

# *Willard City Corporation*

80 West 50 South  
Box 593



Willard, Utah 84340  
(435)734-9881

The Willard City Council of Willard City Corporation will hold a **City Council** meeting on **Thursday, November 9, 2023**. The meeting will be held at the Willard City Offices 80 W 50 S. The meeting will begin promptly at **6:30 p.m.** The agenda will be as follows:

**6:30 p.m.**

## **CITY COUNCIL MEETING**

### **1. Call to Order**

1. Invocation
2. Pledge of Allegiance
3. Conflict of interest declaration

**2. Open Comment Period** (Individuals have three minutes for open comments. If required, items may be referred to department heads for resolution. Items requiring action by the City Council will be placed on the agenda for a future meeting.)

**3. Planning Commission Report**

### **4. Action Items/New Business**

#### **a. Willard Justice Court**

- b. Follow-up on 200 West preparation for winter.
- c. Discussion/Approval of Ordinance 2023-12 to amend Title 11 Chapter 369 relating to dynamic braking devices.
- d. Discussion/ Approval of the active Transportation Plan.
- e. Review Title 8 Licensing, Control and Regulation of Businesses.
- f. Discussion/Approval of 2024 Maintenance Plan.
- g. Discussion/Approval Water Crossing Projects.
- h. Discussion/Approval of the October 2023 recertification for the Willard Justice Court.
- i. Discussion/Approval of 600 South or 200 South for Improvements.
- j. Discussion of the Land Donation and Easements in exchange for the water for Wells property in the future.
- k. Discussion regarding Granite Construction lease agreement.

### **5. Minutes**

- a. Approval of the October 12, 2023, City Council Minutes.
- b. Approval of the October 26, 2023, City Council Minutes

**6. Financial**

- a. Warrants, Vouchers, Reports

**7. Department Reports**

- a. Public Works
- b. Police Department
- c. Fire Department

**8. Council Member Reports**

- a. Mike Braegger
- b. Rod Mund
- c. Fred Ward
- d. John Seamons
- e. Kaleb Kunzler

**9. Next agenda items (December 14, 2023)**

**10. Mayor's General Correspondence and Information**

**11. City Manager's Report**

- a. Economic Development planning

**12. Consideration of Motion to Enter a Closed Session (if necessary Executive Session (if needed)).**

**A.** Discussion of the purchase, exchange, lease, or sale of real property, when public discussion would disclose the value of the property or prevent the authority from completing the transaction on the best possible terms.

**B.** Strategy session to discuss the character, professional competence, or physical or mental health of an individual.

**C.** Strategy session to discuss collective bargaining.

**D.** Strategy session regarding pending, or reasonably imminent litigation.

**E.** Strategy session to discuss the deployment of security personnel, devices, or systems.

**F.** Discussion of investigative proceedings regarding allegations of criminal misconduct.

**13. Adjourn**

*/s/ Susan O'Bray*

City Recorder, Willard City

Posted: November 2, 2023

ORDINANCE 2023-12

AN ORDINANCE AMENDING TITLE 11 CHAPTER 369 RELATING TO  
DYNAMIC BRAKING DEVICES

**CHAPTER 369 DYNAMIC BRAKING DEVICE**

- (1) **Dynamic Braking Device (Jake Brake)**. Means a device used primarily on trucks for the conversion of the engine from an internal combustion engine to an air compressor for the purpose of braking without the use of wheel brakes.
- (2) No person shall operate or permit the operation of any motor vehicle with a dynamic braking device (commonly known as a "Jake Brake") within the boundaries of Willard City, beginning at approximately 500 yards north of Mile Marker 426 on Highway 89 on the south, and at approximately 20 yards south of Mile Marker 430 on Highway 89 on the north and approximately 200 yards west of Mile Marker 1 on State Road 315 on the west, except to avoid imminent danger. The emitting of any compression noise shall be prima facie evidence of the use of engine compression as part of a dynamic braking system.
- (3) Any person found to be using a dynamic braking system within the boundaries of Willard City in violation of this Chapter shall be guilty of a Class C misdemeanor and a \$150.00.

PASSED by the City Council on this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by a vote of  
\_\_\_\_\_ for and \_\_\_\_\_ against.

\_\_\_\_\_  
Travis Mote  
Mayor

\_\_\_\_\_  
Susan O Bray  
City Recorder



# HWY 89 Culinary Water Betterments

## Concept Cost Estimate

Construction of Culinary Waterline Improvements in UDOT ROW

Location:

Along HWY 89 Project

Date: 10/18/2022



| Item                             | Description                                          | Total        |
|----------------------------------|------------------------------------------------------|--------------|
| 1                                | New Crossing at 750 N                                | \$74,530.00  |
| 2                                | Center Street Crossing                               | \$111,010.00 |
| 3                                | Upsizing Water Crossing On North End (Approx 1750 N) | \$44,068.00  |
| 6                                | 100 North Crossing                                   | \$94,430.00  |
| 7                                | 200 South Crossing                                   | \$119,385.00 |
| 8                                | 610 South Crossing                                   | \$86,475.00  |
| ALL LOCATION SUBTOTAL =          |                                                      | \$529,898.00 |
| 15%± Contingency & Engineering = |                                                      | \$79,484.70  |
| TOTAL =                          |                                                      | \$609,382.70 |

# HWY 89 Culinary Water Betterments

Construction of Culinary Waterline Improvements in UDOT ROW

Date: 10/27/2023

## Concept Cost Estimate

Location:

Along HWY 89 Project



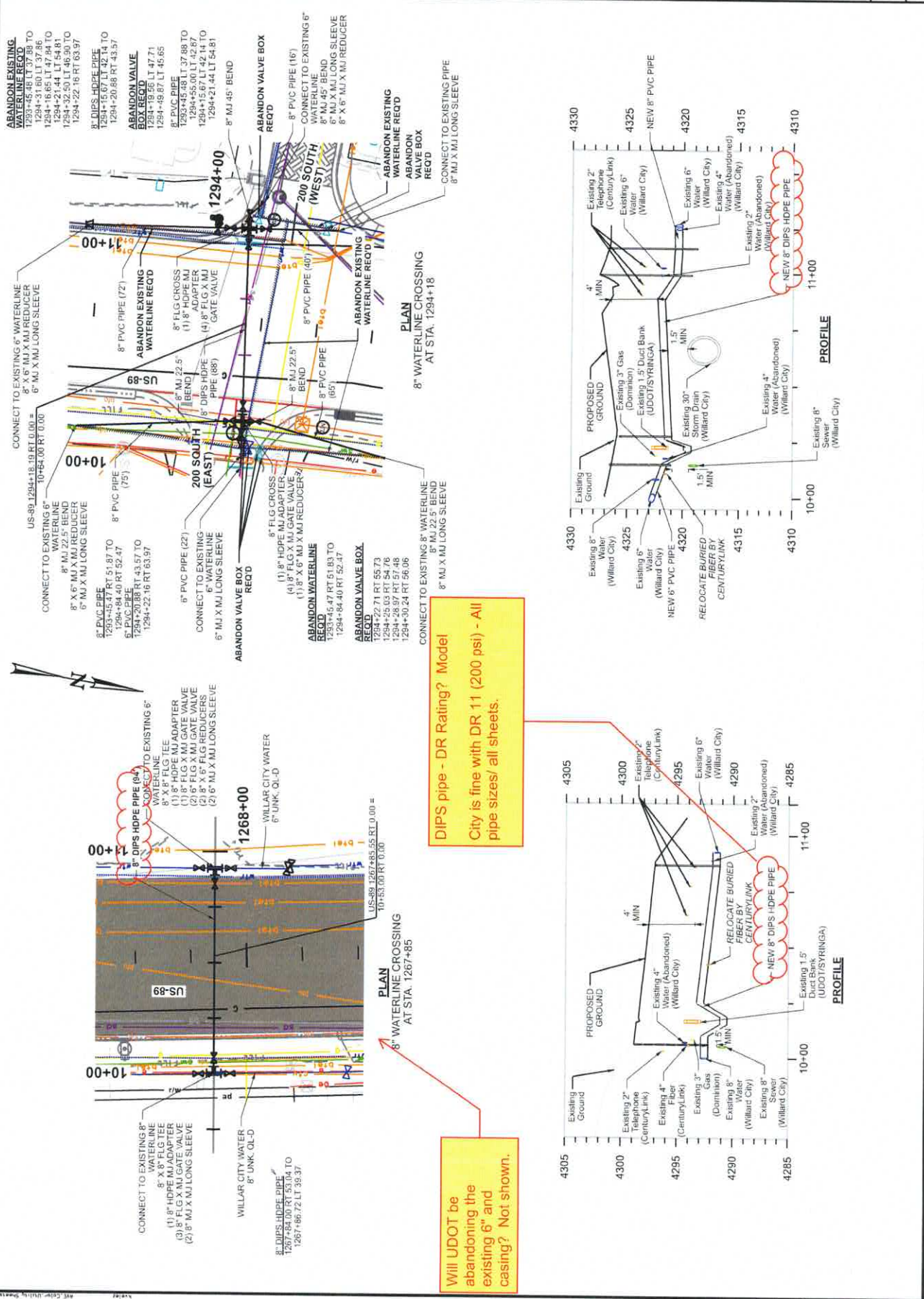
| Item                                                        | Description                              | Qty | Unit | Unit Price | Total              |
|-------------------------------------------------------------|------------------------------------------|-----|------|------------|--------------------|
| <b>Upsizing Water Crossing On North End (Approx 1750 N)</b> |                                          |     |      |            |                    |
| 1                                                           | Asphalt Saw Cut                          | 180 | LF   | \$3.50     | \$630.00           |
| 2                                                           | Asphalt Removal                          | 120 | SY   | \$10.00    | \$1,200.00         |
| 3                                                           | Locate and Remove existing 2" Water line | 70  | LF   | \$18.00    | \$1,260.00         |
| 4                                                           | 8" Tee                                   | 1   | EA   | \$3,500.00 | \$3,500.00         |
| 5                                                           | 6" Tee                                   | 1   | EA   | \$2,900.00 | \$2,900.00         |
| 6                                                           | 6"x8" Reducer                            | 1   | EA   | \$1,200.00 | \$1,200.00         |
| 7                                                           | 6" Gate Valve                            | 2   | EA   | \$2,300.00 | \$4,600.00         |
| 8                                                           | 8" Gate Valve                            | 3   | EA   | \$2,800.00 | \$8,400.00         |
| 9                                                           | New 8" HDPE Waterline                    | 80  | LF   | \$110.00   | \$8,800.00         |
| 10                                                          | Pipe Bedding                             | 105 | Ton  | \$18.00    | \$1,890.00         |
| 11                                                          | Structural Fill (Backfill)               | 172 | Ton  | \$22.00    | \$3,784.00         |
| 12                                                          | UTBC - State Spec Roadbase               | 93  | Ton  | \$28.00    | \$2,604.00         |
| 13                                                          | Concrete Collar on new valve             | 6   | EA   | \$550.00   | \$3,300.00         |
| <b>SUBTOTAL =</b>                                           |                                          |     |      |            | <b>\$44,068.00</b> |

