

GRAVEL PROPERTY LEASE

THIS GRAVEL PROPERTY LEASE (hereinafter referred to as this "Lease") is made and entered into as of the 16th day of April, 2010 (the "Effective Date"), by and between the CITY OF FOUNTAIN, a Colorado municipal corporation and home rule city (hereinafter referred to as "Lessor") and LAFARGE WEST, INC., a Delaware corporation (hereinafter referred to as the "Lessee").

WITNESSETH

WHEREAS, the Lessee has sold to the Lessor and the Lessor has purchased from the Lessee the real property situate in the City of Fountain, El Paso County, Colorado legally described on **Exhibit A** attached hereto and made a part of this Lease (hereinafter referred to as the "Property") under Purchase and Sale Agreement dated January 25, 2010 (the "Agreement") which is to be closed upon the Effective Date of this Lease (the "Closing").

WHEREAS, The Lessee shall lease the Property back from the Lessor pursuant to this Gravel Lease, which gives Lessee no right to perform mining or other activities upon the Property located outside of the Mining Areas shown on the Site Plan defined herein, from and after Closing, except to the extent explicitly allowed under the terms and provisions set forth in the Site Plan.

WHEREAS, the Lessee has conducted mining of sand and gravel and related operations on the Property for a period of years under Permit No. M-1981-307, which includes all mining and reclamation requirements of the Colorado Division of Reclamation, Mining and Safety (or any successor thereto) ("DRMS Permit"), a use authorization for extraction and processing of construction materials from the City of Fountain for the Lessee's operations on the Property and other related authorizations (collectively, the "Permits"). The mining operations allowed herein shall continue within the Mining Areas as defined herein during the Lease Term, subject to the provisions set forth herein.

WHEREAS, as and for a part of the consideration under the Agreement, and contingent upon the Closing of the Agreement, the parties have agreed to enter into this Lease, under which the Lessee will let the Property from the Lessor for gravel and stone quarrying and mining purposes as described herein.

THEREFORE, in consideration of the mutual covenants set forth in the Agreement and herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and on and subject to the terms and conditions provided in this Lease, the parties agree as follows:

1. Lease. Subject to the terms set forth herein, the Lessor hereby leases, lets and demises to the Lessee the Property and Materials as defined in Section 5. of this Lease, in and under the Mining Areas of the Property, and the exclusive right to sample, drill and test for, develop, mine, quarry, extract, process, sell, use and remove the Materials in accordance with the Site Plan during the Term. Notwithstanding all of the remaining terms of this Lease, the parties agree, however, that this Lease is contingent upon and shall be effective simultaneously with the Closing of the Agreement. If the Agreement is terminated and there is no Closing, this Lease shall be of no force and effect.

2. Term. A "**Lease Year**" as used herein shall mean a period of one year beginning on the Effective Date or on any annual anniversary thereof. The Initial Term of this Lease shall be three (3) years commencing on the Effective Date and ending at the end of the third Lease Year (the "**Initial Term**"). Thereafter, the Lease shall automatically be renewed from year-to-year (the "**Extended Term**"), unless either party provides written notice to the other party of the termination of this Lease no less than 180 days prior to the end of the Initial Term or the Extended Term then in effect, in which case the Lease shall expire at the end of the Lease Year in which notice of termination is sent. Notwithstanding the foregoing and the remaining provisions of this Lease, the Lease shall be renewed only if the Letter of Credit is renewed so as to continue in effect through the period of renewal and until all of the Lessee's Obligations (as defined in Section 3.a. below) have been completed, or other financial assurances have been agreed upon by the parties, as required in Section 3.A. below.

3. Rent and Security.

A. Security for Performance. In order to secure Lessee's performance of its obligations under this Lease, Lessee shall provide one or more irrevocable letters of credit in the cumulative sum of ONE MILLION DOLLARS (\$1,000,000.00 US), from a financial institution or institutions that are authorized to do business in Colorado and that are reasonably acceptable to Lessor. Such security is herein referred to as the "**Letter of Credit**." Lessee shall provide the Letter of Credit to Lessor on the Effective Date of this Lease to secure Lessee's payment and performance requirements owed under this Lease. After the expiration of this Lease, if the Lessee shall have completely performed Lessee's obligations contained in this Lease, the Site Plan and the Permits, including, but not limited to, the restoration and reclamation and other requirements under the Permits (collectively these requirements are referred to herein at times as the "Lessee's Obligations"), then Lessor shall authorize release of the Letter of Credit as provided in this Section 3.A. Lessor may call on the Letter of Credit a) at any time, for payment therefrom toward curing any default of the Lessee, subject to Lessee's right to cure pursuant to Section 10.B; or b) in the event that, prior to the date which is 210 days before to the end of the Initial Term or the Extended Term then in effect, Lessee has not completed all of Lessee's Obligations defined herein and the Letter of Credit has not been extended, renewed or replaced with a Letter of Credit or other financial assurance reasonably acceptable to Lessor in the amount of ONE MILLION DOLLARS (\$1,000,000.00 US) so as to continue to be effective throughout the Extended Term, and

