn in 2011 analyzed proposed mining slopes at TMOP – Pueblo East for stability, Factor of Safety (FOS) and permissible setbacks resulting from mined slopes of near-vertical and 1:1. This analysis presented results showing that for near-vertical and 1:1 slopes, setbacks of 95 and 55 feet were advised.

CWPDA has been asked by DRMS to demonstrate that existing slopes at TMOP – Pueblo East are stable and pose no risk to adjacent man-made structures. CWPDA has examined the Lyman Henn report and believes that it provides a thorough analysis which continues to pertain to TMOP – Pueblo East and existing conditions there.

In addition to CWPDA's assessment of the applicability of the Lyman Henn analysis, and the current status of slopes at TMOP – Pueblo East in light of that report, CWPDA notes that as the result of its purchase of these properties, it will be undertaking reclamation efforts which will modify current conditions significantly for the better, with complete restoration of existing near-vertical highwalls to a minimum of a 3:1 slope in the case of the Phase 1 pit, which will then be used as a water storage reservoir. In the case of Phase 7, the pit will be reclaimed with backfill and all existing exposed slopes will be reduced to a new ground surface elevation. CWPDA will be improving the site, with no plans to mine the site further and therefore believes that if existing conditions are judged to meet the recommendations set forth in 2011 by Lyman Henn, that they will only continue to do so in future conditions.

CWPDA therefore respectfully requests from DRMS approval of this letter and the attached Lyman Henn analysis as sufficient to meet DRMS requirements for slope stability at TMOP – Pueblo East.

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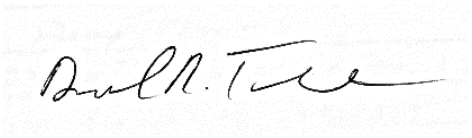
Please do not hesitate to reach out to myself or to Kent Ricken, CWPDA General Manager, with any questions. We will be glad to assist you.

Best Regards,



Daniel Tucker, PE

Water Resources Engineer

Colorado Water Protective and Development Association

CC:

Kent Ricken - CWPDA General Manager

Jerald Schnabel – President, Castle Aggregates

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Phone: 719-826-2597
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EXHIBIT A

Lyman Henn Slope Stability Analysis

APPENDIX A

SLOPE STABILITY STUDY

SECTION T APPENDIX A
SLOPE STABILITY STUDY

A DIVISION OF BRIERLEY ASSOCIATES, LLC

Engineering Solutions from the Ground Down

May 18, 2011
File No. 111057-000

Transit Mix of Pueblo
P.O. Box 1030
Colorado Springs, CO 80901

Attention: Mr. Bud Herskind

Subject: Slope Stability for
Pueblo East, Phase 7 Mining
Pueblo, Colorado

Mr. Herskind:

Lyman Henn, a division of Brierley Associates, LLC (Lyman Henn) is pleased to present Transit Mix of Pueblo (Transit Mix) with the results of a slope stability evaluation of the excavation slopes at the proposed Pueblo East, Phase 7 Mining Gravel Pit, an alluvial deposit located adjacent to the Arkansas River. Figure 1 shows the project location. The site is proposed as a construction materials aggregate mine and will be Phase 7 of the East mine pit. Lyman Henn performed this evaluation to determine a recommended setback between the proposed gravel mine excavation slopes/highwalls and adjacent structures. The slope stability analyses were performed using: 1) existing information from the site vicinity provided by Tuttle & Associates; 2) material strengths for the natural soil materials in the proposed cut slopes based on exploratory borings, laboratory testing, and DRMS typical soil strength parameters; 3) observed groundwater conditions; and 4) Lyman Henn's understanding of the proposed mining plan.

SITE DESCRIPTION

The proposed mining plan consists of one irregular shaped mining area. The site is located within parts of the NW ¼ of Section 35 and the NE ¼ Section 35, all in Township 20 South, Range 64 west, 6th meridian, Pueblo County, Colorado. The northern boundary of the Phase 7 mining area is adjacent to industrial businesses; the eastern edge abuts residential housing and trailers, and the western boundary flanks adjacent quarry areas. The Arkansas River lies to the south of the permit boundary area. *

* See list of References at the end of this letter.

SUBSURFACE CONDITIONS AND LABORATORY TESTING

Lyman Henn conducted a subsurface evaluation on April 28, 2011, which included the drilling, sampling, and logging of two exploratory borings. Borings LH-1 and LH-2 were extended to depths of 46 and 41 feet below the ground surface (bgs), respectively.

Earth materials encountered during the subsurface exploration consisted of fine alluvium, coarse alluvium residuum and bedrock (Pierre Shale). The locations of the borings are presented on Figure 2. Generalized descriptions of the materials encountered are presented below. Detailed descriptions are presented on the boring logs in Appendix A. A Test Boring Key is also supplied in Appendix A for an explanation of soil and rock descriptions.

To aid in classifying the soils and to determine general soil and bedrock characteristics, selected laboratory tests were performed on representative samples; test method references are shown in the following table.

Table 1: Laboratory Test Methods

Parameter	Method Reference
Sieve Analysis	ASTM C136/AASHTO T27
-#200 wash	ASTM D1140, C117, T11
Atterberg Limits	ASTM D4318, T89/T90
Unconfined Compressive Strength	ASTM D2166

The test boring reports were amended as necessary to reflect laboratory test data. The results of the laboratory testing are summarized in Table 1 and laboratory test reports are provided in Appendix B. Laboratory testing was performed by Lyman Henn.

Fine Alluvium (CL, CL-ML)

Fine alluvium consisting of sandy lean clay and silty clay was encountered in borings LH-1 and LH-2. The stratum was encountered from the ground surface to as deep as 10 feet bgs. This material was dry to moist and, based on Modified California test values, stiff, with blow counts ranging from 11 to 14 blows per foot (bpf).

Silty clay soil was tested for unconfined compressive strength in boring LH-1. The unconfined compressive strength result was 2,290 pounds per square foot (psf). The laboratory results are provided in Table I and Appendix B.

Coarse Alluvium (SP, SW)

Coarse alluvium consisting of poorly-graded sand, well-graded sand, and well-graded sand with gravel was encountered in both borings below the fine alluvium. The coarse alluvium was encountered at 10 feet and extended to depths of approximately 35.4 feet and 38.1 feet bgs. This stratum ranged from approximately 25.5 feet to 28 feet in thickness. The material was slightly moist to wet and very loose to very dense, with standard penetration test values ranging from 4 to 68 bpf.

Bedrock and Residuum

Residuum (bedrock that is completely weathered to soil but still retaining the structure of the rock), encountered in boring LH-2, was composed of dark gray to black, highly plastic, blocky, clayey shale. The top of this stratum

was approximately 35.4 feet bgs and extended to approximately 40 feet bgs. The material was very soft, highly weathered, and slightly moist with blow counts of 50 for 3 inches of penetration.