### New Crossing at 750 N

|    |                                                  |     |     |            |             |
|----|--------------------------------------------------|-----|-----|------------|-------------|
|    |                                                  |     |     |            | \$0.00      |
|    |                                                  |     |     |            | \$0.00      |
| 1  | Asphalt Saw Cut                                  | 350 | LF  | \$3.50     | \$1,225.00  |
| 2  | Asphalt Removal                                  | 120 | SY  | \$10.00    | \$1,200.00  |
| 3  | Remove existing 6" PVC Water line in CMP casing. | 90  | LF  | \$18.00    | \$1,620.00  |
| 4  | Connect to Existing 8" Water Line - East Side    | 1   | EA  | \$5,800.00 | \$5,800.00  |
| 5  | Connect to Existing 6" Water Line - West Side    | 1   | EA  | \$5,200.00 | \$5,200.00  |
| 6  | 12"x8" Cross                                     | 1   | EA  | \$3,500.00 | \$3,500.00  |
| 7  | 12"x6" Tee                                       | 1   | EA  | \$1,800.00 | \$1,800.00  |
| 8  | 6" Gate Valve                                    | 2   | EA  | \$2,200.00 | \$4,400.00  |
| 9  | 8" Gate Valve                                    | 2   | EA  | \$3,700.00 | \$7,400.00  |
| 10 | 12" Gate Valve                                   | 2   | EA  | \$5,800.00 | \$11,600.00 |
| 11 | New 12" HDPE Waterline                           | 115 | LF  | \$125.00   | \$14,375.00 |
| 12 | New 8" PVC Waterline                             | 20  | LF  | \$110.00   | \$2,200.00  |
| 13 | New 6" PVC Waterline                             | 20  | LF  | \$95.00    | \$1,900.00  |
| 14 | Pipe Bedding                                     | 150 | Ton | \$18.00    | \$2,700.00  |
| 15 | Structural Fill (Backfill)                       | 185 | Ton | \$22.00    | \$4,070.00  |
| 16 | UTBC - State Spec Roadbase                       | 80  | Ton | \$28.00    | \$2,240.00  |

| Item                          | Description                                          | Qty | Unit | Unit Price  | Total               |
|-------------------------------|------------------------------------------------------|-----|------|-------------|---------------------|
| 17                            | Concrete Collar on new valve                         | 6   | EA   | \$550.00    | \$3,300.00          |
| <b>SUBTOTAL =</b>             |                                                      |     |      |             | <b>\$74,530.00</b>  |
| <b>100 North Crossing</b>     |                                                      |     |      |             |                     |
| 1                             | Mobilization                                         | 1   | LS   | \$11,500.00 | \$11,500.00         |
| 2                             | Traffic Control                                      | 1   | LS   | \$20,000.00 | \$20,000.00         |
| 3                             | Asphalt Saw Cut                                      | 220 | LF   | \$3.50      | \$770.00            |
| 4                             | Asphalt Removal                                      | 225 | SY   | \$10.00     | \$2,250.00          |
| 5                             | Potholing existing utilities                         | 1   | LS   | \$4,800.00  | \$4,800.00          |
| 6                             | Remove existing Water line                           | 90  | LF   | \$18.00     | \$1,620.00          |
| 7                             | Connect to Existing 6" Water Line                    | 2   | EA   | \$5,200.00  | \$10,400.00         |
| 8                             | 8" Cross - East Side                                 | 1   | EA   | \$4,800.00  | \$4,800.00          |
| 9                             | 6" Reducers                                          | 2   | EA   | \$2,100.00  | \$4,200.00          |
| 10                            | 6" Gate Valve                                        | 2   | EA   | \$2,200.00  | \$4,400.00          |
| 11                            | 8" Gate Valve                                        | 3   | EA   | \$2,800.00  | \$8,400.00          |
| 12                            | New 8" HDPE Waterline                                | 95  | LF   | \$110.00    | \$10,450.00         |
| 13                            | New 6" PVC Waterline                                 | 10  | LF   | \$95.00     | \$950.00            |
| 14                            | Pipe Bedding                                         | 110 | Ton  | \$18.00     | \$1,980.00          |
| 15                            | Structural Fill (Backfill)                           | 120 | Ton  | \$22.00     | \$2,640.00          |
| 16                            | UTBC - State Spec Roadbase                           | 90  | Ton  | \$28.00     | \$2,520.00          |
| 17                            | Concrete Collar on new valve                         | 5   | EA   | \$550.00    | \$2,750.00          |
| <b>SUBTOTAL =</b>             |                                                      |     |      |             | <b>\$94,430.00</b>  |
| <b>Center Street Crossing</b> |                                                      |     |      |             |                     |
| 1                             | Mobilization                                         | 1   | LS   | \$11,500.00 | \$11,500.00         |
| 2                             | Traffic Control                                      | 1   | LS   | \$18,000.00 | \$18,000.00         |
| 3                             | Asphalt Saw Cut                                      | 160 | LF   | \$3.50      | \$560.00            |
| 4                             | Asphalt Removal                                      | 120 | SY   | \$10.00     | \$1,200.00          |
| 5                             | Remove existing Water line                           | 90  | LF   | \$18.00     | \$1,620.00          |
| 6                             | Connect to Existing 8" Water Line - East & West Side | 4   | EA   | \$5,800.00  | \$23,200.00         |
| 7                             | 12"x8" Cross                                         | 1   | EA   | \$3,500.00  | \$3,500.00          |
| 8                             | 12"x8" Tee                                           | 1   | EA   | \$2,600.00  | \$2,600.00          |
| 9                             | 8" Gate Valve                                        | 4   | EA   | \$2,800.00  | \$11,200.00         |
| 10                            | 12" Gate Valve                                       | 2   | EA   | \$5,800.00  | \$11,600.00         |
| 11                            | New 12" HDPE Waterline                               | 90  | LF   | \$125.00    | \$11,250.00         |
| 12                            | New 8" PVC Waterline                                 | 40  | LF   | \$110.00    | \$4,400.00          |
| 13                            | Pipe Bedding                                         | 115 | Ton  | \$18.00     | \$2,070.00          |
| 14                            | Structural Fill (Backfill)                           | 145 | Ton  | \$22.00     | \$3,190.00          |
| 15                            | UTBC - State Spec Roadbase                           | 65  | Ton  | \$28.00     | \$1,820.00          |
| 16                            | Concrete Collar on new valve                         | 6   | EA   | \$550.00    | \$3,300.00          |
| <b>SUBTOTAL =</b>             |                                                      |     |      |             | <b>\$111,010.00</b> |
| <b>200 South Crossing</b>     |                                                      |     |      |             |                     |
| 1                             | Mobilization                                         | 1   | LS   | \$11,500.00 | \$11,500.00         |

| Item                      | Description                                   | Qty | Unit | Unit Price                                  | Total               |
|---------------------------|-----------------------------------------------|-----|------|---------------------------------------------|---------------------|
| 2                         | Traffic Control                               | 1   | LS   | \$20,000.00                                 | \$20,000.00         |
| 3                         | Asphalt Saw Cut                               | 250 | LF   | \$3.50                                      | \$875.00            |
| 4                         | Asphalt Removal                               | 300 | SY   | \$10.00                                     | \$3,000.00          |
| 5                         | Remove existing 6" Water line                 | 105 | LF   | \$18.00                                     | \$1,890.00          |
| 6                         | Connect to Existing 8" Water Line - East Side | 2   | EA   | \$5,800.00                                  | \$11,600.00         |
| 7                         | Connect to Existing 6" Water Line - West Side | 2   | EA   | \$5,200.00                                  | \$10,400.00         |
| 8                         | 8" Cross                                      | 2   | EA   | \$4,800.00                                  | \$9,600.00          |
| 9                         | 6" Reducers                                   | 3   | EA   | \$2,100.00                                  | \$6,300.00          |
| 10                        | 6" Gate Valve                                 | 3   | EA   | \$2,200.00                                  | \$6,600.00          |
| 11                        | 8" Gate Valve                                 | 5   | EA   | \$2,800.00                                  | \$14,000.00         |
| 12                        | New 8" HDPE Waterline                         | 100 | LF   | \$110.00                                    | \$11,000.00         |
| 13                        | New 6" PVC Waterline                          | 20  | LF   | \$95.00                                     | \$1,900.00          |
| 14                        | Pipe Bedding                                  | 85  | Ton  | \$18.00                                     | \$1,530.00          |
| 15                        | Structural Fill (Backfill)                    | 110 | Ton  | \$22.00                                     | \$2,420.00          |
| 16                        | UTBC - State Spec Roadbase                    | 65  | Ton  | \$28.00                                     | \$1,820.00          |
| 17                        | Concrete Collar on new valve                  | 9   | EA   | \$550.00                                    | \$4,950.00          |
|                           |                                               |     |      | <b>SUBTOTAL =</b>                           | <b>\$119,385.00</b> |
| <b>610 South Crossing</b> |                                               |     |      |                                             |                     |
| 1                         | Mobilization                                  | 1   | LS   | \$11,500.00                                 | \$11,500.00         |
| 2                         | Traffic Control                               | 1   | LS   | \$18,000.00                                 | \$18,000.00         |
| 3                         | Asphalt Saw Cut                               | 230 | LF   | \$3.50                                      | \$805.00            |
| 4                         | Asphalt Removal                               | 300 | SY   | \$10.00                                     | \$3,000.00          |
| 5                         | Pothole Existing Utilities                    | 1   | LS   | \$4,800.00                                  | \$4,800.00          |
| 6                         | Remove existing Water line                    | 95  | LF   | \$18.00                                     | \$1,710.00          |
| 7                         | Connect to Existing 6" Water Line             | 2   | EA   | \$3,500.00                                  | \$7,000.00          |
| 8                         | 6"x8" Tee                                     | 2   | EA   | \$1,800.00                                  | \$3,600.00          |
| 9                         | 6" Gate Valve                                 | 4   | EA   | \$2,200.00                                  | \$8,800.00          |
| 10                        | 8" Gate Valve                                 | 2   | EA   | \$2,800.00                                  | \$5,600.00          |
| 11                        | New 8" HDPE Waterline                         | 95  | LF   | \$110.00                                    | \$10,450.00         |
| 12                        | New 6" PVC Waterline                          | 20  | LF   | \$95.00                                     | \$1,900.00          |
| 13                        | Pipe Bedding                                  | 55  | Ton  | \$18.00                                     | \$990.00            |
| 14                        | Structural Fill (Backfill)                    | 120 | Ton  | \$22.00                                     | \$2,640.00          |
| 15                        | UTBC - State Spec Roadbase                    | 85  | Ton  | \$28.00                                     | \$2,380.00          |
| 16                        | Concrete Collar on new valve                  | 6   | EA   | \$550.00                                    | \$3,300.00          |
|                           |                                               |     |      | <b>SUBTOTAL =</b>                           | <b>\$86,475.00</b>  |
|                           |                                               |     |      | <b>ALL LOCATION SUBTOTAL =</b>              | <b>\$529,898.00</b> |
|                           |                                               |     |      | <b>15%± Contingency &amp; Engineering =</b> | <b>\$79,484.70</b>  |
|                           |                                               |     |      | <b>TOTAL =</b>                              | <b>\$609,382.70</b> |



DIPS pipe - DR Rating? Model City is fine with DR 11 (200 psi) - All pipe sizes/ all sheets.

Will UDOT be abandoning the existing 6" and casing? Not shown.

ABANDON EXISTING WATERLINE REQ'D  
1307+07.54 RT 55.25 TO 1307+07.54 RT 55.25 TO 1307+45.43 RT 65.52 TO 1307+45.43 RT 65.52 TO 1307+55.46 LT 26.70

RECONSTRUCT VALVE BOX REQ'D  
1307+07.54 RT 36.60 TO 1307+55.72 LT 35.61

ABANDON EXISTING WATERLINE REQ'D  
1315+22.53 RT 44.93 TO 1315+69.22 RT 45.48

ABANDON VALVE BOX REQ'D  
1315+46.43 LT 44.10 TO 1315+46.43 LT 44.10 TO 1315+46.43 LT 44.10 TO 1315+46.43 LT 44.10

RECONSTRUCT VALVE BOX REQ'D  
1307+07.54 RT 36.60 TO 1307+55.72 LT 35.61

RECONSTRUCT VALVE BOX REQ'D  
1307+07.54 RT 36.60 TO 1307+55.72 LT 35.61

ABANDON EXISTING WATERLINE REQ'D  
1315+22.53 RT 44.93 TO 1315+69.22 RT 45.48

ABANDON VALVE BOX REQ'D  
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1307+07.54 RT 36.60 TO 1307+55.72 LT 35.61

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RECONSTRUCT VALVE BOX REQ'D  
1307+07.54 RT 36.60 TO 1307+55.72 LT 35.61

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ABANDON VALVE BOX REQ'D  
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RECONSTRUCT VALVE BOX REQ'D  
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1307+07.54 RT 36.60 TO 1307+55.72 LT 35.61

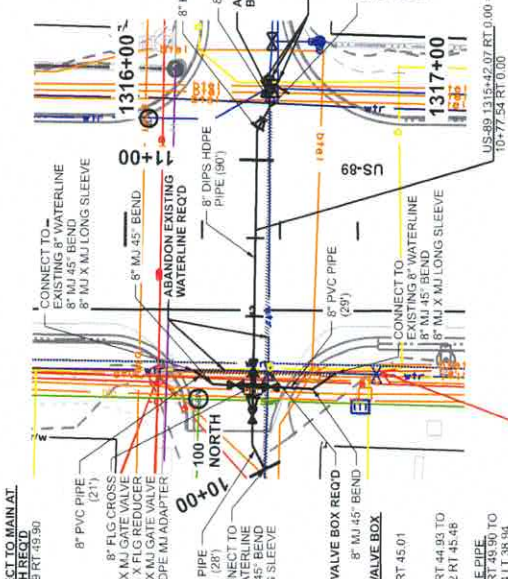
ABANDON EXISTING WATERLINE REQ'D  
1315+22.53 RT 44.93 TO 1315+69.22 RT 45.48

