



# HALLETT MATERIALS

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7L  
06/10/16  
PATRICK F. GILL  
WOODBURY COUNTY  
AUDITOR & RECORDER &  
COMM. OF ELECTIONS  
May 4<sup>th</sup>, 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 6<sup>th</sup> 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



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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 17<sup>th</sup>, 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