Clayey Shale and Shale bedrock of the Pierre Shale Formation was encountered beneath the alluvium in boring LH-1 and residuum in boring LH-2. The Pierre Shale was encountered at depths of 35.4 feet and 38.1 feet bgs and extended beyond the bottom of the exploration. The bedrock was slightly moist, with field hardness classification (resistance to abrasion) of very soft. Modified California penetration values ranged from 50 blows per 1 inch to 50 blows per 3 inches of penetration.

The shale was tested for unconfined compressive strength in boring LH-1. The unconfined compressive strength result was 9,313 psf. The laboratory results are provided in Table I and Appendix B.

Groundwater

Groundwater was encountered while drilling the borings as tabulated below. Fluctuations in the groundwater level may occur due to variations in rainfall, temperature, site development and other factors not evident at the time measurements were taken.

Boring Number	Water Level During Drilling (feet below surface)
LH-1	8.3
LH-2	11.6

The natural static groundwater is assumed to be approximately 1 feet below existing grade, and during mining Lyman Henn assumes that the phreatic surface will be drawn down by dewatering to the top of the weathered bedrock.

ANALYSES

Lyman Henn performed an analysis for two separate cross-sections which were provided by Tuttle & Associates (Reference 1). The cross-section identifications used by Lyman Henn (Figure 2) are consistent with the drawings provided by Tuttle & Associates. Section D-D' is located at the eastern pit boundary with the proposed pit wall offset 85 feet from the property line, a 55-foot drainage ditch is included within the offset distance. Section E-E' is along the northern pit boundary with a proposed 50-foot offset from the property line. Lyman Henn analyzed the two proposed cross-section configurations with a near vertical highwall. Lyman Henn performed the analyses using a computer program (Slope/W, GEO-SLOPE International) based on limit equilibrium theory to compute Factor of Safety (FOS). A target FOS of 1.01 was used in the analyses to evaluate the temporary mining condition.

Results of the laboratory data were evaluated to determine strength values for the subsurface materials. The target FOS and chosen strength properties were determined with guidance from the Colorado Division of Reclamation Mining and Safety (DRMS). Two borings conducted in 1999 by Haley and Aldrich (Reference 2), located adjacent to the western boundary of Phase 7, were also reviewed for variability of subsurface materials and anticipated depths. The selected values used in the analysis are summarized in the table below.

Depth (feet below existing grade)	Material	Effective Friction Angle ϕ' (degrees)	Effective cohesion c' (psf)	Moist Unit Weight γ_m (pcf)	Saturated Unit Weight γ_{sat} (pcf)
10	Overburden	28	50	114	--
10-38	Sand and Gravel	31	0	--	130
38-40	Weathered Shale	14	0	--	142
40+	Clayey Shale	28	100	--	142

Analysis 1

This stability analysis involves modeling the proposed excavation with a near-vertical highwall and evaluating the variety of failure surfaces which result in a FOS less than 1.01. Both sections were evaluated with a near-vertical highwall of 38 feet. Where the failure surface which extended the furthest behind the highwall with a FOS less than 1.01 daylights is the minimum required setback.

According to the analysis, the proposed pit wall offset is 85 feet from the property line for Section D-D', and the failure surfaces which daylight 24 feet beyond the property line have FOS greater than 1.01; failures originating in front of that point may have FOS less than 1 (Figure 3). The proposed pit wall offset is 50 feet from the property line at Section E-E' and failure surfaces which daylight 44 feet beyond the property line have FOS greater than 1.01; failures originating in front of that point may have FOS less than 1 (Figure 4).

Analysis 2

The second analysis evaluates the reduced setback which could be realized from mining to a specific slope as an alternative to a vertical highwall. Specifically, the required maximum setback that could be allowed while maintaining a 1:1 (horizontal: vertical) slope was evaluated. The distance through a daylight point offset from the slope crest where a FOS greater than 1.01 was determined. The offset using the 1H:1V slope configuration is 55 feet. Figure 5 demonstrates the factor of safety for the critical failure surface through the point 55 feet offset from the crest of a 1H:1V slope; failures originating in front of that point may have FOS less than 1. Therefore, to maintain a minimum 55-foot setback between the top of the excavated slope and the adjacent structures, the mine side slopes should be flatter than 1H:1V. Material beneath and behind the 1H:1V slope should not be removed, even temporarily. The stability of the slope appears to be sensitive to the phreatic surface, and therefore comprehensive development and monitoring of the dewatering system should be conducted during mining.

RECOMMENDATIONS

This stability analysis is intended to demonstrate that the temporary highwall will not adversely affect the stability of any significant, valuable and permanent man-made structure according to rule 6.4.19 of the Colorado Division of Reclamation Mining and Safety (DRMS) *Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Material* (Reference 3). Therefore, for a highwall mined to a near-vertical slope we recommend the minimum required setback from the highwall to a structure is 94 feet. However, if a drainage ditch is located between the highwall and the property line we recommend the minimum required setback from the highwall to a structure is 109 feet. For a highwall mined at a 1H:1V slope we recommend the minimum required setback from the highwall to a structure is 55 feet.

LIMITATIONS

The stratification lines designating the interface between soil types on the test boring reports represent approximate boundaries. The transition between materials may be gradual.

The test boring reports and related information depict subsurface conditions only at the specific locations and at the particular time designated on the reports. Soil conditions at other locations may differ from conditions occurring at these boring locations. Also, the passage of time may result in a change in the subsurface conditions at these boring locations.

This report has been prepared for Transit Mix for specific application to the Pueblo East, Phase 7 projects as understood at this time, in accordance with generally-accepted geotechnical engineering practices common to the local area. No other warranty, express or implied, is made. In the event that changes in the nature, design, or location of the planned construction are made, the conclusions and recommendations contained in this report should not be considered valid, unless the changes are reviewed by Lyman Henn and the conclusions of this report are modified or verified in writing.

Nothing contained in this report shall be construed to create, impose, or give rise to any duty owed by Lyman Henn to any individual or entity other than Transit Mix. This report is for the sole use and benefit of Transit Mix and may not be used or relied upon by any other individual or entity without the express written approval of Lyman Henn.

The analyses and recommendations are based, in part, upon the data obtained from the referenced subsurface explorations. The nature and extent of variations between explorations may not become evident until construction. If variations appear, it may be necessary to re-evaluate the recommendations of this report.

The scope of Lyman Henn's services does not include a full environmental assessment and does not provide an analysis for the presence or absence of hazardous or toxic materials in the soil, groundwater, or surface water within or beyond the site studied. Any statements in this report or on the test boring reports regarding odors of soil or other unusual conditions observed are strictly for the information of our client. Unless complete environmental information regarding the site is already available, an environmental assessment is recommended prior to construction.

CLOSING

We appreciate the opportunity to provide [environmental consulting/engineering] services on this project. Please do not hesitate to call if you have any questions or comments.