until all of the Lessee's Obligations have been completed as required herein. If Lessor does so apply funds from the Letter of Credit, Lessee shall, upon written demand from Lessor, immediately replace the Letter of Credit so that Lessee shall at all times have supplied for the benefit of Lessor security in the sum of \$1,000,000.00 for Lessee's payment and performance of its Lease obligations as required in this Section 3.A., unless the Lessor and Lessee agree to reduce the Letter of Credit by mutual written consent. Any failure of payment under the Letter of Credit upon demand properly made herein, or lack of agreement between the parties for replacement financial assurances prior to completion of all of the Lessee's Obligations shall constitute a default by Lessee under the terms of this Lease and shall entitle Lessor to disapprove renewal of the Lease in addition to other remedies allowed herein in the event of default. If Lessor calls the Letter of Credit as a result of failure of Lessee to timely renew, extend or replace it, the funds so drawn shall be deemed a cash security deposit by Lessee and Lessor shall be entitled to retain for its own account only such funds as are necessary to compensate or reimburse Lessor for amounts attributable to Lessee's failure to perform and complete Lessee's Obligations with respect to the Property hereunder. In the event of a sale, long term lease or other transfer of the Property, Lessor may transfer or assign the Letter of Credit to Lessor's transferee; in such event, Lessee will be notified of the name and address of the transferee and the terms and provisions set forth herein. Lessor shall not be deemed to have waived or be estopped from any recovery pursuant to claims or indemnities set forth herein by virtue of having received the Letter of Credit under this Section. The right of Lessor to hold and make claim on the Letter of Credit to pay the costs and expenses to fulfill the obligations of Lessee hereunder shall survive termination or expiration of this Lease until all requirements of Lessee under this Lease (including Lessee's obligations under the Permits) have been completed and fulfilled in accordance with the terms of this Lease, the Site Plan and the Permits. No later than sixty days following Lessee's completion of all requirements under this Lease, the Site Plan and the Permits, Lessor shall authorize release of the Letter of Credit, with a written itemization and proof of payment of any costs to which proceeds from the Letter of Credit have been applied, to Lessee.

B. Rent. During the Initial Term of this Lease, the Lessee shall pay as and for rental payment the sum of ONE HUNDRED THOUSAND and 00/100 DOLLARS (\$100,000.00) per year, in equal installments of \$8,333.33 per month ("**Base Rent**"). Base Rent due for the calendar month in which the Term begins and ends shall be prorated based on the number of days the Lease is in effect for that calendar month compared to the total number of days in the calendar month. Base Rent for all other months shall be due and payable on or before the first day of each calendar month during the Term, without notice from the Lessor. The Lessee shall pay interest at the rate of 12% per annum on all amounts not paid when due, with interest commencing on the due date set forth herein. Payments shall be made to the City of Fountain, c/o Utilities Director, 116 S. Main Street, Fountain, CO 80817.

The Base Rent for each additional Extended Term following expiration of the Initial Term of this Lease shall be increased from the annual Base Rent, by the increase over the Base Period Index of the most recent Consumer Price Index – Denver-Boulder-Greeley,

Colorado Average – All Urban Consumers CPI-U (the “**Index**”) as published by the United States Department of Labor Bureau of Labor Statistics (the “Bureau”). The “Base Period Index” for each adjustment shall be the Annual Average 2009 Index. The Comparison Index shall be the most recent monthly Index published prior to the first day of the upcoming annual renewal term. The Base Period Index shall be compared with the Comparison Index. If the Comparison Index is higher than the Base Period Index, then the Base Rent shall be increased by a percentage (%) equal to the percentage (%) of increase of the then prevailing Comparison Index over the Base Period Index. If the Comparison Index is not equal to or greater than the Base Period Index, the Base Rent for the next one-year Lease Term will be equal to the Base Rent for the previous Lease Term.

4. Water. Lessor presently supplies untreated water required for the Lessee’s operations on the Property under an agreement entitled Water Sales Agreement Between Colorado Springs Utilities, the City of Fountain, and Western Mobile Southern, Inc., dated May 19, 1998 (“Water Sales Agreement.”) In addition, a City of Fountain municipal water tap also serves the Property and can be used for backup in the event untreated water cannot be supplied pursuant to the Water Sales Agreement. Without Lessor’s prior written permission, Lessee shall have no right to drill water wells on the Property, or to provide water for its uses from any source other than the Water Sales Agreement or the existing municipal water tap. The term of the Water Sales Agreement expires December 31, 2013. Lessor agrees to negotiate with Colorado Springs Utilities to extend the Water Sales Agreement, so long as Lessee is not in violation of this Lease, for the duration of the Initial Term and all Extended Terms of this Lease until Lessee has completed reclamation for which it is obligated pursuant to Sections 5.J and 5.K.

