



HALLETT MATERIALS

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7L
06/10/16
PATRICK F. GILL
WOODBURY COUNTY
AUDITOR & RECORDER &
COMM. OF ELECTIONS
May 4th, 2016
2016 JUN 10 AM 8 01

RE: Stripping and Material Processing Agreement.

Mark Nahra
Woodbury County Engineer
759 East Frontage Road
Merville, Iowa 51039
(712) 279-6484

Dear Mark,

After meeting with Jaimie Addy (Hallett Materials Geologist and Land Manager) pertaining to our Woodbury County Conditional Use Permit (CUP) and Floodplain Permit for the Wright Property, it is obvious we are not going to be able to mine the property until at the earliest June 6th after the public hearing for the CUP. There is also a chance that the Floodplain Permit, in a worst case scenario, could take three months from the application date to be approved.

Hallett Materials understands that Woodbury County is in need of the gravel remaining on contract with us ASAP and that the above permit approval dates will not work for an acceptable production timeline.

In light of the above, we have come up with a proposal that will allow us to provide material to Woodbury County in a more agreeable timeframe if it is acceptable to Woodbury County.

Hallett Materials would like to grub, strip, and mine Woodbury County's property that is between our leased property and the depleted Woodbury County Pit. This area is detailed in Exhibit A and notated as (Mining Zone A and Mining Zone B). We would setup our processing plant on Woodbury County's property at the designated area in Exhibit A. We are estimating there to be 217,270 tons of minable reserves in this area.

This material would be produced for Woodbury County at a rate of \$5.65/Ton. This is a \$0.70/ton reduction off of our 2015 contract with Woodbury County (\$6.35).

In addition to the above proposal Hallett Materials would like to borrow 30,000 tons of reserves from Woodbury County's Property to fulfill a contract with another Customer. Hallett Materials would replace the borrowed reserves with reserves from the Wright property in the form of processed gravel at the above rate of \$5.65/ton. The gravel quantity produced for the repayment of the borrowed reserves will be based on the total of all materials produced (Road Gravel and Bleed Sand). Total tons borrowed will



Producers of Quality Sand & Gravel

An Equal Opportunity Employer

be based on tons of gravel scaled plus bleed sand produced. Bleed sand piles will be GPS surveyed by Hallett Materials to determine the quantity.

Hallett Materials will hold Woodbury County harmless to any activity on Woodbury County property.

If you feel this proposal is acceptable we can act on this proposal by signing the attached agreement.

If you have any questions please feel free to call at any time.

Thank You.

Chad A. Ripley

Hallett Materials

(515) 419-2588

Stripping and Material Processing Agreement

Woodbury County agrees to allow Hallett Materials to Grub, Strip, and Mine Woodbury County's property (Parcel ID 884328200006 - KEDRON TOWNSHIP 28-88-43 6.04 A S 1/2 SE & 15.46 A IN S 1/2 NE 1/4 & 11.77 A N 1/2 N 1/2 SE 1/4) in the locations notated as (Mining Zone A and Mining Zone B) in Exhibit A that is attached to this agreement.

Woodbury County agrees to allow Hallett Materials to setup their processing plant on Woodbury County property at the location identified as (Plant Site) in Exhibit A.

Hallett Materials will produce the remaining 40,000 +/- tons of gravel owed to them on contracts (G-2016 Stockpile, GH-2016-1 Road Haul, and GH-2016-2 Road Haul) out of the mined reserves. This gravel will be hauled to Woodbury County's stockpiles, hauled to the roadways, and stockpiled at the pit as previously agreed to in the above mentioned contracts with the exception of the changes notated in the email dated February 17th, 2016 from Mark Nahra (Woodbury County Engineer) to Chad Ripley (Hallett Materials Representative) that is attached to this agreement.

Hallett Materials will price the gravel to Woodbury County at \$5.65/ton for stockpiled material. The material that will be hauled to the Woodbury County stockpiles and roadways will be priced at \$5.65/ton for the material plus the applicable haul rates associated with the above contracts.