Sincerely,
LYMAN HENN, a division of Brierley Associates, LLC

Rebecca J. Brock, P.E.
Project Engineer

COLORADO LICENSED REBECCA J. BROCK 30481 5/31/11 PROFESSIONAL ENGINEER

Nathan C. Soule, P.E., P.G.
Senior Engineer

LYMAN HENN

Enclosures:

Figure 1 – Project Location
Figure 2 – Boring Location Plan
Figure 3 – Section D-D Analysis
Figure 4 – Section E-E Analysis
Appendix A – Lyman Henn Test Boring Reports
Appendix B – Laboratory Test Results
Appendix C – Haley & Aldrich Test Boring Reports

c: Tuttle & Associates; Gary Tuttle

G:\PROJECTS\111057-000 Transit Mix Pueblo East Slope Stability\O - Original Reports, Drawings and Specifications\O1 Letter Reports and Reports (GDR, GBR, GIR, etc)\Pueblo East Phase 7_text.doc

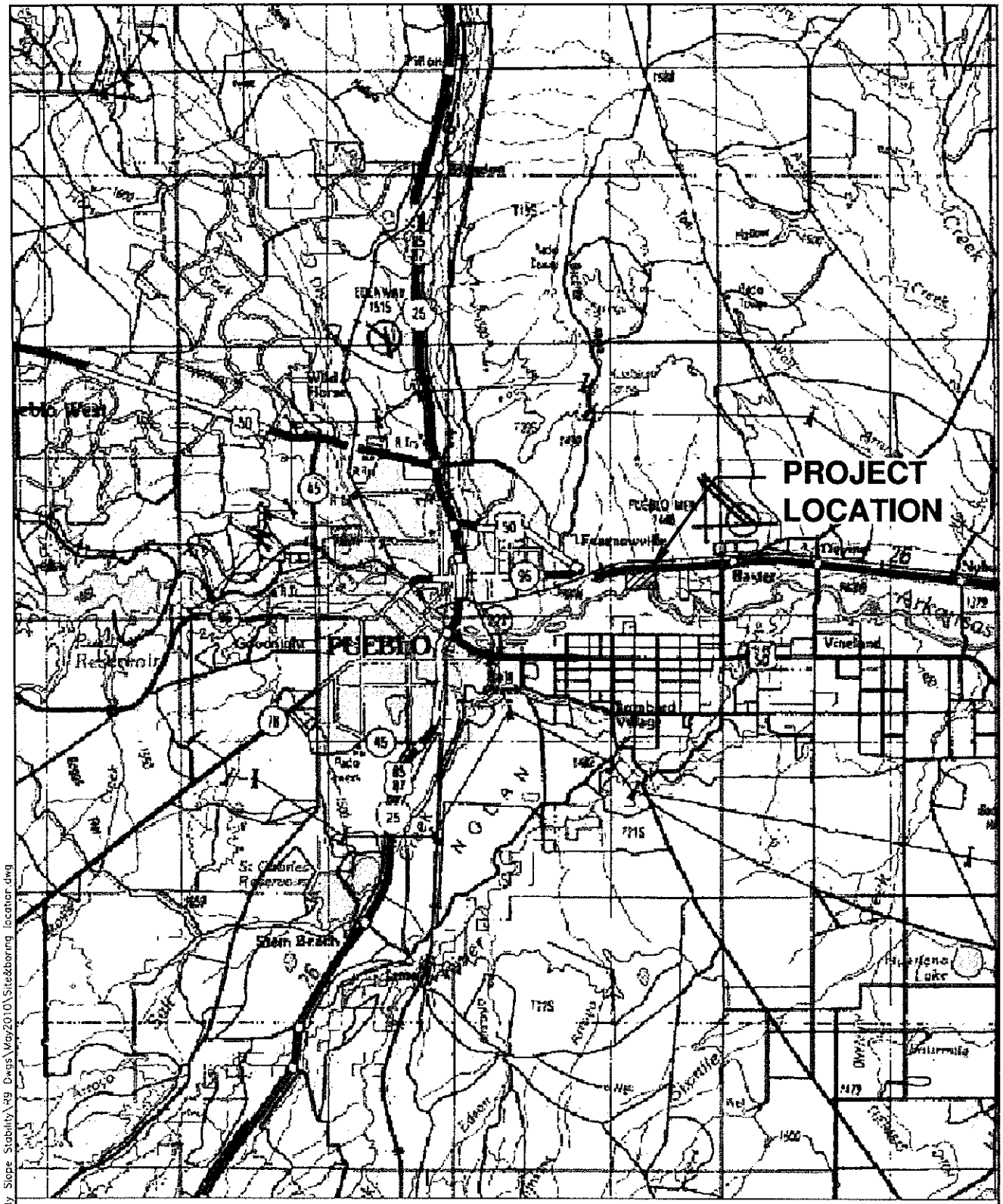
REFERENCES

1. Tuttle & Associates, 2011, Draft Mining Plan and Cross Sections for the Phase 7 Area, transmitted via email on April 8.

2. Haley and Aldrich, 1999, East Pueblo Gravel Mine, Pueblo, Colorado, Test boring reports and Figure, dated September.

3. DRMS, 2006, Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials, dated August.

FIGURES



REFERENCE: USGS TOPOGRAPHIC MAP, NORTHEAST PUEBLO QUADRANGLE, 1989.

LYMAN HENN
a division of Brierley Associates LLC

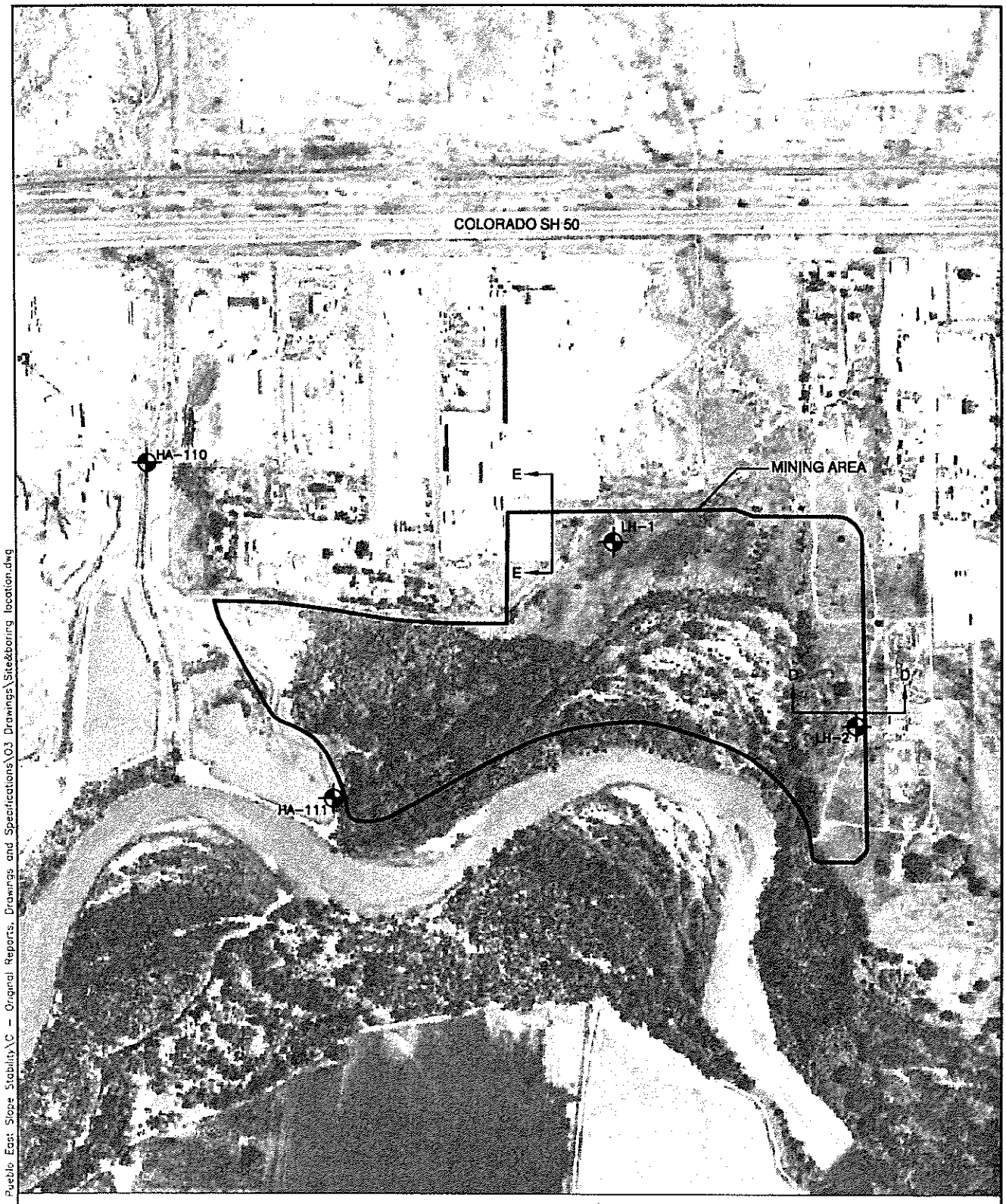
TRANSIT MIX – PUEBLO EAST, PHASE 7
EL PASO COUNTY, COLORADO

