

SAND, GRAVEL AND ROCK MINING LEASE

THIS LEASE is made and entered into on this 12th day of June 2023 by and between KICT LLC, a Delaware Limited Liability Company, having address at 9 West 57th Suite 3000, New York, NY 10019, hereinafter referred to as "Lessor" and Colorado Gravel LLC, a Delaware Limited Liability Corporation having address at 9 West 57th Suite 3000, New York, NY 10019 hereinafter referred to as the "Lessee".

WITNESSETH:

WHEREAS, Lessor is the owner of a partial interest in real property located within Cheyenne County, Colorado; and

WHEREAS, Lessee desires to provide labor and equipment to mine sand, gravel and rock off said property: and

WHEREAS, the parties desire to enter into this lease to set forth the terms and conditions of said mining arrangement.

NOW, THEREFORE, for and in consideration of the terms, conditions, covenants and appointments herein contained, and for such other and further considerations, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, binding also their successors and assigns, demise and enter into a leasehold estate allowing Lessee the right to mine and produce sand, gravel and rock, effective June 12, 2023 and stipulate and agree as follows:

1. **RELATIONSHIP**. The parties to this agreement intend that the relationship between them created by this lease is that of Lessor and Lessee. No agent, employee of the Lessee shall be or shall be deemed to be the agent, employee of the Lessor. The manner and means of conducting the work set forth herein are under the sole control of the Lessee. The Lessee shall be solely and entirely responsible for its acts and for the acts of the Lessee's agents, employees, and servants during the performance of this contract.
2. **TERM**. The term of this agreement shall be for a period of fifty (50) years beginning on the date of the execution of this lease. Notwithstanding the provisions above, this lease shall automatically lapse at the end of five years from date of lease execution in the event Lessee has not by then obtained all necessary mining permits and regulatory authority, including water rights usage authority, and has not commenced by such date the commercial sales of quarry product at a rate exceeding 2500 tons a month in at least one month.
3. **LEASED PROPERTY TO BE MINED**. The Lessee will obtain a mining permit for certain property owned by Lessor, having legal description as NW/4 Section 33, Township 12 South, Range 47 West of the 6th Principal Meridian, Cheyenne County, Colorado, being 160 acres more or less. This lease covers sand, gravel and rock products only, and specifically does not convey to Lessee any rights to oil, gas or other hydrocarbons. The Lessor waives surface use rights for exploration for oil, gas or other hydrocarbons during the life of the quarry or until this lease lapses, whichever comes first, understanding that quarry development will compromise the integrity of the ground surface.
4. **OBLIGATIONS OF LESSEE UNDER THE TERMS OF THIS LEASE**.

a. The following shall be the obligation of the Lessee:

- i. The Lessee shall be responsible to provide the appropriate mining permit.
- ii. The Lessee shall be responsible to provide the appropriate reclamation bonding.
- iii. The Lessee shall be responsible to provide seed and planting of grass associated with reclamation of the mining site.
- iv. The Lessee shall provide all labor, materials, and equipment to properly mine the property set forth herein.
- v. The Lessee shall retain onsite existing topsoil for future reclamation or provide such as and when needed
- vi. The Lessee shall comply with all other local and/or State regulations for operation of a mining permit.
- vii. The Lessee shall be obligated to mine the area in a safe and appropriate manner according to all local, state and Federal regulations.
- viii. The Lessee shall be responsible to properly slope and grade the used mining sites as provided in the application for mining permit as the mining progresses.

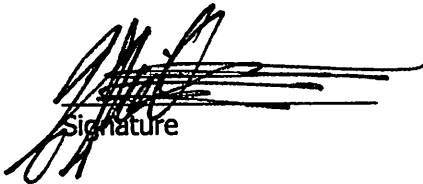
5. COMPENSATION. The Lessee hereby agrees to pay the Lessor per ton for all rock or gravel and per ton for all sand removed and sold from the leased property. There will be no royalty payments due for tonnage of overburden removed, or unsalable tonnage. Payments shall be made by the 20th of each month following the month the material is removed and sold. Prior to sale, produced products may be moved and stored at a location off the leased property, so long as title remains in the name of the Lessee. All royalty payment amounts due under this lease will be subject to an annual escalation of the greater of two percent (2%) or the increase in Consumer Price Index ("**CPI**") each year. CPI for purposes of this paragraph shall be the percent change from May in the year prior to the year in which the adjustment is to be made, as published in the Consumer Price Index--All Urban Consumers, U.S. City Average, All Items, not seasonally adjusted, (1982-84 Base=100) by the United States Department of Labor, Bureau of Labor Statistics (the "**Index**"). For example, the Index for May 2019 is 257, the Index for May 2020 is 260.5; thus, the CPI for 2021 between those months was $(260.5-257)/257=1.4\%$. If the Index is discontinued or revised during the term of the Lease, such other government index or computation by which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. Lessee shall have the right annually upon request to examine the books and records of the Lessee regarding production and sales, to independently verify that royalty payments have been properly computed and paid. If such inspection should result in a determination that royalties have been underpaid in an amount exceeding one (1) per cent, Lessee shall reimburse Lessor for its audit expenses. Lessee is not permitted to comingle the quarry products with products from other mines or quarries before royalty is paid.