ABANDON VALVE BOX REQ'D  
1315+46.43 LT 44.10 TO 1315+46.43 LT 44.10 TO 1315+46.43 LT 44.10 TO 1315+46.43 LT 44.10

|                |                        |
|----------------|------------------------|
| PROJECT NO.    | UTDI-2                 |
| PROJECT        | US-89, SR-126 TO PERRY |
| PROJECT NUMBER | F-0089(456)A23         |
| DATE           | 15677                  |
| APPROVED       |                        |
| DRAWN BY       |                        |
| CHECKED BY     |                        |
| DATE           |                        |
| REVISIONS      |                        |

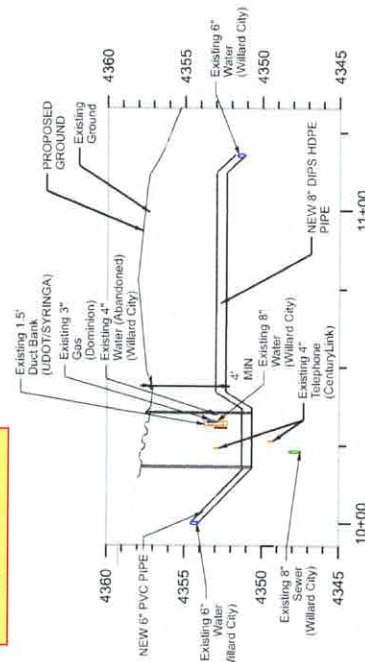
UTAH DEPARTMENT OF TRANSPORTATION  
AVENUE CONSULTANTS

UTILITY DETAIL

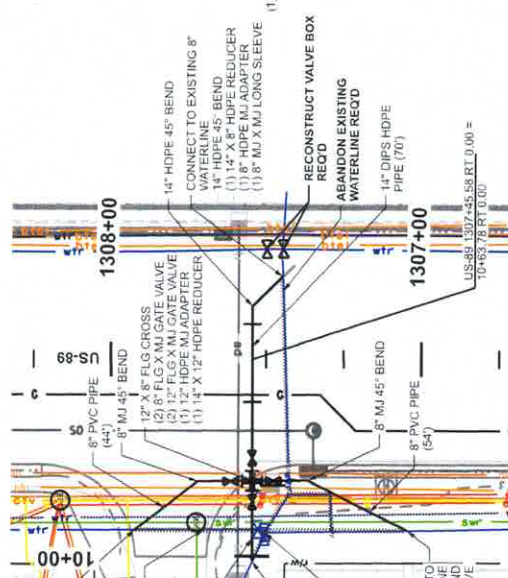


PLAN  
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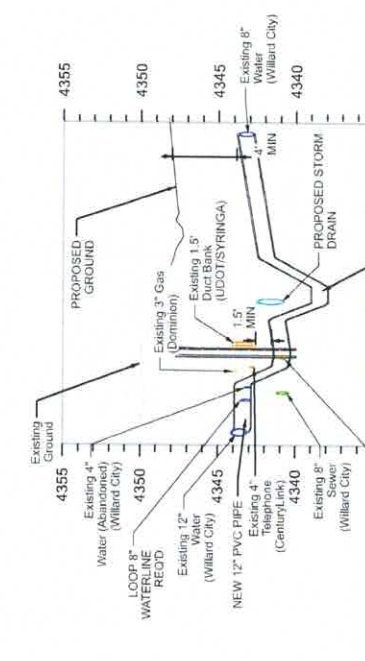
Can abandon valve if adding new valves on new pipe.



PROFILE - 4



PLAN  
14\"/>



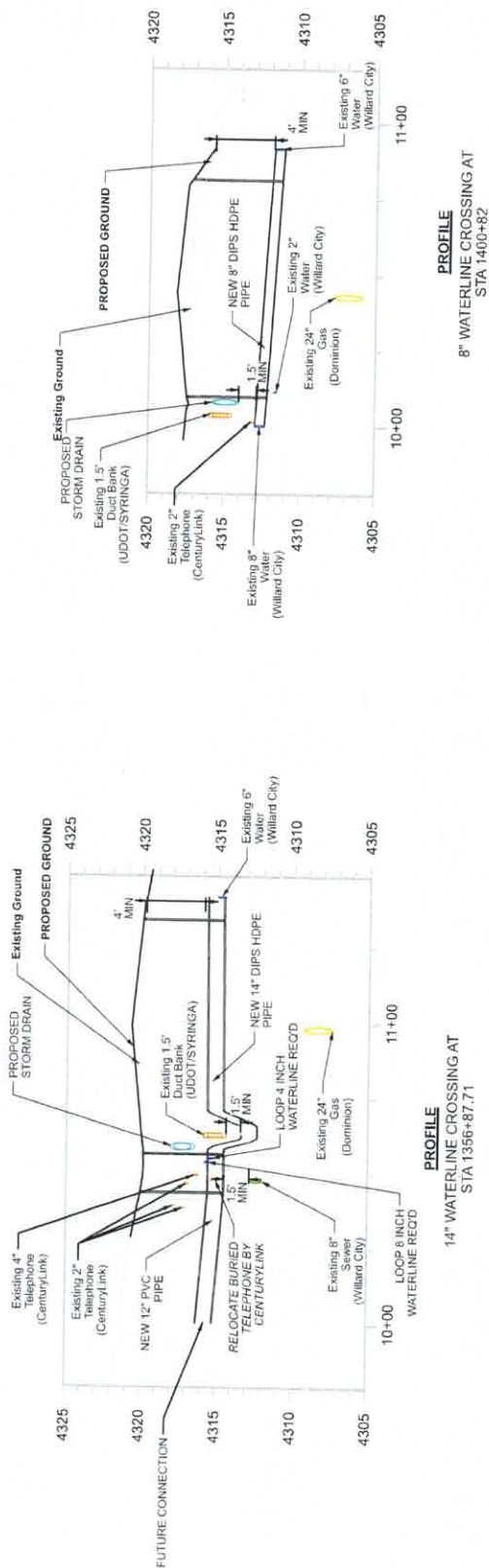
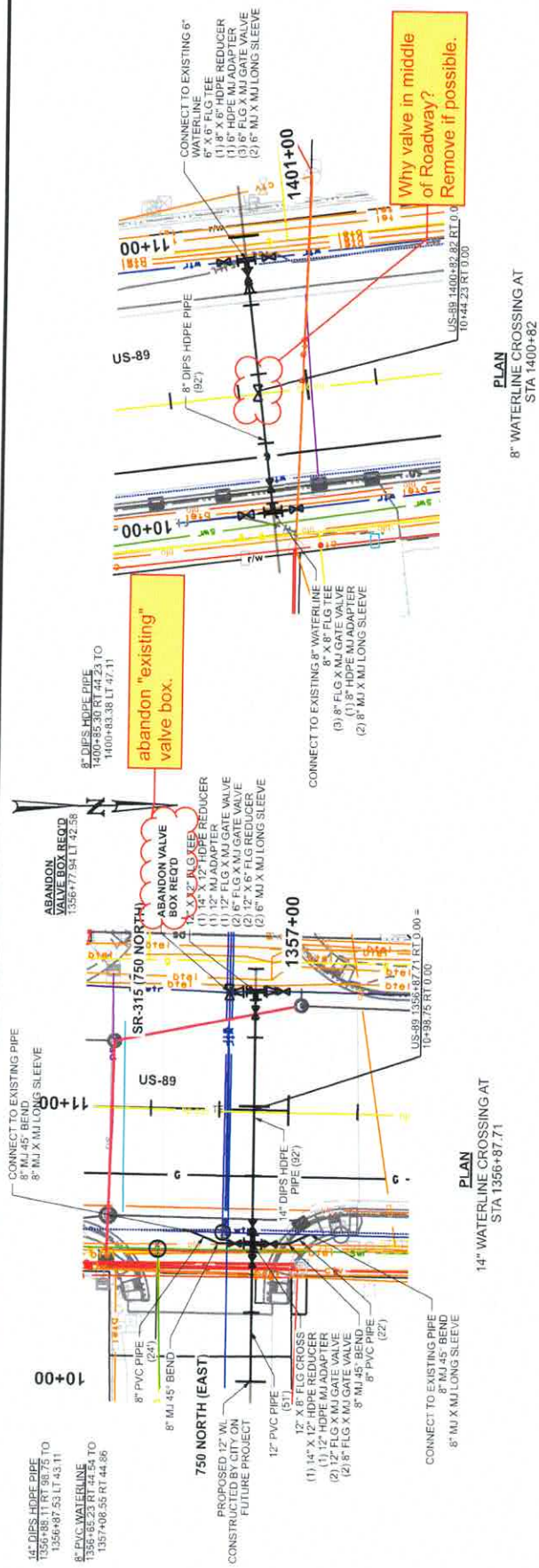
PROFILE - 3

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UTAH DEPARTMENT OF TRANSPORTATION  
 AVENUE CONSULTANTS

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| UTAH DEPARTMENT OF TRANSPORTATION |  | APPROVED |    |
| AVENUE CONSULTANTS                |  | DRAMA BY | KV |
|                                   |  |          | 00 |



LAW OFFICES  
**MANN HADFIELD  
& THORNE**  
A PROFESSIONAL CORPORATION

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98 North Main Street, P.O. Box 876  
Brigham City, Utah 84302-0876  
Phone: 435-723-3404 Fax: 435-723-7066  
E-Mail: office@mht-law.com

Michael E. Christiansen  
Colt R. Mund  
Emily S. Williams

Jeff R Thorne (1944-2020)  
Reed W. Hadfield (1930-2020)  
Walter G. Mann (1906-1992)

October 26, 2023

Willard City Corporation  
80 West 50 South  
Willard, Utah 84340

Re: Opinion Letter Regarding the Recertification of the Willard City Justice Court

Dear Mayor Mote and City Council:

This opinion letter is provided to satisfy the requirements for recertification of the Willard City Justice Court as required by the laws of the State of Utah. The purpose of this letter is to advise the Mayor and Council of the requirements set forth by the State of Utah for the operation and feasibility of Willard City's maintenance of a justice court. In my capacity as Willard City Attorney and for the purposes of this letter I have reviewed the following:

The Justice Court Standard for Recertification, October 2023;

Title 78A, Chapter 7 of the Utah Code Annotated setting forth the statutory standards for the creation and operation of a justice court; and

The Utah Code of Judicial Administration ("CJA").

I have consulted with the Honorable Judge Kevin Christensen and I, or other Willard City personnel, have examined our current operations, facilities, and staffing. Based upon such investigation and analysis, I am of the opinion that the recertification of the Willard City Justice Court is feasible and reasonable. Please be advised that Utah law requires the following standards be met in the operation and maintenance of a justice court:

1. All official court business shall be conducted in a courtroom or an office located in a public facility which is conducive and appropriate to the administration of justice.
2. Each court shall be opened and judicial business shall be transacted every day as provided by law (78A-7-213), although the judge is not required to be present during all hours that the court is open.

3. The hours that the court will be open shall be posted conspicuously at the court and in local public buildings (78A-7-213).
4. The judge and clerk of the court shall attend the court at regularly scheduled times (78A-7-213).
5. The entity creating the Justice Court shall provide and compensate the judge (78A-7-206).
6. The entity creating a Justice Court shall assume the expenses of travel, meals, and lodging for the judge of that court to attend required judicial education and training (78A-7-205).
7. The entity creating a Justice Court shall assume the cost of travel and training expenses of clerical personnel at training sessions conducted by the Judicial Council (78A-7-103).
8. The entity creating the Justice Court shall provide a sufficient staff of public prosecutors to attend the court and perform the duties of prosecution (78A-7-103).
9. The entity creating the court shall provide sufficient funding to provide indigent defense services for indigent persons provided by law (78A-7-103).
10. The entity creating the court shall provide sufficient local law enforcement officers to attend court when required and provide security for the court. (78A-7-103).
12. The entity creating the court shall provide sufficient clerical personnel to serve the needs of the justice court (78A-7-103).
13. Witnesses and jury fees as required by law shall be paid by the entity which creates the court (10-7-76 and 17-50-319).
14. Any fine, surcharge, or assessment which is payable to the State shall be forwarded to the State as required by law (78A-7-120 and 78A-7-121).
15. Every Entity creating a court shall pay the judge of that court a fixed compensation, within the range provided by statute (78A-7-206).
16. Court shall be held within the jurisdiction of the court, except as provided by law (78A-7-212).
17. The entity creating the court shall provide and keep current for the court a copy of the Utah Code, the Justice Court Manual, state laws affecting local governments, Utah Court Rules Annotated, local ordinances, and other necessary legal reference material as determined by the judge (78A-7-103).