SITE LOCATION PLAN

MAY 2011

FIGURE 1

G:\PROJECTS\107009-000 El Paso Cty Slope Stability\09 Dwgs\May2010\Site&boring location.dwg



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LYMAN HENN
a division of Brierley Associates LLC

TRANSIT MIX – PUEBLO EAST, PHASE 7
EL PASO COUNTY, COLORADO

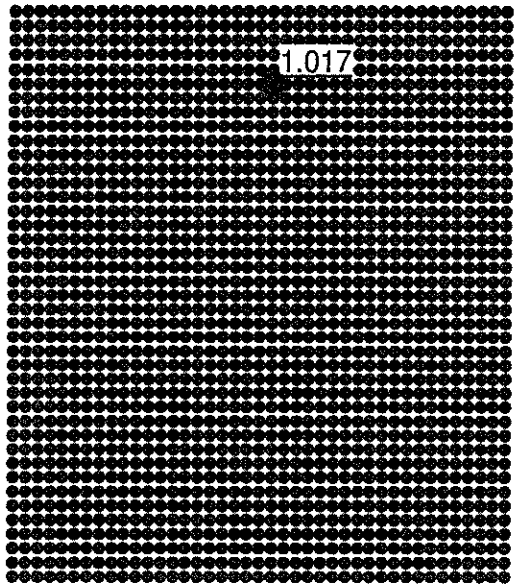
BORING LOCATION PLAN

MAY 2011

FIGURE 2

Figure 3: Section D-D Analysis

File Name: DD00(2)r.gsz
Method: Spencer



Name: Overburden Unit Weight: 114 pcf Cohesion: 50 psf Phi: 28 °
Name: Sand Unit Weight: 130 pcf Cohesion: 0 psf Phi: 31 °
Name: Weathered shale Unit Weight: 142 pcf Cohesion: 0 psf Phi: 14 °
Name: Clayey shale Unit Weight: 142 pcf Cohesion: 100 psf Phi: 28 °

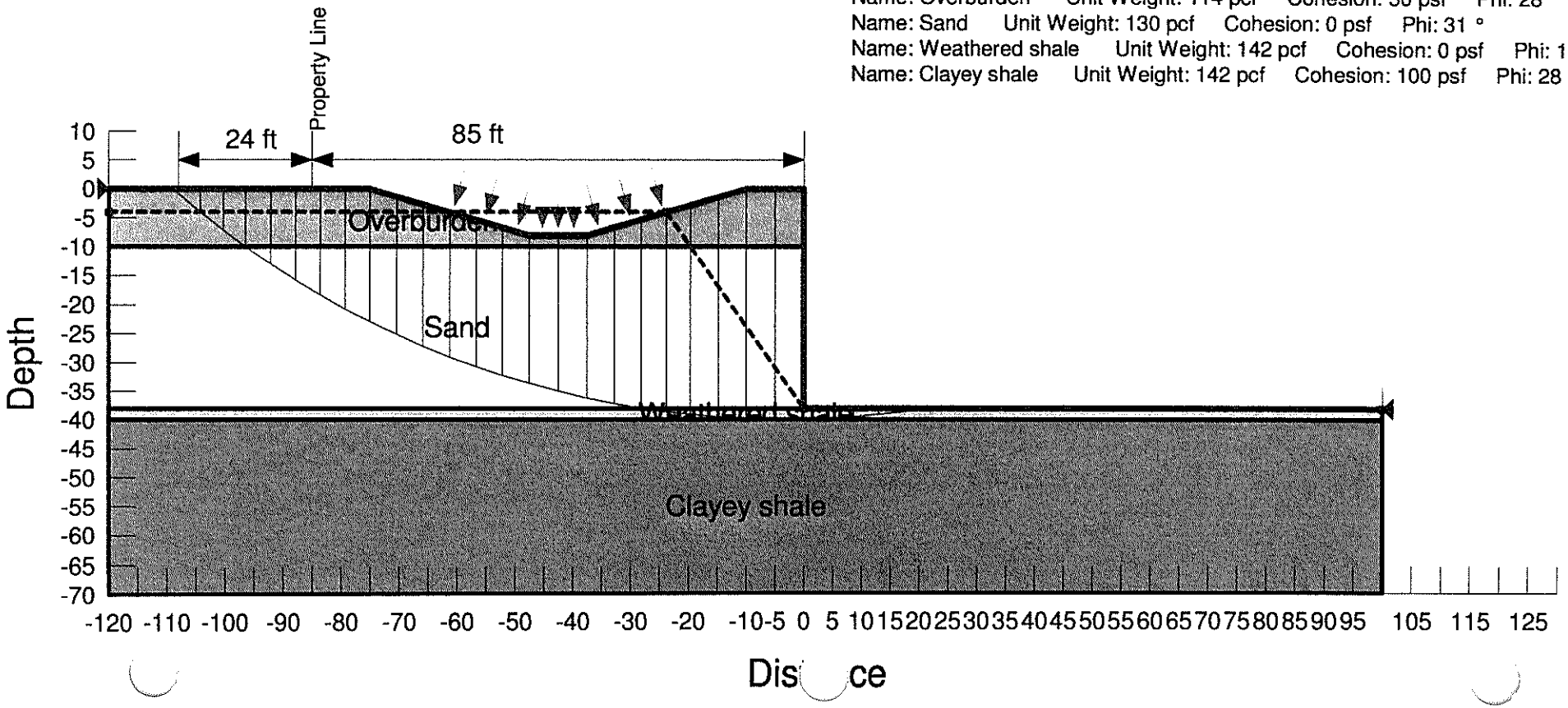
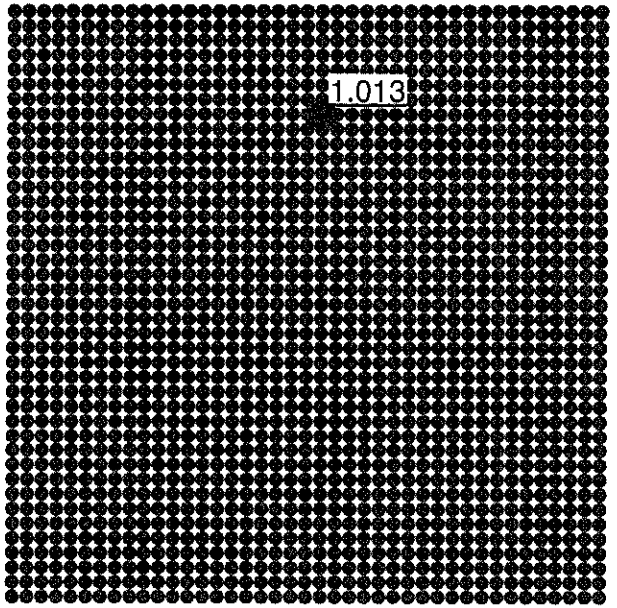