5. Operations.

A. Materials Removal. The Lessee intends to continue its operations which have been ongoing on the Property prior to the Effective Date of this Lease, which shall be related to and consist of removal of stone, sand and gravel and valuable solid minerals (other than overburden and hydrocarbon minerals such as coal, oil, gas and associated liquid hydrocarbons) that are removed incident to sand and gravel operations hereunder and which are saleable and recoverable from the Mining Areas of the Property in the course of such operations (collectively the “**Materials**”). The Lessor requires removal of Materials as described in the Site Plan as part of the consideration to be received by the Lessor under this Lease. Consistent with these purposes, the Lessee shall be allowed to test, quarry, mine and remove Materials in accordance with the Site Plan. The Lessee has erected and shall be allowed to erect certain structures on the Property which shall be removed by the Lessee upon termination of the Lease in accordance with Section 11 of this Lease, and which improvements may include modular buildings, conveyors and other facilities for processing, storing, washing, sorting, handling, loading and shipping of Materials, along with ancillary facilities (the “**Plant**”). Notwithstanding the foregoing, the Lessee shall at all times comply with the requirements and restrictions of the Permits and the Site Plan.

B. Site Plan. The "**Mining Areas**" as used herein shall mean the areas within the Property as shown on the Site Plan, within which the Lessee may conduct mining and related activities, such as processing and storage of Materials. Prior to execution of this Lease, the parties shall agree upon a site plan which identifies the location of the Mining Areas which shall define the areas to be reclaimed from time to time and the boundaries of the Property and Leased Area (the "**Site Plan**"). The Site Plan shall include a schedule for required completion dates for reclamation to be performed by Lessee during the Term of this Lease. The Site Plan shall be approved by the parties and annexed to this Lease as **Exhibit B** prior to the Effective Date. The parties shall meet to review the Site Plan and any proposed changes to it once every 180 days during the Lease Term, and the Site Plan shall be amended to incorporate any changes agreed between the parties, and upon execution by both parties upon each amendment shall be deemed to be incorporated herein as **Exhibit B** attached to this Lease.

C. Conduct of Operations on Property. The only areas from which Materials may be removed are the Mining Areas. No Materials may be removed from outside of the boundaries of the Mining Areas, and no Materials, whether removed from Mining Areas or brought to the Property from other locations, may be stockpiled on the Property outside of the Mining Areas. The Lessee shall conduct its operations on the Property in a diligent, prudent and workmanlike manner and in accordance with good and accepted mining practices and in compliance with all applicable federal state and local laws, rules and regulations and all applicable Permits and the Site Plan. In the event Lessee's operations expose groundwater, Lessee will comply with all applicable state laws regarding exposed groundwater, including requirements for a well permit and augmentation plan, if applicable. The timing, nature, manner and extent of mining operations, processing and sales shall be within the sole discretion of the Lessee, so long as such operations, and processing are consistent with the Site Plan, and notwithstanding Section 5.A of this Lease, the Lessee shall not be required to mine, preserve or protect in its operations any Materials which, under good mining practices, cannot be mined or sold at a reasonable profit to the Lessee at the time they are encountered. Notwithstanding the foregoing, if the Lessee fails to conduct mining operations on the Property as provided in the Site Plan for any period of six consecutive months, or for a total of six months during the Initial Term of this Lease, or for any period of six months (whether or not consecutive) during any subsequent one-year term, Lessor may terminate this Lease upon thirty (30) days prior written notice.

D. Construction on Property. Within the Property, and subject to the Site Plan, the Lessee shall have the right during the Term of this Lease to construct, maintain, and use roads, pipe lines, power lines, telephone lines, and stockpile areas it deems necessary or desirable for its operations. In order to obtain access to the Mining Areas on the Property, and to carry on its operations, Lessee shall have the right to make use of all roadways now existing on the Property, and shall have the right to build and maintain such additional roads within the Property as may be reasonably necessary for its operations. It is expected that Lessee's activities on the Property will require removal of approximately one-half mile of asbestos-cement water pipeline owned by Lessor. Lessee will be responsible, at its sole cost, for such removal, and for compliance with all

applicable laws, rules and regulations regarding asbestos abatement. Lessee will consult with Lessor prior to removal of such water pipeline, and will not remove the water pipeline until after October 31, 2010. Lessee shall have no obligation to replace or relocate the pipeline.

E. Use of Surface. The Lessee shall have the right during the Term of this Lease and without payment to Lessor (except for Rent payable pursuant to Section 3) to clear brush and undergrowth and to strip and remove overburden (which shall be stockpiled as provided in subparagraph G. below) and otherwise to use and occupy the Property as is reasonably required in connection with mining, quarrying, extracting, processing (including tailings-washed fines storage facilities), storage, transportation, sale and removal of Materials from the Mining Areas, and for storage and maintenance of equipment used in connection with the Lessee's operations on the Property, consistent with the Site Plan. The Lessee may use the Mining Areas and the Property outside of the Mining Areas for stockpiling, processing (including tailings-washed fines storage facilities), storage, transportation, or sale of Materials or any other minerals or products from any other property of the Lessee on which the Lessee is conducting operations only with the Lessor's prior written permission, which shall not be unreasonably withheld so long such use of the Mining Areas and the Property outside of the Mining Areas is consistent with the Site Plan.