18. All required reports and audits shall be filed as required by law or by rule of the Judicial Council pursuant to Section 78A-7-215.

19. All justice courts shall use a common case management system and disposition reporting system as specified by the Judicial Council (78A-7-215).

20. A system to ensure the justice court records all proceedings with a digital audio recording device and maintains the audio recordings for a minimum of one year (78A-7-103).

For Class III justice courts, (as is the Willard City Justice Court) the system must, at a minimum:

- a. be a stand-alone unit that records and audibly plays back the recording;
- b. index, back-up and archive the recording and enable the record to be retrieved;
- and
- c. have at least two recording channels.

In addition to the aforementioned requirements, Section 78A-7-103 directs the Judicial Council to promulgate minimum requirements for the creation and certification of Justice Courts. Pursuant to statute, the Judicial Council has adopted the following minimum requirements:

1. That the Court be opened for at least one hour each day that the court is required to be open as provided by law. Additional hours of operation are specified in C.J.A. Rule 9-105.
2. That the judge be available to attend court and conduct court business as needed.
3. That the minimum furnishings for a courtroom include: a desk and chair for the judge (on a six inch riser), a desk and chair for the court clerk, chairs for witnesses, separate tables and appropriate chairs for plaintiffs and defendants, a Utah State flag, a United States flag, a separate area and chairs for at least four jurors, a separate area with appropriate seating for the public, an appropriate room for jury deliberations, and an appropriate area or room for victims and witnesses which is separate from the public.
4. A judicial robe, a gavel, current bail schedules, a copy of the Code of Judicial Administration, and necessary forms and supplies.
5. Appropriate office space for the judge and clerk (under certain circumstances this space may be shared, but if shared, the judge and clerk must have priority to use the space whenever needed). The office space shall include a desk for the judge and a desk for the clerk, secure filing cabinets for the judge and the clerk, a telephone for the judge and the

clerk, appropriate office supplies to conduct court business, a cash register or secured cash box, a typewriter or word processor, and access to a copy machine.

6. A clerk must be present during the time the court is open each day and during court sessions, as required by the judge.
7. The entity must have at least one peace officer (which may be contracted).
8. A court security plan must be submitted consistent with C.J.A. Rule 3-414.
9. Each court must have at least one computer with access to the internet, and appropriate software and security/encryption technology to allow for electronic reporting and access to the Driver License Division and the Bureau of Criminal Identification, as defined by the reporting and retrieval standards promulgated by the Department of Public Safety. In addition, all justice courts must use the CORIS case management system.
10. Each court shall report case disposition information to DLD, BCI and the Administrative Office of the Courts electronically, as described in number 9 above.

The Judicial Council has divided justice courts into four categories based on the average number of cases filed monthly with the applicable court. Certain minimum standards are required for each classification. Willard's average monthly case filings place it in the Class III category. As such, in addition to the aforementioned requirements, the Willard City Justice Court must meet the following requirements for their Class III categorization:

**FILINGS:** 61-200 citations or cases per month.

**HOURS:** The Court must be open for at least two hours a day when dealing with 61-150 filings. The Court must be open at least three hours a day when dealing with 151-200 filings. The judge must be available as needed and a trial calendar must be set at least every other week.

**CLERICAL RESOURCES:** At least one clerk required to be available daily during the scheduled hours of court operation and during court sessions as needed.

**PROSECUTION:** Prosecutor to screen cases and represent the city at trial.

**INDIGENT RESOURCES:** The city provides adequate funding to provide indigent defense counsel for any defendant who requests representation and qualifies.

**LEGAL RESOURCES:** The following must be available and kept current: (1) Utah Code; (2) Local Ordinances; (3) Justice Court Manual; (4) Code of Judicial Administration; (5) Uniform Bail Schedule; and (6) Other legal resources as required under 78A-7-103.

**LAW ENFORCEMENT:** The local government creating the court must have at least one employed or contracted peace officer.

**BAILIFF:** The local government creating the court must provide a sworn law enforcement officer to attend court when required and provide security for the court.

SECURITY PLAN: A court security plan must be submitted consistent with C.J.A. Rule 3-414.

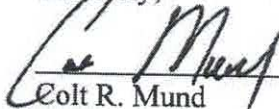
JURY/WITNESS FEES: A local government is responsible for payment of statutory juror and witness fees.

EDUCATION: Local government is responsible for costs of attendance at Judicial Council mandated training—at least 30 hours each year for the judge, and 10 hours for clerks.

REPORTING: All reports and audits shall be made and timely filed as provided by law or by rule of Judicial Council. Reports to the Driver License Division and the Bureau of Criminal Identification must be made electronically, via the internet.

It is my opinion that the Willard City Justice Court is currently in compliance with each of the applicable requirements set forth above, and it is anticipated that such compliance will continue throughout the next four-year term of the Court. Accordingly, it is my opinion that recertification of the Willard City Justice Court is feasible and reasonable.

Sincerely,

A handwritten signature in dark ink, appearing to read "Colt R. Mund", is written over a horizontal line.

Colt R. Mund

Attorney for Willard City Corporation

WILLARD CITY CORPORATION  
Resolution 2023-10

A RESOLUTION REQUESTING THE RE-CERTIFICATION OF THE WILLARD JUSTICE COURT BY THE BOARD OF JUSTICE COURT JUDGES AND THE UTAH JUDICIAL COUNCIL

**WHEREAS**, the provisions of U.C.A. 78A-7-103 require that Justice Courts be recertified at the end of each four-year term; and

**WHEREAS**, the term of the Willard Justice Court shall expire on the December 31, 2023; and

**WHEREAS**, the members of the Willard City Council have received an opinion letter from Colt Mund, City Attorney, which sets forth the requirements for the operation of a Justice Court and feasibility of continuing to maintain the same; and

**WHEREAS**, the members of the Willard City Council have determined that it is to the best interests of Willard City to continue to provide a Justice Court;

**NOW THEREFORE, BE IT RESOLVED**, The Willard City Council hereby requests re-certification of the Willard Justice Court by the Board of Justice Court Judges and the Utah Judicial Council.

**BE IT FURTHER RESOLVED** that the City Council of Willard hereby affirm their willingness to continue to meet all requirements set forth by the Judicial Council for the continued operation of the Willard Justice Court for the next four-year term of court, except as to any requirements waived by the Utah Judicial Council.

APPROVED and signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

WILLARD CITY CORPORATION

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

Recording Requested by and to be Returned to:  
Granite Construction Company  
1075 North Warm Springs Road  
Salt Lake City, Utah 84126  
Attn: Jason Klaumann

### MEMORANDUM OF LEASE

Under the terms of that certain Lease (the "Lease") dated by and between **GRANITE CONSTRUCTION COMPANY**, a California corporation, as Tenant ("Tenant"), and **WILLARD CITY CORPORATION**, a Utah municipality, as landlord ("Landlord"), Landlord has granted, leased and let and does hereby grant, lease and let unto Tenant, its successors and assigns, that certain land located in Box Elder County, Utah, more particularly described on Exhibit A attached hereto (the "Land").

Pursuant to the terms of the Lease, Tenant has the exclusive rights and privileges to use the Land for, among other things, the mining, extracting, stockpiling, crushing, processing, sale, and removing of sand, gravel, aggregate, hard rock, stone, boulders, or other natural materials of sand, gravel, rock aggregate, hard rock, stone, boulders, and similar minerals now known to exist or hereafter discovered upon, within or underlying the surface of the Land; all on the terms and conditions and subject to the payments to be made to Landlord, as fully set forth in the Lease, which Lease is by this reference incorporated herein

Unless sooner terminated in the manner therein provided, the term of the Lease is for an initial term of thirty years commencing on the Effective Date of the Lease, and an option to extend for two (2) periods of ten (10) years each upon the terms and conditions described in the Lease.

The provisions of the Lease shall inure to the benefit of and be binding upon their respective successors, assigns and legal representatives. This document is meant to give record notice of the Lease. Copies of the Lease are in the possession of Landlord and Tenant, who may be contacted as follows:

If to Landlord:           Willard City Corporation  
                                  80 W 50 S  
                                  Willard, Utah 84340

If to Tenant:             Granite Construction Company  
                                  1075 North Warm Springs Road  
                                  Salt Lake City, Utah 84126  
                                  Attn: Jason Klaumann

The execution and recording of this document shall not limit, increase or in any manner affect any of the terms of the Lease, or the rights, interests or obligations of the parties thereunder. In the event of any conflict between the terms of the Lease and the terms of this document, the terms of the Lease shall control.

IN WITNESS WHEREOF, Tenant has executed this Memorandum of Mining Lease effective as of the date first above set forth.

[signatures on following page]

**TENANT:**

**GRANITE CONSTRUCTION COMPANY**

By: \_\_\_\_\_  
[Name]  
[Title]

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, the \_\_\_\_\_[title] of Granite Construction Company, a California corporation, on behalf of such company.

My commission expires:

\_\_\_\_\_  
Notary Public

\_\_\_\_\_

## LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into as of [date], 2023 (the "Effective Date") by and between **GRANITE CONSTRUCTION COMPANY**, a California corporation, as Tenant ("Tenant"), and **WILLARD CITY CORPORATION**, a Utah municipality, as landlord ("Landlord").

FOR THE SUM OF TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Landlord and Tenant agree as follows:

1. Definitions. When used in this Lease, each term below shall have the indicated meaning. Unless the context otherwise expressly requires, the words "herein," "hereto," "hereunder," and other words of similar import refer to this Lease as a whole and not to a particular Article or portion thereof.

1.1 "Affiliate" or "Affiliates" means any entity which is directly controlled by ~~Tenant~~Landlord. For the purpose of this definition, "controlled" means the ownership of at least 50% of the voting and capital interests of such entity.

1.2 "Expiration Date" means [date], 2053, unless extended pursuant to Section 2.2 hereof or earlier terminated in accordance with the provisions hereof.

1.3 "Improvements" means, collectively, all buildings and improvements now or hereafter located on the Land.

1.4 "Land" means that certain land located in Box Elder County, Utah, more particularly described on Exhibit A attached hereto.

1.5 "Lease Year" means each twelve (12) month period during the Term, commencing on January 1 of each year and ending on December 31 of each year. For purposes of the initial year, "Lease Year" shall mean the period from the Effective date until December 31, 2023.

1.6 "Materials" means sand, gravel, aggregate, hard rock, stone, boulders, or other natural materials used for Tenant's purposes severed from the Land by Tenant.

1.7 "Occupants" means, collectively, any assignee, subtenant, employee, agent, licensee or invitee of Tenant.

1.8 "Permitted Use" means (when performed in compliance with all applicable laws and regulations):

(a) the mining, extracting, stockpiling, crushing, processing, sale, and removing of Materials;

(b) manufacture of concrete, base rock material, and other products in connection with concrete businesses;

(c) the installation and operation of temporary or permanent rock crushing plants, batch plants, and other equipment and facilities as Tenant's business may require; and

(d) use of the Land to stockpile, store and sell various products from multiple sources, provided such other products do not violate any other term of this Lease or applicable law.

1.9 "Premises" means, collectively, the Land and the Improvements.

1.10 "Royalty" has the meaning set forth in Section 4.2 hereof.

1.11 "Sale" means a lease, license, sale, transfer, conveyance or other disposition of the Land or any of Landlord's rights in the Land, and includes any change in the control of Landlord by way of merger, stock sale, or other disposition. "Sell" means the act of engaging in a Sale.

1.12 "Term" means the period commencing on 12:01 a.m. of the Effective Date and expiring at midnight of the Expiration Date.

## 2. Agreement of Lease; Options to Renew; Improvements.

2.1 Agreement of Lease. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, on an exclusive basis, the Premises, and all rights, powers, licenses, permits, easements, rightsofway and privileges now or hereafter situate thereon or pertaining thereto.

### 2.2 Option to Renew.

(a) Option. Provided that at the time of Tenant's exercise of the option described in this Section 2.2 this Lease is in full force and effect and there is no existing default by Tenant under this Lease, Tenant shall have the option (the "Option") to extend the Expiration Date for a two three (23) consecutive periods of ten (10) years each (each, an "Extension Period").

(b) Exercise of Option(s). The Option ~~shall to Renew and extend the Expiration Date shall not~~ be automatic ~~but must be agreed upon in writing by the Parties. The Landlord shall not unreasonably withhold its approval to such extension. This and~~ this Lease shall serve as notice for the exercise of the Option, unless Tenant terminates the lease pursuant to Section 2.5 hereof. All terms of this Lease, except as hereinafter provided, shall apply during the Extension Period; provided that the Royalty during any Extension Period shall continue to be adjusted as provided in Section 4.7 hereof.