Figure 4: Section E-E Analysis

File Name: EE44r.gsz
Method: Spencer

Name: Overburden Unit Weight: 114 pcf Cohesion: 50 psf Phi: 28 °
Name: Sand Unit Weight: 130 pcf Cohesion: 0 psf Phi: 31 °
Name: Weathered shale Unit Weight: 142 pcf Cohesion: 0 psf Phi: 14 °
Name: Clayey shale Unit Weight: 142 pcf Cohesion: 100 psf Phi: 28 °



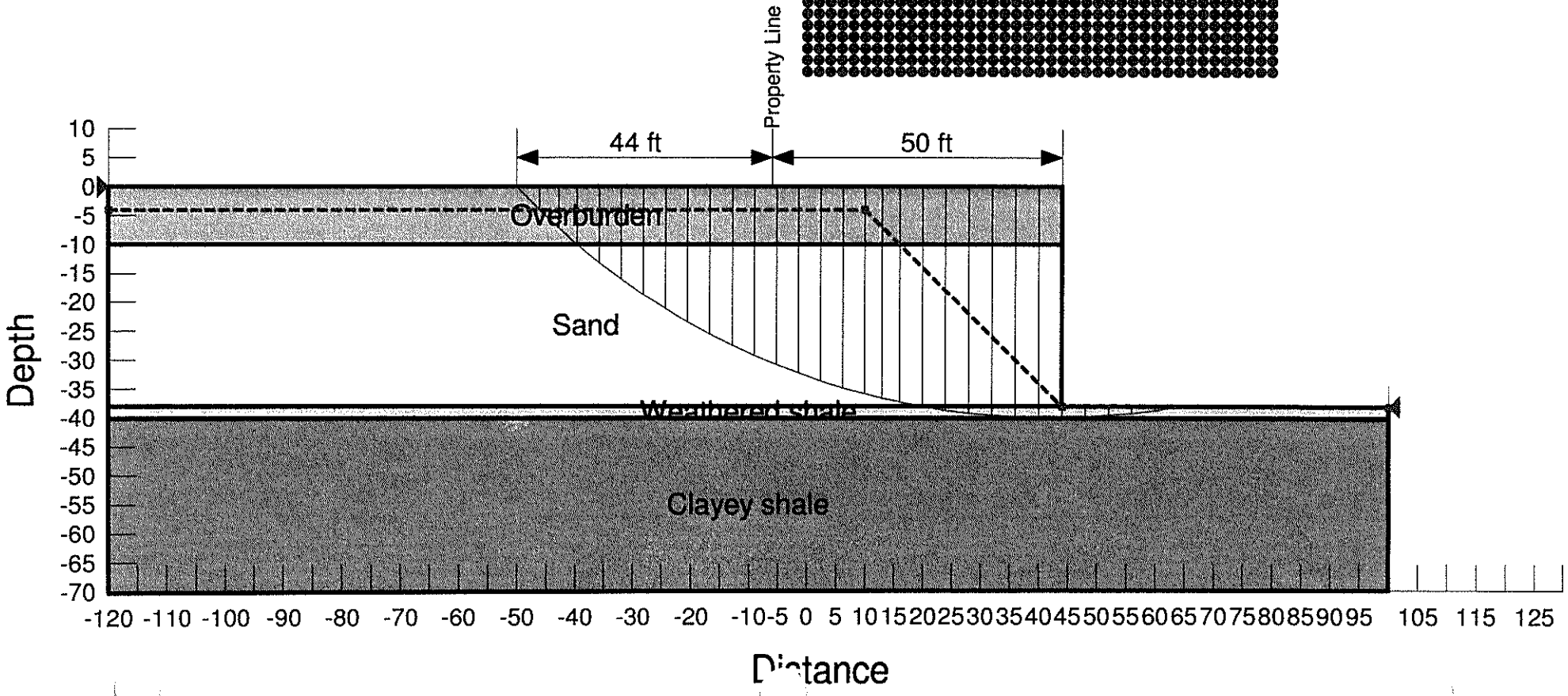
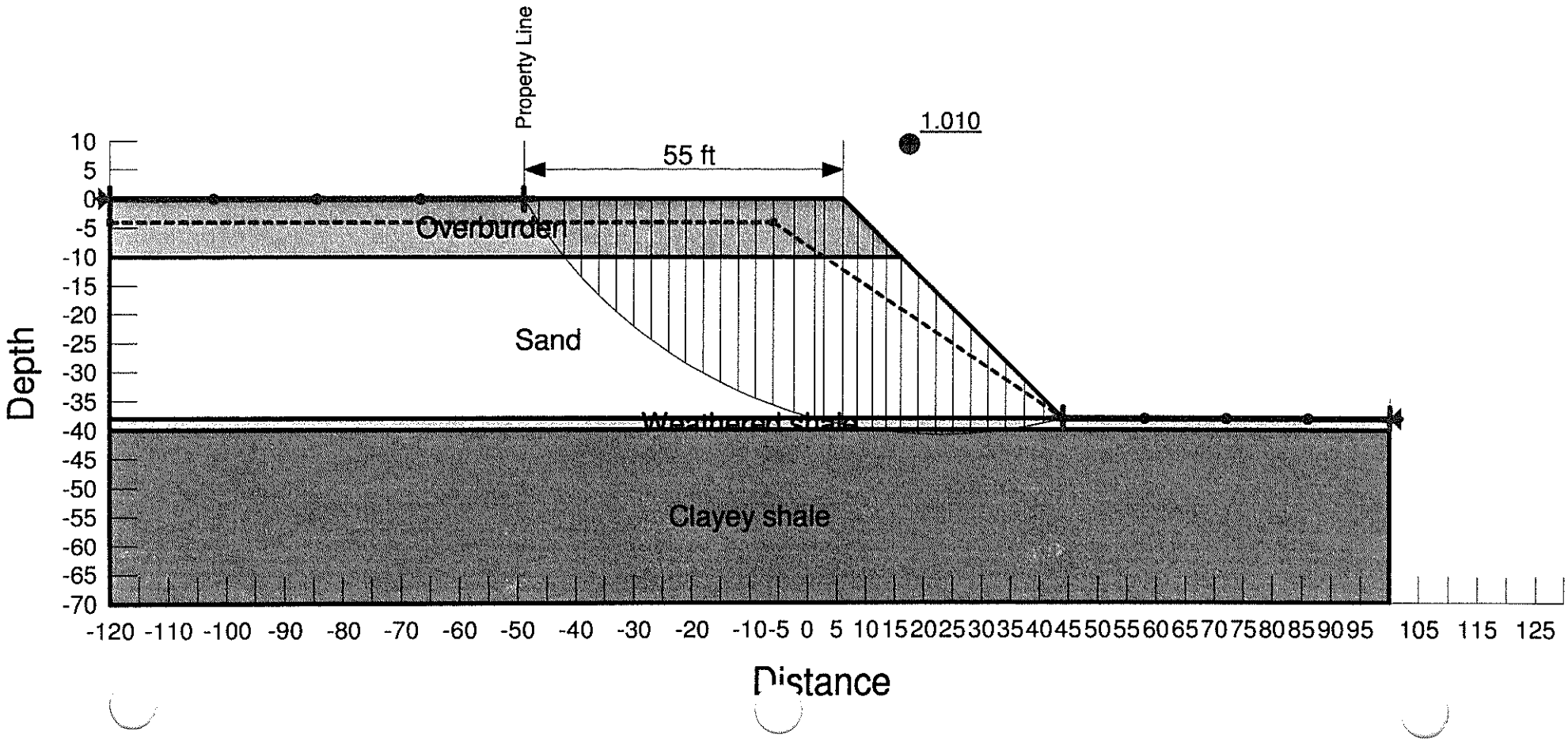