Woodbury County agrees to allow Hallett Materials to borrow 30,000 +/- tons of its reserves to fulfill a pending contract with another customer. These reserves will be processed after Woodbury's contracts are completed. We will process this material from the same plant site as noted above and identified in Exhibit A. In return, Hallett Materials will replace the borrowed reserves with reserves from the Wright property in the form of processed gravel at the above rate of \$5.65/ton. The gravel quantity produced for the repayment of the borrowed reserves will be based on the total of all materials produced (Road Gravel and Bleed Sand). Total tons borrowed will be based on tons of gravel scaled plus bleed sand produced. Bleed sand piles will be GPS surveyed by Hallett Materials to determine the quantity.

Woodbury County will acquire all the necessary permits for the stripping, dewatering, and mining activities associated with this agreement.

Hallett Materials agrees to indemnify and hold harmless Woodbury County against any claims, liabilities, damages, fines, penalties, costs, and expenses, including without limitation the costs of litigation and administrative proceedings or investigations and reasonable attorneys' fees associated with the stripping, mining, processing, loading, scaling, and hauling as spelled out in this agreement.

Woodbury County agrees to hold Hallett Materials harmless to any claims, liabilities, damages, fines, penalties, costs, and expenses, including without limitation the costs of litigation and administrative

proceedings or investigations and reasonable attorneys' fees associated with the permitting portion of this agreement.

IN WITNESS THEREOF, the parties have executed this Agreement, by their duly authorized representatives, effective this 5th day of May, 2016.

Hallett Materials

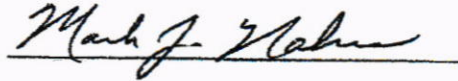
Chad A. Ripley



A handwritten signature in cursive script, appearing to read "Chad A. Ripley", is written over a horizontal line.

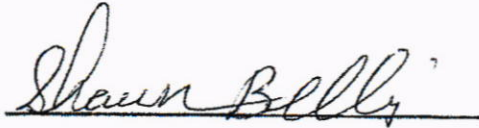
Woodbury County

Mark Nahra



A handwritten signature in cursive script, appearing to read "Mark Nahra", is written over a horizontal line.

Witness



A handwritten signature in cursive script, appearing to read "Shawn Bell", is written over a horizontal line.

Witness







A handwritten signature in cursive script, appearing to read "John Bice", is written over a horizontal line.

Exhibit A

Woodbury County Property Outline and Mine Zones
Total Mineable Reserves in Zones A and B: 217,270 tons

Legend

-  Mining Zone A
-  Mining Zone B
-  Plant and Stockpile Area
-  Woodbury County Property Outline

Google earth

© 2006 Google

700 ft



Ripley, Chad (OMG Midwest)

From: Mark Nahra [mnahra@woodburycountyiowa.gov]
Sent: Wednesday, February 17, 2016 4:02 PM
To: Ripley, Chad (OMG Midwest)
Cc: Ben Kusler
Subject: Anthon pit stockpile

Chad:

Since the Anthon pit is closed and will not be available to us as a stockpile, I visited with Doug Shupe on where we wanted to distribute the 20,000 tons of gravel our contract called for at Anthon as follows:

Miller stockpile - Add 2000 tons
Grant stockpile - Add 2000 tons
Miller Bridge Stockpile - Ad 10,000 tons
New Hallett Gravel pit - stockpile 6000 tons at pit

It is my understanding that prices for extra quantity stockpiled at each alternative location will be at the price bid in the original contract. The material stockpiled at your new pit will be at the price bid for the Gothier (Anthon) pit stockpile.

With weather conditions as they appear in the extended forecast, we are really needing our stockpiles fully stocked. In speaking with Ben, it appears we need to visit about when you will resume production in the field. Please contact me at your convenience to discuss the resumption of deliveries and the continuation of project working days.

Mark

Mark J. Nahra, P.E.
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