(c) Right of First Opportunity for Further Lease Extensions. Landlord hereby grants to Tenant the right of first opportunity to lease the Premises if Landlord desires to lease the Premises to any other person within twelve (12) months after the expiration of the Term, such lease to be on the same terms and conditions that Landlord is willing to lease the Premises to such other person. Landlord shall notify Tenant in writing (a "Notice") of its intention. The Notice shall identify the Premises or portion of the Premises to be leased (the "Subject Parcel") and shall set forth all terms and conditions upon which Landlord is willing to lease the Subject Parcel, including the term, rent and royalty and all other material terms. If Tenant desires to exercise the right of first opportunity herein granted ~~to it, its~~ shall notify Landlord in writing of its desire to exercise its right within thirty (30) days after the date on which the Notice was given to Tenant. If Tenant has exercised its right of first opportunity as to a Subject Parcel, Tenant and Landlord shall promptly enter into a new lease on the same terms and conditions set forth in this

Lease, adjusted only as necessary to incorporate the terms of the new lease as set forth in the Notice. This Section 2.2(c) shall survive the expiration of this Lease.

2.3 Improvements. Tenant may install and operate on the Land at all times during the Term, such Improvements, equipment and facilities as may be necessary or desirable in connection with the Permitted Use. Tenant may also install all utilities necessary to service such Improvements, including but not limited to water and electrical power service. Landlord has not agreed, and has no obligation in any event or under any circumstance, to undertake any maintenance, repair, modification, alteration or improvement of the Premises at any time. All such Improvements shall be made in compliance with local, state, and federal law and at Tenant's sole expense and shall remain the personal property of Tenant. At the expiration of the Term, all such utility improvements installed by Tenant and not owned by utility providers shall be removed by Tenant, unless the Landlord authorizes them to remain, in which event they shall become the property of Landlord.

2.4 Landlord's Representations and Warranties. Landlord represents and warrants to Tenant, with the understanding that Tenant is entering into this Lease in reliance thereon, that as of the Effective Date:

(a) Landlord has good and indefeasible title to the Premises, free and clear of any liens or encumbrances except for such non-monetary liens and encumbrances of record in the Box Elder County recorder's office;

(b) Landlord has exclusive full power and authority to enter into and perform this Lease according to its terms, to receive for its own use and benefit any royalty or other consideration payable, or that may become payable hereunder, and that the individual executing this Lease on behalf of Landlord is authorized to do so;

(c) Landlord has not granted to any third party the right to use or occupy any portion of the Premises, and Landlord is not aware of any claim by any third party of the right to do so;

(d) Landlord has not received notice of and has no knowledge of any existing or threatened action, suit or proceeding affecting the Premises (including, without limitation, proposed or threatened condemnation), in any court or before or by any federal, state, county or municipal or other governmental instrumentality; and

(e) Landlord has no knowledge of any leases, rental or other contracts or agreements affecting the Premises which are not of record in the Box Elder County recorder's office.

2.5 Option to Terminate. Tenant may terminate this lease for any reason in its sole discretion by giving written notice to the Landlord, and the Lease will thereafter automatically be terminated on the date specified in such notice, which date shall not be sooner than thirty (30) days after the date of the notice. However, Tenant's obligations under the Lease shall continue until such time as Tenant has completely vacated the Land, including removing any and all Improvements thereto subject to the provisions of Section 2.3 above. Should Tenant choose to terminate this Lease for whatever reason, Tenant shall exercise best efforts to restore Land to same or similar condition as existed prior to Lease when delivered to Tenant, ordinary wear and tear, extracted Materials and casualty damage excepted.

3. Possession; Permits; Access.

3.1 Possession. Delivery of possession shall be deemed to occur upon the Effective Date. Tenant takes and accepts the Premises in the condition in which the Premises exist as of the Effective Date (that is, "as is" and "where is," with all faults), without any representation or warranty from Landlord as to the physical condition of the Premises except as otherwise provided herein. During the Term, Tenant shall have the right to occupy the Premises on an exclusive basis and shall have the exclusive right, at its sole expense, to conduct any Permitted Use.

3.2 Conditional Use Permit. Landlord warrants that a Box Elder County conditional use permit for a sand, gravel, and mining operation has been ~~applied for by~~ issued to Landlord as of the Effective Date. Tenant understands and acknowledges that this Lease Agreement is contingent on approval of the Conditional Use Permit by Box Elder County. Upon approval of the Conditional Use Permit, a copy of which will be attached as Exhibit B hereto, and that such conditional use permit ~~remains~~ will remain in full force and effect for the duration of this Agreement. In the event Box Elder County denies the application for the Conditional Use Permit this Agreement and each party's obligations herein shall be null and void. Tenant shall be responsible to obtain any additional permits required for Tenant's operations by the Utah Division of Oil, Gas and Mining or the Utah Division of Environmental Quality or any other governmental agency. Tenant and Landlord shall reasonably cooperate in the pursuit of such permits, including but not limited to, providing relevant background information and attendance at meetings and hearings.

3.3 Access.

(a) Landlord represents and warrants that Tenant shall have full rights of ingress and egress to the Premises for the Permitted Use, which rights Landlord agrees may be used by Tenant without restriction except in conformance with applicable laws and regulations. Tenant shall be solely responsible for maintaining private roads on the Premises.

(b) Landlord and Landlord's agents, employees and contractors may enter the Premises at reasonable times on reasonable notice to Tenant, except for a verifiable emergency, for the purpose of ascertaining whether the terms and conditions of this Lease are being satisfied, provided that such access shall be subject to Tenant's safety, access and insurance rules and regulations and Landlord shall not unreasonably interfere with Tenant's use of the Premises for the operation of its business.

4. Prepaid Royalty; Royalty.

4.1. Prepaid Royalty. Concurrently with the signing of this Lease, Tenant will pay to Landlord an amount equal to One Million Dollars (\$1,000,000.00) (the "Prepaid Royalty"). The Prepaid Royalty shall constitute full payment of any royalties due for Tenant's extraction of the first 1.5 million tons of Material from the Land. Cubic yards will be converted to tonnage at the rate of  .

4.2. Royalty. After Tenant extracts the initial 1.5 million tons of Material from the Land, Tenant shall pay Landlord, without setoff, deduction, offset, prior notice or demand, the same royalty rate paid under separate agreement for Material removed from the adjacent parcel (Box Elder Parcel No.         ), as may be adjusted from time to time, for each ton of Materials mined from the Land; provided, however, that no royalty shall accrue on Materials mined from the Land until such Materials have been removed from the processing site or incorporated into product manufactured or processed on and removed from the processing site (the "Royalty"). For avoidance of doubt, Tenant shall not be required to pay Royalty on any material imported to the Premises and used for fill material as a part of the reclamation or any other purpose on the Premises, and will not pay any Royalty on Materials mined from areas other

than the Land. If, at the expiration of the Term, there are Materials mined but not removed from the Premises and for which no Royalty has been paid, such Materials shall be timely removed as provided in Section 15.3 hereof.

4.3. Measurement. All Material which is mined at and removed from the Land will be measured by aerial drone survey performed by or under the direction of Tenant. Material from the Land that is incorporated into other product manufactured or processed on and removed from the Land will be measured and documented by the equipment used in the production under the direction of Tenant. Quantities for payment may be measured by any other method reasonable under the circumstances (such as by the truck load or by estimations when exact measurements are not available). Any of Tenant's scales and manufacturing equipment shall be certified annually at Tenant's expense and Tenant shall provide a copy of such certification to Landlord upon request. Tenant's billing system records shall constitute prima facie evidence of the ton weight or other calculation of the product for which a Royalty is due. Tenant will not pay any Royalty or other fee for recycled materials or on additive and ingredients necessary in the manufacture of any product which Tenant brings onto the Premises.

4.4. Payment of Royalty; Records; Audit. Payments for Royalties shall be paid within thirty (30) days after the end of the month in which such Royalties accrue under Section 4.2. In the event Tenant fails to timely make all payments owing hereunder, interest shall accrue on all late payments from the due date to the date of payment, computed on an annual rate of 10% per annum. Upon request by Landlord, Tenant shall furnish to Landlord monthly statements of the prior month's aerial drone survey data and scales tonnages and materials, if any, used to calculate the Royalties in such reasonable form as may be provided by Tenant. Tenant shall be responsible for maintaining accurate books and records pertaining the Premises which shall reflect the scope, nature and extent of operations on the Land and compliance with this Lease and applicable law. Such books and records shall be available to Landlord for review and audit during regular business hours at the offices of Tenant upon reasonable advance notice. If the results of an audit show that Tenant has underpaid the royalties due hereunder by greater than 6%, Tenant shall pay the deficiency within fifteen (15) days after written notice from Landlord, together with the cost of the audit and interest on the deficiency at the rate of 10% per annum from the date such payment should have been made until the date actually paid.

4.5. Withholding for State Royalty Taxes. To the extent any tax on the Royalty is imposed by the State of Utah, Tenant may withhold from the Royalty an amount equal to such tax and remit the same to the State of Utah to be applied against any taxes due to the State of Utah for Materials removed from the Premises by Tenant.

4.6. Royalty Adjustment. If Tenant extracts more than the initial 1.5 million tons of Material from the Land, and Royalty payments become due under Section 4.2, the Royalty payable by Tenant hereunder, and any adjustments to such Royalty shall be equal to the royalty rate paid for similar materials extracted from the immediately adjacent parcel (Box Elder County Parcel No. 02-006-0021) under a separate lease agreement.

4.7. Reduced Royalty. Upon request of Tenant, Landlord and Tenant shall negotiate in good faith for a reduced Royalty to allow Tenant to bid Material on a competitive basis for a particular job or a particular product. Once Landlord and Tenant reach an agreement on a reduced Royalty for a particular job or a particular product, Landlord and Tenant shall execute a Reduced Royalty Agreement using a form provided by Tenant.

5. Property Taxes.

5.1 Property Taxes. Landlord shall pay all real property taxes applicable to the Premises, if any, during the Term.

6. Use.

6.1 Permitted Use by Tenant. Tenant shall not use or occupy or permit the Premises to be used or occupied for any purpose other than the Permitted Use. Tenant shall comply with all applicable laws, ordinances, ~~rules~~rules, or regulations, including the Box Elder County Conditional Use Permit, relating to Tenant's use of the Premises. Tenant shall have the exclusive right to use the Premises for the Permitted Use, and shall have exclusive possession of the Premises during the Term. Tenant may conduct its operations on the Premises up to twenty-four (24) hours per day at Tenant's election, subject to the requirements of any applicable permits. Tenant shall have the right to post such signs and erect such fences as are necessary and usual in the conduct of the Permitted Use, subject to applicable law. Prior to erecting any signs or fences on the Land, Tenant shall give advance notice of the proposed signs and/or fences and the purpose for any such signs and/or fences to Landlord. Upon the termination of the Lease and at the request of Landlord, Tenant shall cause to be removed any such signage or fencing on the Land at its sole cost and expense.

6.2 Environmental Responsibility.

(a) For purposes hereof, "Hazardous Materials" shall mean any and all flammable explosives, radioactive material, hazardous waste, toxic substance or related material, including but not limited to, those materials and substances defined as "hazardous substances," "hazardous materials," "hazardous wastes" or "toxic substances" in the Environmental Laws. For purposes hereof, "Environmental Laws" shall mean all local, state and federal laws, statutes, rules and regulations relating to industrial hygiene, environmental protection, or the use analysis, generation, manufacture, storage, disposal, or transportation of any Hazardous Material, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq.; the Hazardous Materials Transportation Act, 39 U.S.C. Section 1801, et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the Federal Clean Water Act 33 U.S.C. Section 1251 et seq.; the Clean Air Act 41 U.S.C. Section 7401 et seq.; including all amendments thereto, replacements thereof, and regulations adopted and publications promulgated pursuant thereto.

(b) Tenant shall comply in all material respects with all applicable federal, state or local laws, ordinances or regulations relating to industrial hygiene, soil, water or environmental conditions on, under or about the Premises including, but not limited to, Environmental Laws. Tenant further agrees that there shall be no use, presence, disposal, storage, generation, release, or threatened release of Hazardous Materials on, from or under the Premises; provided, however, Tenant may bring upon the Premises limited quantities of chemicals, fuels, lubricants, oil detergents, solvents, and other materials as necessary to operate and maintain Tenant's equipment and asphalt for testing or laboratory purposes in the ordinary course of Tenant's business, provided the handling of such is at all times in compliance with all applicable laws. Tenant further covenants that it will promptly notify Landlord of any environmental concern raised by any governmental agency as it relates to the Premises or Tenant's use of the Premises; and promptly notify Landlord of any hazardous waste spill that requires reporting under any of the Environmental Laws. In the event of a violation hereof, Tenant shall immediately proceed, ~~at~~ <sup>is</sup> Tenant's expense, to remedy same. Failure of Tenant to commence and reasonably pursue clean-up activities within ten (10) days after receipt of notice to so do and

approval from applicable governmental entities with jurisdiction shall result in a default under this Lease. Landlord shall, thereafter, have the right, but not the obligation, to remedy any environmental violation upon the Premises, and Tenant shall promptly reimburse Landlord for all costs reasonably incurred by Landlord relating thereto.