Figure 5: Section E-E Analysis with a 1H:1V slope

File Name: EE44r_1-1a.gsz
Method: Spencer

Name: Overburden Unit Weight: 114 pcf Cohesion: 50 psf Phi: 28 °
Name: Sand Unit Weight: 130 pcf Cohesion: 0 psf Phi: 31 °
Name: Weathered shale Unit Weight: 142 pcf Cohesion: 0 psf Phi: 14 °
Name: Clayey shale Unit Weight: 142 pcf Cohesion: 100 psf Phi: 28 °



APPENDIX A
LYMAN HENN TEST BORING REPORTS

TEST BORING REPORT

LYMAN HENN — a division of Brierley Associates LLC

Boring No. LH-1
Sheet No. 1 of 2

Project: Transit Mix of Pueblo, East Slope Stability Study
Client: Transit Mix of Pueblo
Contractor: Precision Drilling

File No. 111057-000
Start: 4-28-11
Finish: 4-28-11
Driller: Charlie & Todd
LH Rep.: S. Bailey
Elevation:
Datum:
Location: North-central portion of proposed mining area

	Casing	Sampler	Barrel
Type	HSA	CA, SS	
Inside Diameter (in.)	4.25"	2", 1 & 3/8"	
Hammer Weight (lb.)			
Hammer Fall (in.)			

Drilling Equipment and Procedures
Rig Make & Model: CME-55
Drill Method: Hollow Stem Auger
Bit Type: Cutting Head Casing: 4.25"
Hoist/Hammer: Automatic

Water Level Data

Date	Time	Elapsed Time	Bottom of Casing	Bottom of Hole	Depth to Water
4-28-11	1:45	none	38'	46'	8.3'

Sample Identification
CS Continuous — C California Barrel
Sampler — R Core
S Split Spoon — B Bulk
G Geoprobe — T Thin Wall Tube

Notes

Depth (ft.) / Elevation	ID Depth (ft.) Rec. (in.) or RQD/Rec. (%/in.)	Blows/6 in.	Stratigraphy (USCS)	Visual-Manual Identification and Description	Well Diagram	Laboratory Results: Moisture (%)	Gravel (%)	Sand (%)	Fines (%)	LL (%)	PI (%)	UCS (ksf)	Su (ksf)
0													
5	C-1 5-6 4"	6 8		Stiff, tan, clayey SAND (SC), mostly fine clay, some silt, dry, no odor. -FINE ALLUVIUM-		8.6			45.8	37	18	2.290	
10	C-2 10-11 8"	5 6		10 ft. Loose, tan, well graded SAND (SW), mostly fine to medium sand, little coarse sand, trace of fine gravel, poorly sorted, slightly moist, no odor. -COARSE ALLUVIUM-									
15	S-3 15-16.5 24"	1 2 2		15 ft. Very loose, tan, poorly graded SAND (SP) , mostly fine sand, trace of medium sand, trace of fines, well sorted, no odor, wet. -COARSE ALLUVIUM-									
20	S-4 20-21.5 18"	3 3 3		Top 5", as above. 20.42 ft. Bottom 13", loose, tan, well graded SAND (SW), mostly fine to medium sand, little coarse sand, trace of fines, no odor, wet. -COARSE ALLUVIUM-									
25	S-5 25-26.5 10"	7 5 9		Medium dense, tan, well graded SAND (SW) , mostly fine to medium sand, little coarse sand, trace of fine to coarse gravel, mps=1.5", no odor, wet, poorly sorted.									
30		5		30 ft.									

Maximum particle size is determined by direct observation within the limitations of the sampler.

NOTE: Soil identification based on visual-manual methods of the USCS as practiced by Lyman Henn.

TEST BORING REPORT

LYMAN HENN
a division of Brierley Associates LLC

Boring No. LH-1
Sheet No. 2 of 2

Project: Transit Mix of Pueblo, East Slope Stability Study
Client: Transit Mix of Pueblo
Contractor: Precision Drilling

File No. 111057-000
Start: 4-28-11
Finish: 4-28-11
Driller: Charlie & Todd
LH Rep.: S. Bailey
Elevation:
Datum:
Location: North-central portion of proposed mining area

	Casing	Sampler	Barrel
Type	HSA	CA, SS	
Inside Diameter (in.)	4.25"	2", 1 & 3/8"	
Hammer Weight (lb.)			
Hammer Fall (in.)			