- 6. INDEMNIFICATION.** The Lessee shall indemnify and hold harmless the Lessor from and against all liability, loss, damage, expense, fine or penalty, including but not limited to reasonable attorney's fees, caused by the negligence of the Lessee in connection with the operations on the property being mined. The Lessee shall further indemnify and hold harmless the Lessor against any and all claims or actions based upon or arising out of damage, injury or death to persons or property caused by the negligence of the Lessee on the property being mined or based upon a violation by the Lessee. This indemnification and hold harmless includes any damage caused by the negligence of the Lessee to any structures or facilities located on the mining site or adjacent to the mining site. Lessee shall not be obligated to indemnify and hold harmless the Lessor from and against all liability, loss, damage, expense, fine, penalty or violation of any local, State or Federal statute, ordinance or regulation, or damage to any structures or facilities located on the mining site or adjacent to the mining site, which occurred as a result of the negligence of the Lessor.
- 7. INSURANCE.** The Lessee hereby agrees to maintain, at its expense, appropriate and proper worker's compensation insurance to fully protect the Lessor from all claims for injury or death arising out of the performance of this contract, and unemployment insurance as required by State or Federal law. Further, the Lessee hereby agrees to provide liability insurance coverage at its expense, at all times during the term of this agreement, which policies of insurance insure both the Lessor and Lessee against liability for injury or death to persons, loss or damage to property to be mined (to the extent that said coverage is available under the Lessee's liability insurance policy). The liability coverage under such insurance policy shall be not less than \$2,000,000.00 combined single limit for Comprehensive General Liability. The Lessor shall be named as an additional insured under said policy, and the policy shall provide that the Lessor shall be notified and informed in the event the policy is canceled or premium payment is not made. Lessee further agrees to provide proof of said insurance upon request by the Lessor.
- 8. WAIVER OF BREACH.** The waiver by the Lessor of a breach of any provision of this agreement by the Lessee shall not operate or be construed as a waiver of any subsequent breach of the Lessee.
- 9. CHOICE OF LAW.** This agreement and its provisions shall be interpreted and enforced under the laws of the State of Colorado.
- 10. SEVERABILITY.** All agreements and covenants contained herein are severable, and in the event any of them shall be held to be invalid by any competent Court, this agreement shall be interpreted as if such invalid agreements or covenants were not contained herein.
- 11. ASSIGNMENT.** The Lessee and Lessor may assign their interests in this agreement to a third party without need of consent by the other party.
- 12. ENTIRE AGREEMENT.** This instrument contains the entire agreement of the parties. It may not be changed orally but only by an agreement in writing signed by the parties hereto.
- 13. ATTORNEY'S FEES.** In the event either party is required to seek counsel or seek redress in a Court of law for enforcement of this contract, the prevailing party in such dispute shall be entitled to reimbursement of reasonable attorney's fees and costs, in addition to any damages found to be due.

14. COMMUNITY IMPACT PROVISION. There is an existing gravel pit on the premises, which was formerly under lease to Cheyenne County. In consideration of agreement by the County to co-operate in transferring the mining permit upon the expiration of such lease, which occurred in September 2022, KICT agreed to furnish the county, from operation of the pit so long as it remains in commercial service and for the duration of this lease agreement, 250 tons of road base material annually, FOB the pit location, to be loaded onto County trucks with no charge for loading. This accommodation is being made by KICT to compensate the County for wear and tear on County roads resulting from truck traffic serving the pit, and other community impacts. The Cheyenne County Administrator has been furnished a copy of this agreement and KICT requires the Colorado Gravel LLC cooperate in making the road base material available to the County upon its request. This is annually a "use it or lose it" allowance of material, in other words any unused portion of the allotment expires at the end of the year, and may not be carried over to the next year, unless by mutual agreement between KICT and Cheyenne County.