(c) Upon termination of this Lease, Tenant shall remove all Hazardous Materials used, stored, treated, disposed of or released by Tenant or its agents, invitees or contractors on the Premises. Tenant shall indemnify and hold Landlord harmless from any loss, liability, cost, expense, penalty or claim, including all attorney's fees and legal expenses, arising from (i) the use, generation, storage, release or disposal by Tenant, its agents, contractors or invitees, of any Hazardous Materials on the Premises, (ii) breach of any of the provisions of this Section 6.2, or (iii) Tenant's violation of any Environmental Law in connection with the Premises. Tenant's obligations under this Section 6.2 shall survive the termination or earlier cancellation of this Lease.

(d) If requested by Landlord, Tenant shall provide a Phase I environmental report (and if recommended by the Phase I report, a Phase II report) with respect to the Premises at least thirty (30) days but not more than ninety (90) days prior to the expiration of this Lease. To the extent such report indicates the presence of any Hazardous Materials or violation of any Environmental Laws on the Premises caused by or resulting from the acts of Tenant, its employees, contractors, agents or invitees, Tenant shall promptly remove such Hazardous Materials and remedy the violation of any Environmental Laws in compliance with relevant Environmental Laws. Tenant agrees to provide a Phase I environmental report within thirty (30) days of the Effective Date to establish a baseline as to the environmental status of the Premises at the time Tenant took possession.

6.3 Reclamation. Tenant, at Tenant's expense, shall perform reclamation of the Premises for any areas that have been disturbed by Tenant's mining operations (the "Disturbed Portion") pursuant to any applicable governmental authorizations or permits, including the Box Elder County Conditional Use Permit attached hereto as Exhibit B, as such authorizations or permits may be adjusted from time to time. Landlord and Tenant agree not to unreasonably withhold consent to adjust the reclamation plan if required by governmental authority. Tenant is only responsible for reclamation for the Disturbed Portion. Tenant, at Tenant's sole cost and expense, shall provide any reclamation bond as required by law, and will include Landlord as an additional loss payee on the bond if possible, and will be adequately insured as described in Section 11 hereof. Tenant's obligation under this Section 6.3 shall survive the termination or expiration of this Lease.

7. Utilities. Tenant shall pay the cost of installing new utility infrastructure, if any, unless otherwise agreed in writing by Landlord. Tenant shall pay for any utility use fees supplied to the Premises in connection with its operations on the Premises. On and after the Effective Date of this Lease, Tenant shall pay all costs, expenses, charges and amounts, of whatever kind or character, for all gas, electricity, telephone, sewer service, protective service, trash disposal and other utilities and services supplied to the Premises, together with any taxes on such utilities and services.

8. Maintenance of Premises. Tenant agrees to keep the Premises in compliance with applicable law and to avoid damage or nuisance to neighboring land owners. Tenant also agrees to conduct the Permitted Use on the Premises in a commercially reasonable manner.

9. Assignment. Tenant shall not assign, transfer, or sublease this Lease or Tenant's interest in this Lease to any entity that is not Tenant's Affiliate, without the prior written consent of Landlord,

which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant may subcontract with others to produce Material or products necessary to meet the demands of Tenant and its customers. Landlord's approval of one sublease, assignment or transfer shall not validate a subsequent sublease, assignment or transfer. Any Landlord approved sublease, assignment or transfer of this Lease shall bind the new assignee or tenant to the same terms listed herein. Approval by Landlord shall not relieve Tenant from its obligations hereunder.

10. Indemnity. Tenant shall indemnify, defend and hold harmless Landlord and Landlord's employees, agents, contractors and invitees, from and against all demands, claims, causes of action, judgments, losses, damages, liabilities, fines, penalties, costs and expenses, including, without limitation, reasonable attorneys' fees, arising from or related in any way to the breach by Tenant of any of its obligations, representations or warranties hereunder, or any litigation commenced by or against Tenant to which Landlord is made a party without fault on the part of Landlord; provided that nothing herein shall require Tenant to indemnify Landlord on account of any fault or negligence on the part of Landlord or its employees, agents, contractors or invitees. Landlord shall indemnify, defend and hold harmless Tenant and Tenant's employees, agents, contractors and invitees, from and against all demands, claims, causes of action, judgments, losses, damages, liabilities, fines, penalties, costs and expenses, including, without limitation, reasonable attorneys' fees, arising from or related in any way to the breach by Landlord of any of its obligations, representations or warranties hereunder, or any litigation commenced by or against Landlord to which Tenant is made a party without fault on the part of Tenant; provided that nothing herein shall require Landlord to indemnify Tenant on account of any fault or negligence on the part of Tenant or its employees, agents, contractors or invitees.

11. Insurance. During the Term, Tenant shall, at its sole cost, procure and continue in force commercial general liability insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 per occurrence, including, without limitation, contractual liability coverage for the performance by such party of the indemnity agreement set forth in Section 10, and hazard insurance with special causes of loss including theft coverage, insuring against fire, extended coverage risks, vandalism and malicious mischief, coverage, in an amount equal to the full replacement cost (without deduction for depreciation) of the Premises. Such liability insurance shall name Landlord as an additional insured and include a complete waiver of subrogation. During the Term, Tenant shall also maintain workers' compensation insurance as required by law, and shall require any and all agents, contractors and subcontractors on the Premises to maintain workers' compensation coverage. Upon Landlord's reasonable request, Tenant shall furnish Landlord with certificates evidencing such coverage. Such shall not be cancelable or subject to reduction of coverage or other material modification except after at least ten (10) days' prior written notice to Landlord by the insurer. Said insurance coverage shall remain in full force and effect until such time as Tenant has completely vacated the Land upon the termination of the Lease.

12. Damage or Destruction. If the Premises are partially damaged or destroyed, Landlord shall be entitled to all property insurance proceeds paid under insurance policies obtained by Tenant. Landlord shall allow Tenant to use the insurance proceeds to promptly repair and restore the Premises and all fixtures, leasehold improvements, equipment and other personal property located in the Premises to substantially the condition in which the Premises were immediately prior to such destruction.

13. Condemnation. If the whole of the Premises is taken through the exercise of the power of eminent domain or by purchase or other means in lieu of such exercise, this Lease shall automatically terminate as of the date of the taking. If a portion but not all of the Premises is taken by condemnation, and in Tenant's judgment such taking makes it commercially impracticable to continue Tenant's operations on the Premises, Tenant may terminate this Lease upon at least 60 days prior notice, such termination to be effective as of the effective date of such taking. In any threatened or actual

condemnation proceeding, all damages or compensation awarded (the "Condemnation Award") shall be apportioned between Landlord and Tenant as follows: Landlord will be entitled to (a) the Royalty Landlord would have received on Materials removed from the Premises for the remaining term of this Lease had extraction activity been allowed to continue, discounted to present value; and (b) the residual value of the Premises taken at their highest and best use after the term of this Lease; and Tenant will be entitled to (x) the fair market value of the Materials that would have been removed from the Premises for the remaining term of this Lease and any extension periods, less the cost of removing and processing the Materials discounted to present value; and (y) any award for the loss of, or damage to, Tenant's fixtures, equipment, or other compensation allowable by law. In the event a court determines that either Landlord's or Tenant's damages as set forth herein are not recoverable for whatever reason, Landlord and Tenant agree the each will be entitled to seek their own compensation as the law may allow.

14. Default.

14.1. Default by Tenant. The occurrence of any of the following events shall constitute a default by Tenant under this Lease: (a) Tenant fails to timely pay any undisputed payment under this Lease when due and such failure continues for more than thirty (30) days after written notice from Landlord; (b) Tenant fails to timely perform any other obligation to be performed by Tenant under this Lease, and such failure is not cured within thirty (30) days after written notice is given to Tenant or, such default is of a nature that cannot be reasonably cured within such thirty (30) day period, Tenant does not commence such cure within such thirty (30) day period and diligently pursue the same to completion; or (c) Tenant files a petition in bankruptcy, becomes insolvent, has taken against such party in any court, pursuant to state or federal statute, a petition in bankruptcy or insolvency or for reorganization or appointment of a receiver or trustee, which involuntary petition is not dismissed within ninety (90) days, petitions for or enters into an arrangement for the benefit of creditors or suffers this Lease to become subject to a writ of execution. Tenant is not in default under this Lease if Tenant fails to make a payment that Tenant disputes in good faith, provided that Tenant shall pay any undisputed amount.

14.2. Remedies. On any default by Tenant under this Lease and the expiration of any applicable cure and grace periods, Landlord may at any time, without waiving or limiting any other right or remedy available to Landlord: (a) perform in Tenant's stead any obligation that Tenant has failed to perform, and Landlord shall be reimbursed promptly for any reasonable cost incurred by Landlord; (b) terminate Tenant's rights under this Lease by written notice; or (c) pursue any other remedy allowed by law. Tenant shall pay to Landlord the reasonable cost of recovering possession of the Premises, and all other reasonable costs and damages arising out of Tenant's default, including reasonable attorneys' fees and costs.

14.3. Default by Landlord. Landlord shall not be in default under this Lease unless Landlord or the holder of any mortgage or deed of trust covering the Premises whose name and address have been furnished to Tenant in writing fails to perform an obligation required of Landlord under this Lease within thirty (30) days after written notice by Tenant to Landlord and to such holder, specifying the respects in which Landlord has failed to perform such obligation. If the nature of Landlord's obligation is such that more than thirty (30) days are reasonably required for performance or cure, Landlord shall not be in default if Landlord or such holder commences performance within such thirty (30) day period and after such commencement diligently prosecutes the same to completion. If Landlord fails to cure, Tenant shall have the right to pursue any remedy allowed by law.

15. Expiration or Termination; Removal of Materials.

15.1. Expiration or Termination. On the expiration of the Term or sooner termination of this Lease, Tenant shall, at Tenant's sole cost (a) promptly and peaceably surrender the Premises to Landlord in the same condition as when delivered to Tenant, ordinary wear and tear, extracted Materials and casualty damage excepted; (b) repair any damage caused by or in connection with the removal of any personal property from the Premises; and (c) subject to Section 6.3 commence or continue reclamation of the Premises pursuant to Section 6.3.

15.2. Removal of Tenant's Equipment and Materials. Subject to Section 4.1, within ninety (90) days after the termination or expiration of the Term, Tenant shall, at Tenant's sole cost, remove from the Land all or any portion of Tenant's property except such equipment needed for reclamation as contemplated in Section 6.3. Subject to the foregoing sentence, all alterations, additions, and fixtures, other than Tenant's personal property and trade fixtures, which have been made or installed by Tenant in the Premises shall, upon mutual agreement, be Landlord's property and shall be surrendered with the Premises as a part thereof at the end of the Term. Tenant's obligations under the Lease shall continue during the period of removal of equipment and materials.

15.3. Removal of Stockpiled Materials. Notwithstanding the foregoing, rejected materials shall be moved to a location to be mutually agreed upon by Landlord and Tenant in conjunction with the approved reclamation plan. Materials mined by Tenant that have not been exported from the Premises at the end of the Term shall remain the property of Tenant but shall be timely removed from the Premises by Tenant, unless otherwise approved by Landlord, within ninety (90) days after the end of the Term, subject to the payment by Tenant of the Royalty provided for in Section 4.1 hereof.

#### 16. General Provisions.

16.1. Right of First Opportunity; Right of First Refusal. If Landlord desires to Sell the Land (or any portion thereof) (the "Subject Parcel") at any time during the Term, Landlord shall first offer to Sell the Subject Parcel to Tenant on the same terms and conditions that Landlord is willing to Sell the Land to any other person (the "Offer"). Tenant shall have a period of fifteen (15) business days to determine whether to accept the Offer. If Tenant accepts the offer within such fifteen (15) business day period, Landlord shall Sell the Subject Parcel to Tenant pursuant to the terms and conditions of the Offer. If Tenant does not accept the Offer within such fifteen (15) business day period, Landlord shall be free to Sell the Subject Parcel to any other person on the same terms and conditions set forth in the Offer; provided that if such Sale is not consummated within one hundred eighty (180) days after the end of such fifteen (15) business day period, this Section 16.1 shall once again apply to any proposed Sale.