Drilling Equipment and Procedures
Rig Make & Model: CME-55
Drill Method: Hollow Stem Auger
Bit Type: Cutting Head Casing: 4.25"
Hoist/Hammer: Automatic

Water Level Data

Date	Time	Elapsed Time	Bottom of Casing	Bottom of Hole	Depth to Water
4-28-11	1:45	none	38'	46'	8.3'

Sample Identification
CS Continuous — C California Barrel
Sampler — R Core
S Split Spoon — B Bulk
G Geoprobe — T Thin Wall Tube

Notes

Depth (ft.) / Elevation	ID Depth (ft.) Rec. (in.) or RQD/Rec. (%/in.)	Blows/6 in.	Stratigraphy (USCS)	Visual-Manual Identification and Description	Well Diagram	Laboratory Results: Moisture (%)	Gravel (%)	Sand (%)	Fines (%)	LL (%)	PI (%)	UCS (ksf)	Su (ksf)
	S-6 30-31.5 22"	5 12		Medium dense, tan, poorly graded SAND with Gravel (SP), mostly coarse to medium sand, little fine sand, some fine to coarse gravel,angular to well rounded, mps=1.5", no odor, wet.									
				-COARSE ALLUVIUM-									
35	S-7 35-36.5 24"	20 32 36		As above, except very dense.			28.9	67	4.1				
	S-8 37-38.5 18"	50/5"		Top 13", as above, except dense.									
				38.08 ft.									
				Bottom 5", very soft, dark-gray/black, clayey SHALE (BR), mostly fines, planar, fresh.									
40	C-9 40-41 4"	50/2"		-PIERRE SHALE-		9.2			81.1	50	32	9.315	
				As above.									
45	C-10 45-46 3"	50/2"		As above.									
				46 ft.									
50													
55													
60													

TEST BORING REPORT

Boring No. LH-2
Sheet No. 1 of 2

LYMAN HENN
a division of Brierley Associates LLC

Project: Transit Mix of Pueblo, East Slope Stability Study
Client: Transit Mix of Pueblo
Contractor: Precision Drilling

File No. 111057-000
Start: 4-28-11
Finish: 4-28-11
Driller: Charlie & Todd
LH Rep.: S. Bailey
Elevation:
Datum:
Location: East end of property

	Casing	Sampler	Barrel
Type	HSA	CA, SS	
Inside Diameter (in.)	4.25"	2", 1 & 3/8"	
Hammer Weight (lb.)			
Hammer Fall (in.)			

Drilling Equipment and Procedures
Rig Make & Model: CME-55
Drill Method: Hollow Stem Auger
Bit Type: Cutting Head Casing: 4.25"
Hoist/Hammer: Automatic

Water Level Data

Date	Time	Elapsed Time	Bottom of Casing	Bottom of Hole	Depth to Water
4-28-11	11:05	none	35'	41'	11.6'

Sample Identification
CS Continuous C California Barrel
Sampler R Core
S Split Spoon B Bulk
G Geoprobe T Thin Wall Tube

Notes

Depth (ft.) / Elevation	ID Depth (ft.) Rec. (in.) or ROD/Rec. (%/in.)	Blows/6 in.	Stratigraphy (USCS)	Visual-Manual Identification and Description	Well Diagram	Laboratory Results: Moisture (%)	Gravel (%)	Sand (%)	Fines (%)	LL (%)	PI (%)	UCS (ksf)	Su (ksf)
0													
5	C-1 5-6 1"	5 6		Stiff, brown, sandy lean CLAY (CL), mostly fines, trace of fine sand, moist, no odor. -FINE ALLUVIUM-									
10	S-2 10-11.5 12"	9 9 5		Top 2", as above. 10.17 ft. Medium dense, reddish/tan, well graded SAND with gravel (SW), mostly fine to medium sand, little coarse sand, little fine to coarse gravel, mps=1.5", no odor, wet. -COARSE ALLUVIUM-	▽								
15	S-3 15-16.5 15"	9 9 6		Medium dense, red/tan, well graded SAND (SW), mostly fine to medium sand, some coarse sand, trace of fine to coarse gravel, mps=.25", no odor, wet.									
20	S-4 20-21.5 18"	4 3 3		As above, except loose.									
25	S-5 25-26.5 18"	5 2 12		Medium dense, tan, well graded SAND (SW) , mostly fine to medium sand, some coarse sand, trace of fine to coarse gravel, no odor, wet.									
30		10		As above, except, trace of fines, trace of cobbles on auger while pulling out of									

Maximum particle size is determined by direct observation within the limitations of the sampler.
NOTE: Soil identification based on visual-manual methods of the USCS as practiced by Lyman Henn.

TEST BORING REPORT

LYMAN HENN
a division of Brierley Associates LLC

Boring No. LH-2
Sheet No. 2 of 2

Project: Transit Mix of Pueblo, East Slope Stability Study
Client: Transit Mix of Pueblo
Contractor: Precision Drilling

	Casing	Sampler	Barrel
Type	HSA	CA, SS	
Inside Diameter (in.)	4.25"	2", 1 & 3/8"	
Hammer Weight (lb.)			
Hammer Fall (in.)			

Drilling Equipment and Procedures
Rig Make & Model: CME-55
Drill Method: Hollow Stem Auger
Bit Type: Cutting Head Casing: 4.25"
Hoist/Hammer: Automatic

File No. 111057-000
Start: 4-28-11
Finish: 4-28-11
Driller: Charlie & Todd
LH Rep.: S. Bailey
Elevation:
Datum:
Location: East end of property

Water Level Data

Date	Time	Elapsed Time	Bottom of Casing	Bottom of Hole	Depth to Water
4-28-11	11:05	none	35'	41'	11.6'

Sample Identification
CS Continuous C California Barrel
Sampler R Core
S Split Spoon B Bulk
G Geoprobe T Thin Wall Tube

Notes

Depth (ft.) / Elevation	ID Depth (ft.) Rec. (in.) or RQD/Rec. (%/in.)	Blows/6 in.	Stratigraphy (USCS)	Visual-Manual Identification and Description	Well Diagram	Laboratory Results: Moisture (%)	Gravel (%)	Sand (%)	Fines (%)	LL (%)	PI (%)	UCS (ksf)	Su (ksf)
	S-6 30-31.5 18"	14 16		hole, max. cobble size=4". -COARSE ALLUVIUM-									
35	S-7 35-36.5 9"	38 50/3"		Top 5", as above, except dense. 35.42 ft. Bottom 13", very soft, dark-gray/black, clayey RESIDUUM (BR), mostly fines, highly plastic, blocky, slightly moist, no odor, highly weathered. -PIERRE SHALE-									
40	C-8 40-41 3"	50/1"		Very soft, dark-gray, clayey SHALE (BR), mostly fines, trace of very fine sand, blocky to planar, slightly moist, no odor, fresh. 41 ft.									
45													
50													
55													
60													

APPENDIX C
HALEY & ALDRICH TEST BORING REPORTS

HALEY & ALDRICH

Denver, Colorado

TEST BORING REPORT

PROJECT: East Pueblo Gravel Mine CLIENT: Transit Mix

CONTRACTOR: Spectrum Exploration, Inc.