F. Processing. Within the Property, the Lessee shall have the right to construct, operate and maintain Plants necessary for conveying and processing Materials, and to erect such buildings and install such machinery and equipment as may be necessary or desirable in the conduct of its operations. The Lessee shall have the right to place washed fines in mined out areas on the Property at no additional cost to Lessee, provided, however, that no such placement shall be made in mined out areas unless designated for such purpose on the Site Plan or with Lessor's prior written permission regarding the locations and amounts of such placement.

G. Stockpiling. The Lessee may stockpile Materials removed from the Mining Areas. The Lessee shall stockpile on the Property, Materials, topsoil, overburden, clay, and concrete in separate piles. Other non-hazardous waste materials shall also be separately stockpiled. Upon termination or expiration of this Lease and expiration of the time period set forth in Section 11 hereof, any unsold stockpiles of Materials remaining on the Property, and any stockpiles of topsoil and non-hazardous waste materials remaining on the Property shall become the property of Lessor, to process, transport, sell or use in its sole discretion. During the term of this Lease, Lessee shall store and remove in accordance with all applicable state and federal laws, any hazardous waste materials or other substances that may be encountered or produced during Lessee's operations pursuant to this Lease. Nothing herein shall give Lessee any right to store or stockpile hazardous materials anywhere on the Property.

H. Damage to Improvements. The Lessee will repair any damage caused by its operations to the Property outside of the Mining Areas, including damage to water lines (other than the water line referred to in subparagraph 5.D), roads, buildings or

any other improvements located on the Property outside of the Mining Areas as soon as commercially feasible upon discovery, and no later than ninety (90) days after termination or expiration of the Lease.

I. Protection of Premises. The Lessee shall not be required to fence the Property. The Lessee shall provide and install adequate gates at all entrances to the Mining Areas on the Property where operations are being conducted by the Lessee. The gates will be kept locked at all times when the areas are not occupied by Lessee personnel or agents, provided, however, that Lessor shall be given keys to such gates in order to respond to emergencies.

J. Permits and Ongoing Reclamation Obligations. During the Term of this Lease and any extensions thereof, Lessee shall be responsible for timely payment of all permit fees, and shall retain and maintain in its name all Permits required for Lessee's operations hereunder and Lessee will reclaim the Property in accordance with the Permits. Lessee shall remain responsible to Lessor for reclamation obligations required to have been completed prior to the Effective Date of this Lease, as provided in the existing DRMS Permit, for ongoing reclamation of the Mining Areas and the Property presently required under the existing DRMS Permit, and for any ongoing reclamation obligations that are imposed by any changes or amendments to the DRMS Permit that may be obtained pursuant to this subparagraph J.

If Lessee determines that changes or amendments to the Permits are necessary or desirable, Lessee shall consult with Lessor and Lessor shall reasonably cooperate with Lessee to effect the change or amendment, at the cost of Lessee, provided, however, that no such change or amendment shall violate the provisions of the Site Plan.

Lessor shall not be obligated to consent to any change in the Permits that exposes Lessor to increased environmental or other liability or otherwise hinders or interferes with Lessor's proposed uses of the Property after the termination of the Lease or any change that allows the Lessee to avoid the ongoing reclamation obligations contained in the Permits.

K. Completion of Permit Reclamation Requirements. Lessee shall complete all requirements for reclamation and restoration and all other requirements under the Permits within one year after the termination or expiration of the Lease.

6. Covenants, Representations and Warranties, Indemnification.

A. The Lessee shall defend, indemnify and hold harmless the Lessor from and against any and all claims, demands, judgments, and liability, including reasonable attorneys fees and expert fees, resulting from or related to its operations on the Property, or related to any violations of the terms of the Permit or of this Lease, resulting from or related to its use or possession of the Property, or by or to any and all third parties resulting from the intentional or negligent acts or omissions of the Lessee or its agents, representatives, officers, employees, or lessees, in, on, or about the Property.

B. The Lessee shall defend, indemnify, and hold harmless Lessor and its agents, employees, contractors, attorneys, accountants, and elected officials, from any and all claims, damages, demands, judgments and liabilities of any sort, including fines and penalties, personal injury and property damages, pursuant to all local, state and federal environmental laws, ordinances, rules and regulations, including but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. § 9601 *et seq.*) and the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), as any of such laws, ordinances, rules and regulations have been or are amended from time to time, which claims, damages, demands, judgments and liabilities of any sort, including fines and penalties, arise from or in connection with the Lessee's operations hereunder or its operations on the Property.

C. Lessor shall not enter into any new oil and gas leases or other new agreements regarding oil and gas operations within the Property during the Term of this Lease, except under conditions which prohibit surface entry or occupancy and interference in any manner with Lessee's operations on the Property.