16.2. Force Majeure. If either Landlord or Tenant is delayed in or prevented from the performance of any act required under this Lease by reason of acts of God, strikes, lockouts, other labor troubles, inability to procure labor or materials, restrictive laws, ordinances, rules or regulations of general applicability, riots, civil commotion, insurrection, war or other reason not the fault of the party delayed or prevented and beyond the control of such party (financial inability excepted), performance of the action in question shall be excused for the period of delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 16.2 shall not, however, operate to excuse Tenant from the prompt payment of Royalties or any other amounts required to be paid under this Lease.

16.3. Notices. All notices, claims, demands, and other communications of similar import to be given by any party to this Lease to any other party hereto shall be in writing, shall be given by personal delivery, receipted delivery services, or by registered or certified mail, first class postage prepaid, return receipt requested, and shall be delivered or addressed as follows:

To Landlord:

Willard City Corporation  
80 W 50 S  
Willard, Utah 84340

With a required copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Tenant:

Granite Construction Company  
1075 North Warm Springs Road  
Salt Lake City, Utah 84126  
Attn: Jason Klaumann

With a required copy to:

Granite Construction Company  
585 West Beach Street  
Watsonville, California 95076  
Attention: Corporate Counsel

And

Parr Brown Gee & Loveless  
185 South State Street, Suite 1300  
Salt Lake City, Utah 84111  
Attn: Cassidy J. Wallin

Either Landlord or Tenant may change the address at which such party desires to receive notice on written notice of such change to the other party. Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice.

16.4. Severability. If any provision of this Lease or the application of any provision of this Lease to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which such provision is held invalid shall not be affected by such invalidity. Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

16.5. Brokerage Commissions. Landlord and Tenant represent and warrant to the other that no claims exist for brokerage commissions or finder's fees in connection with this Lease and each agrees to indemnify, defend and hold harmless the other from and against all claims, liabilities and expenses, including attorneys' fees, arising from any such brokerage commissions or finder's fees.

16.6. Successors. Except as otherwise provided in this Lease, all provisions contained in this Lease shall be binding on and shall inure to the benefit of Landlord and Tenant and their respective successors, assigns and legal representatives.

16.7. Quiet Enjoyment. On Tenant paying the Royalty payable under this Lease and observing and performing all of the terms, covenants and conditions on Tenant's part to be observed and performed under this Lease, Tenant shall have quiet enjoyment of the Land for the Term without interference from Landlord, or anyone claiming by, through or under Landlord, subject to all of the provisions of this Lease.

16.8. Attorneys' Fees. If either Landlord or Tenant brings suit to enforce or interpret this Lease, the prevailing party shall be entitled to recover from the other party the prevailing party's reasonable attorneys' fees and costs incurred in any such action or in any appeal from such action, in addition to the other relief to which the prevailing party is entitled.

16.9. Relationship of Parties. Nothing contained in this Lease shall be construed to create the relationship of principal and agent or a partnership or joint venture between the parties. The parties acknowledge that none of the provisions of this Lease, nor any of the acts of the parties, shall be deemed to create a relationship between the parties other than the relationship of Landlord and Tenant.

16.10. Miscellaneous. The captions to the Sections of this Lease are for convenience of reference only and shall not be deemed relevant in resolving questions of construction or interpretation under this Lease. Neither party shall record this Lease but either party may record in the official title records of Box Elder County a memorandum or notice of this Lease substantially in the form of Exhibit D so long as the Royalty amounts do not appear in such memorandum or notice. If Tenant elects to record a memorandum of lease, Tenant agrees that within thirty (30) days of the termination or expiration of the Lease, Tenant shall (at Tenant's expense) cause a notice of termination of the Lease to be recorded in the official title records of Box Elder County. This Lease and the exhibits attached hereto (which exhibits are hereby incorporated herein by reference), constitute the entire agreement between the parties. No amendment to this Lease shall be binding on Landlord or Tenant unless reduced to writing and signed by both parties. This Lease shall be governed by and construed and interpreted in accordance with the laws of the State of Utah. Venue on any action arising out of this Lease shall be proper only in the First District Court in and for Box Elder County, State of Utah. ~~LANDLORD AND TENANT WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER ON ALL MATTERS ARISING OUT OF THIS LEASE OR THE USE AND OCCUPANCY OF THE PREMISES.~~

#### **LIST OF EXHIBITS**

- A. Legal Description of Land
- B. Box Elder County Conditional Use Permit
- C. Form of Memorandum of Lease

[Signature pages follow]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the respective dates set forth below, to be effective as of the Effective Date.

**LANDLORD:**

WILLARD CITY CORPORATION, a Utah municipality

By: \_\_\_\_\_

Title:

Date:

**TENANT:**

GRANITE CONSTRUCTION COMPANY,  
a California  
corporation

By: \_\_\_\_\_

Title:

Date:

**EXHIBIT A**

to

**LEASE AGREEMENT**

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**LEGAL DESCRIPTION OF LAND**  
(see attached)

**EXHIBIT B**

to

**LEASE AGREEMENT**

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**BOX ELDER COUNTY CONDITIONAL USE PERMIT**  
(see attached)

**EXHIBIT C**

**to**

**LEASE AGREEMENT**

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**FORM OF MEMORANDUM OF LEASE**  
(see attached)

## LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into as of [date], 2023 by and between **GRANITE CONSTRUCTION COMPANY**, a California corporation, as Tenant ("Tenant"), and **WILLARD CITY CORPORATION**, a Utah municipality, as landlord ("Landlord").

FOR THE SUM OF TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Landlord and Tenant agree as follows:

1. Definitions. When used in this Lease, each term below shall have the indicated meaning. Unless the context otherwise expressly requires, the words "herein," "hereto," "hereunder," and other words of similar import refer to this Lease as a whole and not to a particular Article or portion thereof.

1.1 "Affiliate" or "Affiliates" means any entity which is directly controlled by Tenant. For the purpose of this definition, "controlled" means the ownership of at least 50% of the voting and capital interests of such entity.

1.2 "Effective Date" means the date listed in the opening paragraph of this Lease, or the date on which the Box Elder County Conditional Use Permit is issued, or, if a conditional use permit is needed from Willard City, the date on which such conditional use permit from Willard City is issued, whichever is later.

1.3 "Expiration Date" means the date thirty years after the Effective Date, unless extended pursuant to Section 2.2 hereof or earlier terminated in accordance with the provisions hereof.

1.4 "Improvements" means, collectively, all buildings and improvements now or hereafter located on the Land.

1.5 "Land" means that certain land located in Box Elder County, Utah, more particularly described on Exhibit A attached hereto.

1.6 "Lease Year" means each twelve (12) month period during the Term, commencing on January 1 of each year and ending on December 31 of each year. For purposes of the initial year, "Lease Year" shall mean the period from the Effective date until December 31, 2023.

1.7 "Materials" means sand, gravel, aggregate, hard rock, stone, boulders, or other natural materials used for Tenant's purposes severed from the Land by Tenant.

1.8 "Occupants" means, collectively, any assignee, subtenant, employee, agent, licensee or invitee of Tenant.

1.9 "Permitted Use" means (when performed in compliance with all applicable laws and regulations):

(a) the mining, extracting, stockpiling, crushing, processing, sale, and removing of Materials;

(b) manufacture of concrete, base rock material, and other products in connection with concrete businesses;

(c) the installation and operation of temporary or permanent rock crushing plants, batch plants, and other equipment and facilities as Tenant's business may require; and

(d) use of the Land to stockpile, store and sell various products from multiple sources, provided such other products do not violate any other term of this Lease or applicable law.

1.10 "Premises" means, collectively, the Land and the Improvements.

1.11 "Royalty" has the meaning set forth in Section 4.2 hereof.

1.12 "Sale" means a lease, license, sale, transfer, conveyance or other disposition of the Land or any of Landlord's rights in the Land, and includes any change in the control of Landlord by way of merger, stock sale, or other disposition. "Sell" means the act of engaging in a Sale.

1.13 "Term" means the period commencing on 12:01 a.m. of the Effective Date and expiring at midnight of the Expiration Date.

## 2. Agreement of Lease; Options to Renew; Improvements.

2.1 Agreement of Lease. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, on an exclusive basis, the Premises, and all rights, powers, licenses, permits, easements, rightsofway and privileges now or hereafter situate thereon or pertaining thereto.

### 2.2 Option to Renew.

(a) Option. Provided that at the time of Tenant's exercise of the option described in this Section 2.2 this Lease is in full force and effect and there is no existing default by Tenant under this Lease, Tenant shall have the option (the "Option") to extend the Expiration Date for two (2) periods of ten (10) years each (each, an "Extension Period").

(b) Exercise of Option(s). The Option to Renew and extend the Expiration Date shall not be automatic but must be agreed upon in writing by the Parties. The Landlord shall not unreasonably withhold its approval to such extension. This Lease shall serve as notice for the exercise of the Option, unless Tenant terminates the lease pursuant to Section 2.5 hereof. All terms of this Lease, except as hereinafter provided, shall apply during the Extension Period; provided that the Royalty during any Extension Period shall continue to be adjusted as provided in Section 4.7 hereof.

(c) Right of First Opportunity for Further Lease Extensions. Landlord hereby grants to Tenant the right of first opportunity to lease the Premises if Landlord desires to lease the Premises to any other person within twelve (12) months after the expiration of the Term, such lease to be on the same terms and conditions that Landlord is willing to lease the Premises to such other person. Landlord shall notify Tenant in writing (a "Notice") of its intention. The Notice shall identify the Premises or portion of the Premises to be leased (the "Subject Parcel") and shall set forth all terms and conditions upon which Landlord is willing to lease the Subject Parcel, including the term, rent and royalty and all other material terms. If Tenant desires to exercise the right of first opportunity herein granted it, shall notify Landlord in writing of its desire to exercise its right within thirty (30) days after the date on which the Notice was given to Tenant. If Tenant has exercised its right of first opportunity as to a Subject Parcel, Tenant and

Landlord shall promptly enter into a new lease on the same terms and conditions set forth in this Lease, adjusted only as necessary to incorporate the terms of the new lease as set forth in the Notice. This Section 2.2(c) shall survive the expiration of this Lease.

2.3 Improvements. Tenant may install and operate on the Land at all times during the Term, such Improvements, equipment and facilities as may be necessary or desirable in connection with the Permitted Use. Tenant may also install all utilities necessary to service such Improvements, including but not limited to water and electrical power service. Landlord has not agreed, and has no obligation in any event or under any circumstance, to undertake any maintenance, repair, modification, alteration or improvement of the Premises at any time. All such Improvements shall be made in compliance with local, state, and federal law and at Tenant's sole expense and shall remain the personal property of Tenant. At the expiration of the Term, all such utility improvements installed by Tenant and not owned by utility providers shall be removed by Tenant, unless the Landlord authorizes them to remain, in which event they shall become the property of Landlord.

2.4 Landlord's Representations and Warranties. Landlord represents and warrants to Tenant, with the understanding that Tenant is entering into this Lease in reliance thereon, that as of the Effective Date:

(a) Landlord has good and indefeasible title to the Premises, free and clear of any liens or encumbrances except for such non-monetary liens and encumbrances of record in the Box Elder County recorder's office;

(b) Landlord has exclusive full power and authority to enter into and perform this Lease according to its terms, to receive for its own use and benefit any royalty or other consideration payable, or that may become payable hereunder, and that the individual executing this Lease on behalf of Landlord is authorized to do so;

(c) Landlord has not granted to any third party the right to use or occupy any portion of the Premises, and Landlord is not aware of any claim by any third party of the right to do so;

(d) Landlord has not received notice of and has no knowledge of any existing or threatened action, suit or proceeding affecting the Premises (including, without limitation, proposed or threatened condemnation), in any court or before or by any federal, state, county or municipal or other governmental instrumentality; and

(e) Landlord has no knowledge of any leases, rental or other contracts or agreements affecting the Premises which are not of record in the Box Elder County recorder's office.

2.5 Option to Terminate. Tenant may terminate this lease for any reason in its sole discretion by giving written notice to the Landlord, and the Lease will thereafter automatically be terminated on the date specified in such notice, which date shall not be sooner than thirty (30) days after the date of the notice. However, Tenant's obligations under the Lease shall continue until such time as Tenant has completely vacated the Land, including removing any and all Improvements thereto subject to the provisions of Section 2.3 above. Should Tenant choose to terminate this Lease for whatever reason, Tenant shall exercise best efforts to restore Land to same or similar condition as existed prior to Lease when delivered to Tenant, ordinary wear and tear, extracted Materials and casualty damage excepted.