IN WITNESS WHEREOF, the parties have executed this agreement to be effective May 1, 2023.

Lessor **KICT LLC**

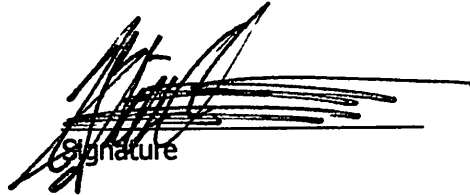

Signature

Printed Name: William Osborn

Title: Attorney-in-Fact

Date: 6-13-2023

Lessee **Colorado Gravel LLC**


Signature

Printed Name: William Osborn

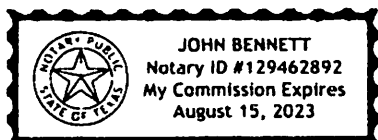
Title: Attorney-in-Fact

Date: 6-13-2023

ACKNOWLEDGEMENT

STATE OF Texas §
§
COUNTY OF Tarrant §

This instrument was acknowledged before me on this 13 day of June, 2023, by William Osborn, acting as attorney-in-fact for KICT LLC and Colorado Gravel LLC, for the purpose and consideration therein expressed.




Notary Public in and for the State of Texas

An example Structure Agreement which meets the requirements of the Statutes is shown below.

Structure Agreement

This letter has been provided to you as the owner of a structure on or within two hundred (200) feet of a proposed mine site. The State of Colorado, Division of Reclamation, Mining and Safety ("Division") requires that where a mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant shall either:

- a) Provide a notarized agreement between the Applicant and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or
- b) Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or
- c) Where such structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility. (*Construction Materials Rule 6.3.12 and Rule 6.4.19 & Hard Rock/Metal Mining Rule 6.3.12 and Rule 6.4.20*)

The Colorado Mined Land Reclamation Board ("Board") has determined that this form, if properly executed, represents an agreement that complies with Construction Materials Rule 6.3.12(a), Rule 6.4.19(a), and C.R.S. § 34-32.5-115(4)(e) and with Hard Rock/Metal Mining Rule 6.3.12(a), Rule 6.4.20(a), and C.R.S. § 34-32-115(4)(d). This form is for the sole purpose of ensuring compliance with the Rules and Regulations and shall not make the Board or Division a necessary party to any private civil lawsuit to enforce the terms of the agreement or create any enforcement obligations in the Board or the Division.

The following structures are located on or within 200 feet of the proposed affected area:

1. **Fence** _____
2. **Private Road** _____
3. _____
4. _____
5. _____

(Please list additional structures on a separate page)

CERTIFICATION

The Applicant, Colorado Gravel LLC (print applicant/company name),
by William Osborne (print representative's name), as Attorney In Fact (print
representative's title), does hereby certify that KICT LLC (structure owner) shall
be compensated for any damage from the proposed mining operation to the above listed structure(s)
located on or within 200 feet of the proposed affected area described within Exhibit A, of the Reclamation
Permit Application for Rother Pit (operation name),
File Number M-1999-083.

*This form has been approved by the Colorado Mined Land Reclamation Board pursuant to its
authority under the Colorado Land Reclamation Act for the Extraction of Construction Materials and
the Colorado Mined Land Reclamation Act for Hard Rock, Metal, and Designated Mining Operations.
Any alteration or modification to this form shall result in voiding this form.*

NOTARY FOR PERMIT APPLICANT

ACKNOWLEDGED BY:

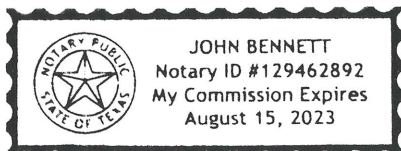
Applicant Colorado Gravel LLC Representative Name William Osborne
Date June 19, 2023 Title Attorney-in-Fact

STATE OF Texas)
) ss.
COUNTY OF Travis)

The foregoing was acknowledged before me this 19 day of June, 2023, by
William Osborne as Attorney-in-Fact of Colorado Gravel LLC

John Bennett
Notary Public

My Commission Expires: 8/15/2023



NOTARY FOR STRUCTURE OWNER

ACKNOWLEDGED BY:

Structure Owner KFCT LLC Name William Osborn

Date 6-19-23 Title Attorney-in-Fact

STATE OF TEXAS)
) ss.

COUNTY OF Texas)

The foregoing was acknowledged before me this 19 day of June, 2023 by
William Osborn as Attorney-in-Fact of KFCT LLC

[Signature] My Commission Expires: 8/15/2023
Notary Public