D. Only to the extent permitted by law and as permitted in this Lease, Lessor shall defend, indemnify and hold harmless the Lessee from and against any and all claims, damages, demands, judgments, and liabilities of any sort, including reasonable attorneys fees and expert fees, by or to any and all third parties, resulting from the negligent or intentional acts or omissions of the Lessor or its agents, representatives, officers, employees, lessees and contractors in, on or about the Property. Nothing herein shall be deemed to constitute a waiver of any of the limitations or Protections for the Lessor under the Colorado Governmental Immunity Act, Article 10 of Title 24 C.R.S. Payment of any liability of Lessor to Lessee hereunder shall be contingent upon the appropriation of funds for the payment of such liability by the City Council of the City of Fountain.

E. The foregoing covenants, representations, warranties indemnifications set forth in this Section 6 shall all survive the termination or expiration of this Lease. The indemnity provisions set forth in this Lease shall apply to amounts paid in settlement of a claim by an indemnified party only if such settlement is approved by the indemnifying party, which approval shall not be unreasonably withheld.

7. Insurance Requirements. Prior to the Effective Date, Lessee shall provide proof of the insurance coverage required herein to the reasonable satisfaction of Lessor. This insurance shall include the types and coverage amounts set forth in this Section 7, the requirements of which shall survive termination of the Lease, until the date when all requirements under the Permits and the Site Plan, including the reclamation requirements therein, have been completed by Lessee.

A. General Requirements for Insurance Coverage and Policies. The Lessee shall carry and maintain at sole its cost, and at all times, and shall not conduct operations on the Property pursuant to this Lease until all insurance required under this

Section has been obtained and such insurance has been approved by Lessor, nor shall the Lessee allow any contractor, sub-contractor or independent contractor (collectively, "contractors") to perform work on the Property until all similar insurance has been obtained by such contractors and approved by the Lessee and Lessor. All policies shall be with insurance companies licensed to provide insurance in the State of Colorado and having an "A" or better rating. The Lessee and all of Lessee's contractors shall include the Lessor and the Lessor's elected officials, officers, agents and employees as "additional insured parties" on each policy. Each policy shall contain a waiver of subrogation provision in favor of the Lessor. Each policy, whether denominated an "occurrence" policy, a "claims made" policy, or some other type of policy, will be maintained and renewed provide continuous coverage as herein required.

B. Colorado Worker's Compensation Insurance. The Lessee shall maintain Colorado Worker's Compensation Insurance covering all employees as required by Colorado law, and in the case of any work sublet, the Lessee shall require each contractor similarly to provide Colorado Worker's Compensation Insurance covering all of its employees as required by Colorado law.

C. Employer's Liability Insurance. The Lessee shall maintain Employer's Liability Insurance with a minimum limit of \$1,000,000 per occurrence with an insurance company authorized to write such insurance in Colorado and the Lessee shall require each contractor similarly to maintain Employer's Liability Insurance.

D. Commercial General Liability Insurance. The Lessee shall maintain during the Lease Term and any extensions thereof such Commercial General Liability Insurance as shall protect against claims for damages resulting from (1) bodily injury, including wrongful death, and property damage, which may arise from operations pursuant to this Lease, including operation of heavy equipment (including but not limited to bulldozers, cranes, loaders, dump trucks, cement mixers, and other heavy equipment used in the Lessee's operations), whether such operations be conducted by the Lessee or by any contractor or anyone directly or indirectly employed by either of them. The Lessee shall provide such coverage under a Commercial General Liability form of policy with minimum coverage as follows:

1. Bodily Injury and Property Damage Limits of \$2,000,000 each occurrence and \$2,000,000 aggregate Combined Single Limit.
2. Standard Blasting or Explosion Coverage, Standard Collapse Coverage and Standard Underground Coverage, commonly referred to as X.C.U. property damage liability coverage with limits of \$2,000,000 each occurrence
3. Property damage coverage shall include a Broad Form Property Damage Endorsement.
4. Contractual Liability coverage shall be included.

5. Products Liability and/or Completed Operations coverage shall be included. Completed Operations coverage shall be provided for two years following substantial completion of the work.

E. Environmental Impairment Liability Insurance. Environmental Impairment Liability Insurance shall be provided with a minimum limit of \$1,000,000 per occurrence and \$2,000,000 aggregate.

F. Automobile liability insurance. The Lessee shall maintain during the Lease Term and all extensions thereof life such comprehensive Automobile Liability Insurance as shall protect against claims for damages resulting from (1) bodily injury, including wrongful death, and (2) property damage, which may arise from the operations of any owned, hired, or non-owned automobiles used by or for work in any capacity in connection with the carrying out of this contract, with bodily injury and property damage limits of at least \$2,000,000 per occurrence and \$2,000,000 aggregate Combined Single Limit.

G. Other Insurance. In addition, the Lessee shall also maintain adequate and reasonable insurance for other risks ordinarily insured against in similar operations.

H. Proof of Insurance; Notice of Cancellation. Prior to the Effective Date of this Lease, the Lessee shall furnish to Lessor certificates of insurance evidencing the insurance required herein. All certificates of insurance shall include Lessor as an additional insured party, and shall state that the insurance company will give Lessor thirty (30) days prior written notice before the policy is canceled or coverage is changed. Each certificate of insurance shall state the type of coverage certified. Two copies of each certificate shall be sent to the Lessor upon issuance of each policy, and thereafter shall be provided to Lessor annually, and upon reasonable request by Lessor at other times. Lessor may also request copies of the policies which shall be provided to Lessor within 30 days of the request.