DRILL RIG: CME 75, truck-mount

AUGER: 3-3/4 in. ID hollow stem HAMMER: Automatic

BORING HA-110

File: 20358-000
Location: See Plan
Elevation:
Date Start: 6/14/99
Date Finish: 6/14/99
Driller: S. WHITLEY
Logged By: B. ZIETLOW

GROUNDWATER

Date	Time	Depth (ft)

GRAPHIC LEGEND

Clayey Overburden

Mineable Sand/Gravel

Depth (ft)	Sample	Percent Recovery	Blows / 6 in.	SPT N	Sample Interval (ft)	Strata Type	Strata Change Depth	CLASSIFICATION AND REMARKS
1	G1				0.0 – 1.0			LEAN CLAY WITH SAND (CL) Brown, slightly moist, mostly lean clay, little silt, little fine sand. - FINE ALLUVIUM -
2								
3	S2	40	7 6 7 8	13	2.0 – 4.0			LEAN CLAY (CL) Stiff, brown, slightly moist, mostly lean clay, little silt, trace fine sand. - FINE ALLUVIUM -
4								
5								
6	S3	30	8 10 7 7	17	5.0 – 7.0			Same as above except very stiff with few fine, well-rounded gravel. - FINE ALLUVIUM -
7								
8								
9								
10								
11	S4	50	6 6 7 7	13	10.0 – 12.0			LEAN CLAY WITH SAND (CL) Stiff, brown, slightly moist, mostly lean clay, little fine sand. - FINE ALLUVIUM -
12								
13								
14							13.5	
15								FAT CLAY (CH) Medium stiff, brown, wet, mostly fat clay, trace silt. Becoming brown and gray mottled at 15.5 ft. - FINE ALLUVIUM -
16	S5	100	2 2 3 4	5	15.0 – 17.0			
17								
18								
19							18.5	
20								

LABORATORY RESULTS

Depth (ft)	Moisture Content	% Sand	% -200	LL	PI
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12			76	38	21
13					
14					
15					
16					
17					
18					
19					
20					

SAMPLE IDENTIFICATION

S - Standard split spoon
C - California barrel
T - Shelby tube
B - Bulk
G - Grab
DP - Direct push

SAMPLER SIZE

S - 1-3/8 in. (ID)
C - 2 in. (ID)
T - 3 in. (ID)

GROUND WATER ABBREVIATIONS

WD - While drilling
NE - Not encountered
UC - Upon completion
AC - After completion

BORING HA-110

HALEY & ALDRICH — Denver, Colorado

TEST BORING REPORT

BORING HA-110

Page 2 of 2

Depth (ft)	Sample	Percent Recovery	Blows / 6 in.	SPT N	Sample Interval (ft)	Strata Type	Strata Change Depth	CLASSIFICATION AND REMARKS
21	S6	75	10 10 13 9	23	20.0 22.0			POORLY GRADED SAND WITH GRAVEL (SP) Medium dense, brown, wet, mostly coarse sand, some medium sand, little fine sand, little fine subangular gravel. - COARSE ALLUVIUM -
22								
23								
24								
25								
26								
27								
28								
29								
30								
31	S7	50	10 13 15 10	28	30.0 32.0			Same as above.
32								
33								
34								
35								
36								
37								
38								
39								
40								
41	S8	50	13 23 26 50/4	50+	40.0 42.0			Same as above except dense. Cobble encountered at 41.5 ft. - COARSE ALLUVIUM -
42								
43								
44								Note: Auger refusal at 46.0 ft. Driller stated that it was probably due to a cobble.
45								
46								
47								Bottom of exploration at 46.0 ft.
48								

LABORATORY RESULTS

Depth (ft)	Moisture Content	% Sand	% -200	LL	PI
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					

BORING HA-110
Page 2 of 2

HALEY & ALDRICH

Denver, Colorado

TEST BORING REPORT

PROJECT: East Pueblo Gravel Mine CLIENT: Transit Mix

CONTRACTOR: Spectrum Exploration, Inc.

DRILL RIG: CME 75, truck-mount

AUGER: 3-3/4 in. ID hollow stem HAMMER: Automatic

BORING HA-111

Page 1 of 2

File: 20358-000
Location: See Plan
Elevation:
Date Start: 6/14/99
Date Finish: 6/14/99
Driller: S. WHITLEY
Logged By: N. MALAKAR

GROUNDWATER

Date	Time	Depth (ft)
	WD	4

GRAPHIC LEGEND

- Clayey Overburden
- Mineable Sand/Gravel
- Claystone

Depth (ft)	Sample	Percent Recovery	Blows / 6 in.	SPT N	Sample Interval (ft)	Strata Type	Strata Change Depth	CLASSIFICATION AND REMARKS
1	G1				0.0 1.0			SANDY CLAY (CL) Brown, moist, mostly clay, some fine sand, little coarse sand, trace fine gravel. - FINE ALLUVIUM -
2								
3	S2	33	7 7 5	12	2.5			LEAN CLAY WITH SAND (CL) Stiff, brown, very moist, mostly clay, little fine sand, trace fine gravel. - FINE ALLUVIUM -
4					4.0			
5								Same as above except medium stiff.
6	S3	50	1 2 5 5	7	5.0		5.5	SILTY CLAY (CL-ML) Medium stiff, alternating brown and gray, very moist, mostly silty lean clay, trace fine sand. - FINE ALLUVIUM -
7					7.0		6.0	
8								POORLY GRADED SAND (SP) Loose, brown, wet, mostly medium sand, little fine sand, some coarse sand. - COARSE ALLUVIUM -
9								
10								
11	S4	100	2 3 3 3	6	10.0			POORLY GRADED SAND (SP) Loose, brown, wet mostly coarse sand, some medium sand, little fine sand. - COARSE ALLUVIUM -
12					12.0			
13								
14								
15								
16								
17								
18								
19								
20								

LABORATORY RESULTS

Depth (ft)	Moisture Content	% Sand	% -200	LL	PI
4			77	30	14

SAMPLE IDENTIFICATION

S - Standard split spoon
C - California barrel
T - Shelby tube
B - Bulk
G - Grab
DP - Direct push

SAMPLER SIZE

S - 1-3/8 in. (ID)
C - 2 in. (ID)
T - 3 in. (ID)

GROUND WATER ABBREVIATIONS

WD - While drilling
NB - Not encountered
UC - Upon completion
AC - After completion

BORING HA-111

HALEY & ALDRICH — Denver, Colorado

TEST BORING REPORT

BORING HA-111

Page 2 of 2

Depth (ft)	Sample	Percent Recovery	Blows / 6 in.	SPT N	Sample Interval (ft)	Strata Type	Strata Change Depth	CLASSIFICATION AND REMARKS
21	S5	55	4 11 9 7	20	20.0 22.0			POORLY GRADED SAND (SP) Medium dense, brown, wet, mostly coarse sand, some medium sand, trace fine sand. Approximately six inches of sand inflow. - COARSE ALLUVIUM -
22								
23								
24								
25								
26								
27								
28								
29								
30							30.0	
31	S6	100	50/9	50+	30.0			PIERRE SHALE Hard, gray, slightly moist. - BEDROCK -
32								
33								
34								
35								
36	S7	100	50/3	50+	35.0		35.3	Same as above. Bottom of exploration at 35.3 ft.
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								

LABORATORY RESULTS

Depth (ft)	Moisture Content	% Sand	% -200	LL	PI
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					

BORING HA-111
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