8. Taxes. During the term of this Lease, the Lessee shall pay when due all real estate taxes assessed on the Property and all ad valorem property taxes assessed on the production, severance or extraction of Materials from the Property. In addition, the Lessee shall timely pay all personal and real property taxes assessed against machinery, tools, equipment, supplies, buildings, improvements, pipelines, stockpiles of Materials, and other property and/or fixtures placed by Lessee on the Property, and all income, sales and payroll taxes due as a result of its operations.

9. Liens for Labor and Materials. The Lessee agrees to keep the Property free and clear of liens, charges, claims or demands arising from the Lessee's operations hereunder and to promptly pay for all labor performed on the Property and for all supplies, materials, and equipment used or placed on the Property. The Lessee shall defend, indemnify and hold harmless Lessor from and against any and all claims,

charges, demands, causes of action, damages and liability, including reasonable attorneys fees, that arise from the acts or omissions of the Lessee hereunder or to those of its contractors, subcontractors, employees, officers, agents or lessees in regard to providing labor and acquiring or installing materials, equipment and supplies for operations under this Lease. The Lessee may contest in good faith any lien; provided that, to the extent not covered by the Letter of Credit, the Lessee shall bond over the lien, and shall not allow title to the Property or any portion of it to be lost or remain encumbered during the course of the Lessee's contest of any lien.

10. Default and Termination.

A. All rights and remedies of the Lessor herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowable by law.

B. The Lessee shall be in default if the Lessee engages in or suffers any one or more of the following:

(i) fails, neglects or refuses to pay any installment of Base Rent or additional rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof and in the event any such default shall continue for a period of more than thirty (30) days after written notice to the Lessee of such default;

(ii) if any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy act shall be filed by or against the Lessee, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Lessee insolvent or unable to pay the Lessee's debts, and the same shall not be dismissed or discharged within forty-five (45) days after notice thereof in writing given to the Lessee by the Lessor; or

(iii) fails, neglects or refuses to keep and perform any of the other covenants, conditions, stipulations, or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such default shall continue for a period of more than sixty (60) days after notice in writing to the Lessee by the Lessor; provided, however, that if the cause for giving such notice involves the making of repairs or other matters reasonably requiring a longer period of time than the period of such notice, the Lessee shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance with said notice, or has taken proper steps or proceedings under the circumstances to prevent the seizure, destruction, alteration, or other interference with the Property by reason of non-compliance with the requirements of any law or ordinance or with the rules, regulations or directions of any governmental authority as the case may be, and further, so long as the default is cured within 120 days after notice; or

(iv) if the Lessee makes any assignment of its property for the benefit of creditors or should the Property be taken under a levy of execution or attachment in an action against the Lessee and such levy, attachment or assignment is not dismissed, and discharged within thirty (30) days after written notice thereof to the Lessee by the Lessor.

(v) If the Lessee abandons the Property at any time during the Lease terms or fails to take possession and to mine as required herein.

(vi) If Lessor's acts or omissions result in any lien to be filed to encumber the Property which is not promptly paid or discharged

C. In the event suit shall be brought for recovery of possession of the Property or for the recovery of rent or any other amount due under the provisions of this Lease, or in the event the Lessee shall breach any covenant, agreement, condition or provision herein contained on the part of the Lessee to be kept or performed, the Lessee shall pay to the Lessor as additional rent due hereunder all expenses incurred in connection with such suit or breach, including the Lessor's reasonable attorney's fees and costs incurred.

D. In the event the Lessee is in default under the terms hereof after all applicable cure periods have expired, and in the reasonable determination of Lessor, the Lessee has abandoned the Property, Lessor shall have the right to remove all the Lessee's fixtures, machinery, equipment, improvements, stockpiles (including stockpiles of Materials) and other facilities installed, constructed or deposited on the Property from the Property, and dispose of said property in such manner as determined best by Lessor, all at the cost and expense of the Lessee and without liability of Lessor for the actions so taken.

E. No remedy available to Lessor shall be considered exclusive of any other remedy but shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Further, all powers and remedies given by this Lease to Lessor may be exercised, from time to time, and as often as occasion may arise or as may be deemed expedient. No delay or omission of Lessor to exercise any right or power arising from any default shall impair any such right or power or shall be considered to be a waiver of any such default or acquiescence to such default. The acceptance of rental payments by Lessor shall not be deemed to be a waiver of any breach of any of the covenants herein contained or of any of the rights of Lessor to any remedies herein given.

F. No waiver of any forfeiture, by acceptance of rent or otherwise, shall waive any subsequent cause of forfeiture, or breach of any condition of this Lease; nor shall any consent by the Lessor to any assignment or sub-letting of the Property, or any part thereof, be held to waive or release any assignee from any of the foregoing conditions or covenants as against him or them; but every such assignee shall be expressly subject thereto.

G. The Lessee shall permit the Lessor, in its role as Lessor, and its agents to enter into and upon the Property at reasonable times during business hours with at least forty-eight (48) hours prior written request, except in an emergency, then at any time, for the purpose of inspecting the same provided such entry shall not unreasonably interfere with the Lessee's business. If Lessor, in its role as Lessor, requires access to the Mining Areas, Lessor will notify Lessee, and the parties shall arrange for such access to be provided in a way that does not unreasonably interfere with Lessee's activities, or create a safety hazard to either Lessor's or Lessee's activities. Lessor shall, to the extent permitted by law and subject to appropriation by the Lessor's City Council, indemnify, protect and hold the Lessee and Lessee's officers, employees, agents, managers and representatives harmless from any loss, damage claim or demand to or by any third party, including injury to or loss by employees and agents of the Lessor, arising from the entrance by Lessor and its agents upon the Property. Notwithstanding the foregoing, Lessee acknowledges that Lessor, as a municipality, provides utility, police, fire protection and other services, and that nothing in this paragraph shall be deemed to in any way prevent or interfere with Lessor's right to go on the Property in the course of providing municipal services.

H. Subject to Section 10.G., above, the Lessee agrees to indemnify, protect, defend (with legal counsel reasonably acceptable to the Lessor) and hold the Lessor and the Lessor's past, present and future council members, officers, employees, agents, managers and representatives and its and their respective successors and assigns harmless from and against any liens, actions, losses, injuries, claims or damages, including, without limitation, any and all demands, actions or causes of action, assessments, losses, costs, liabilities, interest and penalties, mechanic's lien claims and materialmen's lien claims and reasonable attorney's fees suffered or incurred by the Lessor as a result of the Lessee's operations upon the Property prior to or during the Term of this Lease. The Lessee shall provide written assurances reasonably acceptable to the Lessor to indicate that all invoices for the Lessee's operations have been paid prior to the termination of this Lease. The provisions of this Section shall survive the termination of this Lease.

11. End of Term. The Lessee shall have the right and the obligation within one year after the date of the expiration or termination of this Lease, without the obligation to pay any additional Rent during the period, to dismantle and remove the Plant and machinery, equipment, improvements, stockpiles and other facilities installed, constructed or deposited on the Property by the Lessee and during such time, the Lessee shall have no further right to mine or process Materials from the Property, and further provided that no such activities shall create or result in damage or degradation to the Property, or an adverse environmental condition on the Property. In addition, Lessee shall complete all Permit requirements for restoration and reclamation set forth in Section 5.K. of this Lease. The Letter of Credit shall remain in effect until released as provided in Section 3.A. Notwithstanding the foregoing, Lessor and the Lessee may agree that certain machinery, equipment, improvements, stockpiles and other facilities (such as fences, gates, and well casings) installed, constructed or deposited on the Property by the

Lessee may remain on the Property and become property of Lessor, and the parties shall execute such agreements, bills of sale or other documentation as may be required to evidence such agreements, conveying such property AS IS and without warranty.

Upon termination or expiration of the Lease, all of the Lessee's rights in and to the Property will revert to Lessor, subject to the Lessee's rights to enter for purposes of completing removal of Plant, equipment and stockpiles of saleable Materials and reclamation and Lessee's continuing indemnification and insurance responsibilities. Following termination and release of the Letter of Credit, Lessor may lease the Property or any portion thereof to any party for any purpose, including extraction and processing of Materials, or Lessor may retain the Property for its own purposes, including, if Lessor so chooses, extraction and processing of Materials.

The terms and provisions of this Section 11 shall survive the termination or expiration of this Lease.

12. Assignment. The Lessee may not assign, in whole or in part, its rights under this Lease without the Lessor's prior written consent, which shall not be unreasonably withheld or delayed. Lessor may condition such consent on Lessee providing evidence reasonably satisfactory to Lessor that the proposed assignee has the financial and technical capability to perform all of Lessee's obligations and financial commitments pursuant to this Lease, and the proposed assignee has assumed all such obligations, including, but not limited to posting financial assurances to the satisfaction of Lessor. Any assignment of this Lease shall be contingent upon successful transfer of all Permits to the proposed assignee. Upon such determination by Lessor, assignment by Lessee and assumption by the assignee, the assignor Lessee shall be relieved of all liability to Lessor for events and matters arising subsequent to the time of the assignment. Any approval of assignment by Lessor shall not be deemed to be a waiver or modification of any of the terms and provisions of this Lease. The provisions of this Lease shall extend to and be binding upon the successors, assigns and sublessees of Lessor and the Lessee. The Lessee shall have the right to subcontract with others for the performance of exploration, development and mining work hereunder, subject to all terms of this Lease, but no such subcontract shall relieve the Lessee of its obligations to Lessor hereunder.

13. Notices. Notices required or permitted under this Lease shall be given in writing and shall be deemed to be provided a) upon delivery, when delivered by national overnight delivery service; or b) three business days after being placed in the U.S. Mail, postage-prepaid, by registered or certified mail, addressed to the parties as follows:

If to the Lessee:

Lafarge West, Inc.
10170 Church Ranch Way, Suite 200
Westminster, Colorado 80021
Attn: Director of Land Management
Telephone: 303-657-4054

If to Lessor:

City of Fountain
116 S. Main Street
Fountain, CO 80817
Attention: Utilities Director
Telephone: 719.322.2020

Either party may change the address and telephone number to which notice is given by giving notice pursuant to this Section.

14. Condemnation. If the whole or any part of the Property shall be taken by any public authority under the power of eminent domain at any time during the Term of this Lease by any party other than Lessor, if, notwithstanding such taking the Lessee will be able to continue to conduct its business in the remainder of the Property in substantially the manner it was being conducted immediately prior to such taking, the Lease shall be terminated only as to the part taken upon written notice from one party to the other, and the Base Rent shall be reduced on a pro rata basis accordingly. If, however, by reason of the condemnation there is not sufficient property left in or upon the Property for the Lessee to conduct its business in substantially the manner in which it was being conducted immediately prior to the taking, then and in such event this Lease shall terminate upon written notice from either party to the other.

The Lessor shall have the absolute right to retain any and all compensation received from the condemning authority which is attributed to the value of the real property taken and all personal property, improvements and fixtures thereon which are owned by the Lessor. The Lessee shall be entitled to retain any and all compensation for the portion of the improvements thereon which belong to the Lessee and for the Materials set aside to be removed by the Lessee in accordance with the Site Plan and which are located in the Mining Areas at the time of the taking. The Lessee shall be responsible for pursuing recovery for the value of the Materials and for values lost for improvements owned by the Lessee in any eminent domain proceeding, subject to the terms and provisions of this Lease and the Lessor's right to recovery set forth herein.

15. Attorney Fees; Governing Law; Venue. In any legal action brought to enforce or interpret the provisions of this Lease, the prevailing party shall be entitled to recover all costs incurred in connection with such action including reasonable attorney and expert witness fees. In the event of any other proceeding at law or in equity wherein Lessor, without being in substantial default under this Lease, shall be made a party to any litigation by reason of Lessee's interest in the Property, or in the event Lessor shall be required to commence any legal proceedings with any third party relating to the Lessee's Lease or occupation of the Property, Lessor shall be allowed and the Lessee shall be liable for and shall pay all costs and expenses incurred by Lessor in connection with such proceeding, including reasonable attorney fees. Notwithstanding the foregoing, any obligation Lessor may incur for fees or costs pursuant to this Section shall be only such obligation as is permitted by law, and shall be subject to appropriation by Lessor's City Council. Any legal action between the parties shall be brought and maintained in the

Combined Courts in and for El Paso County, Colorado, and this Lease shall be governed by and construed in accordance with the laws of Colorado.

16. Non-Business Day Deadlines. If a date for notice, performance or payment falls on a holiday or weekend, the time for performance or payment shall be extended to the next business day, and if notice, performance or payment has occurred on such weekend or holiday or after 5:00 p.m. on any business day, it shall be deemed to have occurred on the next business day.

17. Public Record; Recording. The parties agree that the Lessor, the City of Fountain is a governmental entity subject to the Colorado Open Records Act, Part 2 of Article 72 of Title 24 C.R.S. and other laws governing the disclosure of records. The parties understand and agree that this Lease is a public records subject to disclosure under the Colorado Open Records Act. Neither party shall record this Lease without the consent of the other. The parties agree to execute a short form lease for recording to provide record notice of this Lease without disclosing the economic terms hereof.

18. Headings. The headings of the Sections of this Lease are for convenience of reference only and are not a part of the substantive provisions of this Lease.

19. Further Instruments. Each party hereto shall from time to time execute and deliver such further instruments as the other party or its counsel may reasonably request to effectuate the intent of this Lease.

20. Entire Agreement. This Lease and the Purchase Agreement contain the entire agreement between the parties hereto, and neither document nor any part of either document may be changed, altered, modified, or limited orally or by any agreement between the parties unless such agreement be expressed in writing, signed by the Lessor and the Lessee, or their respective heirs, personal representatives, successors and assigns.

21. Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same Lease.

IN WITNESS WHEREOF, this Gravel Property Lease has been duly executed to be effective upon the Effective Date.

LESSOR:

CITY OF FOUNTAIN,

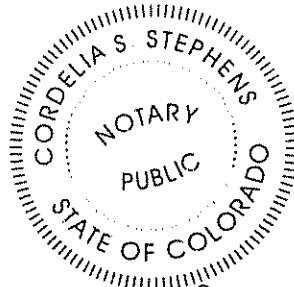
a Colorado municipal corporation

By: *Larry Peterson*
Larry Peterson
Utility Director (Title)

LESSEE:

LAFARGE WEST, INC.

By: *Bob Campbell*, as President



Cordelia S. Stephens
Commission *EXP* 11/30/2010

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

**Lot 1, Block 1, Valley View Subdivision,
City of Fountain, El Paso County, Colorado,
Comprising 600 acres, more or less**