3. Possession; Permits; Access.

3.1 Possession. Delivery of possession shall be deemed to occur upon the Effective Date. Tenant takes and accepts the Premises in the condition in which the Premises exist as of the Effective Date (that is, "as is" and "where is," with all faults), without any representation or warranty from Landlord as to the physical condition of the Premises except as otherwise provided herein. During the Term, Tenant shall have the right to occupy the Premises on an exclusive basis and shall have the exclusive right, at its sole expense, to conduct any Permitted Use.

3.2 Conditional Use Permit. Landlord warrants that a Box Elder County Conditional Use Permit for a sand, gravel, and mining operation is in the process of being issued to Landlord, and that such conditional use permit, once issued, shall remain in full force and effect. Tenant shall be responsible to obtain any additional permits required for Tenant's operations by the Utah Division of Oil, Gas and Mining or the Utah Division of Environmental Quality or any other governmental agency. Tenant and Landlord shall reasonably cooperate in the pursuit of such permits, including but not limited to, providing relevant background information and attendance at meetings and hearings.

3.3 Access.

(a) Landlord represents and warrants that Tenant shall have full rights of ingress and egress to the Premises for the Permitted Use, which rights Landlord agrees may be used by Tenant without restriction except in conformance with applicable laws and regulations. Tenant shall be solely responsible for maintaining private roads on the Premises.

(b) Landlord and Landlord's agents, employees and contractors may enter the Premises at reasonable times on reasonable notice to Tenant, except for a verifiable emergency, for the purpose of ascertaining whether the terms and conditions of this Lease are being satisfied, provided that such access shall be subject to Tenant's safety, access and insurance rules and regulations and Landlord shall not unreasonably interfere with Tenant's use of the Premises for the operation of its business.

4. Prepaid Royalty; Royalty.

4.1. Prepaid Royalty. Concurrently with the signing of this Lease, Tenant will pay to Landlord an amount equal to One Million Dollars (\$1,000,000.00) (the "Prepaid Royalty"). The Prepaid Royalty shall constitute full payment of any royalties due for Tenant's extraction of the first 1.5 million tons of Material from the Land. Cubic yards will be converted to tonnage at the rate of \_\_\_\_\_.

4.2. Royalty. After Tenant extracts the initial 1.5 million tons of Material from the Land, Tenant shall pay Landlord, without setoff, deduction, offset, prior notice or demand, the same royalty rate paid under separate agreement for Material removed from the adjacent parcel (Box Elder Parcel No. 02-006-0021), as may be adjusted from time to time, for each ton of Materials mined from the Land; provided, however, that no royalty shall accrue on Materials mined from the Land until such Materials have been removed from the processing site or incorporated into product manufactured or processed on and removed from the processing site (the "Royalty"). For avoidance of doubt, Tenant shall not be required to pay Royalty on any material imported to the Premises and used for fill material as a part of the reclamation or any other purpose on the Premises, and will not pay any Royalty on Materials mined from areas other than the Land. If, at the expiration of the Term, there are Materials mined but not removed from the Premises and for which no Royalty has been paid, such Materials shall be timely removed as provided in Section 15.3 hereof.

4.3. Measurement. All Material which is mined at and removed from the Land will be measured by aerial drone survey performed by or under the direction of Tenant. Material from the Land that is incorporated into other product manufactured or processed on and removed from the Land will be measured and documented by the equipment used in the production under the direction of Tenant. Quantities for payment may be measured by any other method reasonable under the circumstances (such as by the truck load or by estimations when exact measurements are not available). Any of Tenant's scales and manufacturing equipment shall be certified annually at Tenant's expense and Tenant shall provide a copy of such certification to Landlord upon request. Tenant's billing system records shall constitute prima facie evidence of the ton weight or other calculation of the product for which a Royalty is due. Tenant will not pay any Royalty or other fee for recycled materials or on additive and ingredients necessary in the manufacture of any product which Tenant brings onto the Premises.

4.4. Payment of Royalty; Records; Audit. Payments for Royalties shall be paid within thirty (30) days after the end of the month in which such Royalties accrue under Section 4.2. In the event Tenant fails to timely make all payments owing hereunder, interest shall accrue on all late payments from the due date to the date of payment, computed on an annual rate of 10% per annum. Upon request by Landlord, Tenant shall furnish to Landlord monthly statements of the prior month's aerial drone survey data and scales tonnages and materials, if any, used to calculate the Royalties in such reasonable form as may be provided by Tenant. Tenant shall be responsible for maintaining accurate books and records pertaining to the Premises which shall reflect the scope, nature and extent of operations on the Land and compliance with this Lease and applicable law. Such books and records shall be available to Landlord for review and audit during regular business hours at the offices of Tenant upon reasonable advance notice. If the results of an audit show that Tenant has underpaid the royalties due hereunder by greater than 6%, Tenant shall pay the deficiency within fifteen (15) days after written notice from Landlord, together with the cost of the audit and interest on the deficiency at the rate of 10% per annum from the date such payment should have been made until the date actually paid.

4.5. Withholding for State Royalty Taxes. To the extent any tax on the Royalty is imposed by the State of Utah, Tenant may withhold from the Royalty an amount equal to such tax and remit the same to the State of Utah to be applied against any taxes due to the State of Utah for Materials removed from the Premises by Tenant.

4.6. Royalty Adjustment. If Tenant extracts more than the initial 1.5 million tons of Material from the Land, and Royalty payments become due under Section 4.2, the Royalty payable by Tenant hereunder, and any adjustments to such Royalty shall be equal to the royalty rate paid for similar materials extracted from the immediately adjacent parcel (Box Elder County Parcel No. 02-006-0021) under a separate lease agreement.

5. Property Taxes.

5.1 Property Taxes. Landlord shall pay all real property taxes applicable to the Premises, if any, during the Term.

6. Use.

6.1 Permitted Use by Tenant. Tenant shall not use or occupy or permit the Premises to be used or occupied for any purpose other than the Permitted Use. Tenant shall comply with all applicable laws, ordinances, rules, or regulations, including the Box Elder County Conditional Use Permit, relating to Tenant's use of the Premises. Tenant shall have the exclusive right to use the Premises for the Permitted Use, and shall have exclusive possession of the Premises during the Term. Tenant may

conduct its operations on the Premises up to twenty-four (24) hours per day at Tenant's election, subject to the requirements of any applicable permits. Tenant shall have the right to post such signs and erect such fences as are necessary and usual in the conduct of the Permitted Use, subject to applicable law. Prior to erecting any signs or fences on the Land, Tenant shall give advance notice of the proposed signs and/or fences and the purpose for any such signs and/or fences to Landlord. Upon the termination of the Lease and at the request of Landlord, Tenant shall cause to be removed any such signage or fencing on the Land at its sole cost and expense.

## 6.2 Environmental Responsibility.

(a) For purposes hereof, "Hazardous Materials" shall mean any and all flammable explosives, radioactive material, hazardous waste, toxic substance or related material, including but not limited to, those materials and substances defined as "hazardous substances," "hazardous materials," "hazardous wastes" or "toxic substances" in the Environmental Laws. For purposes hereof, "Environmental Laws" shall mean all local, state and federal laws, statutes, rules and regulations relating to industrial hygiene, environmental protection, or the use analysis, generation, manufacture, storage, disposal, or transportation of any Hazardous Material, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq.; the Hazardous Materials Transportation Act, 39 U.S.C. Section 1801, et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the Federal Clean Water Act 33 U.S.C. Section 1251 et seq.; the Clean Air Act 41 U.S.C. Section 7401 et seq.; including all amendments thereto, replacements thereof, and regulations adopted and publications promulgated pursuant thereto.

(b) Tenant shall comply in all material respects with all applicable federal, state or local laws, ordinances or regulations relating to industrial hygiene, soil, water or environmental conditions on, under or about the Premises including, but not limited to, Environmental Laws. Tenant further agrees that there shall be no use, presence, disposal, storage, generation, release, or threatened release of Hazardous Materials on, from or under the Premises; provided, however, Tenant may bring upon the Premises limited quantities of chemicals, fuels, lubricants, oil detergents, solvents, and other materials as necessary to operate and maintain Tenant's equipment and asphalt for testing or laboratory purposes in the ordinary course of Tenant's business, provided the handling of such is at all times in compliance with all applicable laws. Tenant further covenants that it will promptly notify Landlord of any environmental concern raised by any governmental agency as it relates to the Premises or Tenant's use of the Premises; and promptly notify Landlord of any hazardous waste spill that requires reporting under any of the Environmental Laws. In the event of a violation hereof, Tenant shall immediately proceed, at Tenant's expense, to remedy same. Failure of Tenant to commence and reasonably pursue clean-up activities within ten (10) days after receipt of notice to so do and approval from applicable governmental entities with jurisdiction shall result in a default under this Lease. Landlord shall, thereafter, have the right, but not the obligation, to remedy any environmental violation upon the Premises, and Tenant shall promptly reimburse Landlord for all costs reasonably incurred by Landlord relating thereto.

(c) Upon termination of this Lease, Tenant shall remove all Hazardous Materials used, stored, treated, disposed of or released by Tenant or its agents, invitees or contractors on the Premises. Tenant shall indemnify and hold Landlord harmless from any loss, liability, cost, expense, penalty or claim, including all attorney's fees and legal expenses, arising from (i) the use, generation, storage, release or disposal by Tenant, its agents, contractors or

invitees, of any Hazardous Materials on the Premises, (ii) breach of any of the provisions of this Section 6.2, or (iii) Tenant's violation of any Environmental Law in connection with the Premises. Tenant's obligations under this Section 6.2 shall survive the termination or earlier cancellation of this Lease.

(d) If requested by Landlord, Tenant shall provide a Phase I environmental report (and if recommended by the Phase I report, a Phase II report) with respect to the Premises at least thirty (30) days but not more than ninety (90) days prior to the expiration of this Lease. To the extent such report indicates the presence of any Hazardous Materials or violation of any Environmental Laws on the Premises caused by or resulting from the acts of Tenant, its employees, contractors, agents or invitees, Tenant shall promptly remove such Hazardous Materials and remedy the violation of any Environmental Laws in compliance with relevant Environmental Laws. Tenant agrees to provide a Phase I environmental report within thirty (30) days of the Effective Date to establish a baseline as to the environmental status of the Premises at the time Tenant took possession.

6.3 Reclamation. Tenant, at Tenant's expense, shall perform reclamation of the Premises for any areas that have been disturbed by Tenant's mining operations (the "Disturbed Portion") pursuant to any applicable governmental authorizations or permits, including the Box Elder County Conditional Use Permit attached hereto as Exhibit B, as such authorizations or permits may be adjusted from time to time. Landlord and Tenant agree not to unreasonably withhold consent to adjust the reclamation plan if required by governmental authority. Tenant is only responsible for reclamation for the Disturbed Portion. Tenant, at Tenant's sole cost and expense, shall provide any reclamation bond as required by law, and will include Landlord as an additional loss payee on the bond if possible, and will be adequately insured as described in Section 11 hereof. Tenant's obligation under this Section 6.3 shall survive the termination or expiration of this Lease.

7. Utilities. Tenant shall pay the cost of installing new utility infrastructure, if any, unless otherwise agreed in writing by Landlord. Tenant shall pay for any utility use fees supplied to the Premises in connection with its operations on the Premises. On and after the Effective Date of this Lease, Tenant shall pay all costs, expenses, charges and amounts, of whatever kind or character, for all gas, electricity, telephone, sewer service, protective service, trash disposal and other utilities and services supplied to the Premises, together with any taxes on such utilities and services.

8. Maintenance of Premises. Tenant agrees to keep the Premises in compliance with applicable law and to avoid damage or nuisance to neighboring land owners. Tenant also agrees to conduct the Permitted Use on the Premises in a commercially reasonable manner.

9. Assignment. Tenant shall not assign, transfer, or sublease this Lease or Tenant's interest in this Lease to any entity that is not Tenant's Affiliate, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant may subcontract with others to produce Material or products necessary to meet the demands of Tenant and its customers. Landlord's approval of one sublease, assignment or transfer shall not validate a subsequent sublease, assignment or transfer. Any Landlord approved sublease, assignment or transfer of this Lease shall bind the new assignee or tenant to the same terms listed herein. Approval by Landlord shall not relieve Tenant from its obligations hereunder.

10. Indemnity. Tenant shall indemnify, defend and hold harmless Landlord and Landlord's employees, agents, contractors and invitees, from and against all demands, claims, causes of action, judgments, losses, damages, liabilities, fines, penalties, costs and expenses, including, without limitation,

reasonable attorneys' fees, arising from or related in any way to the breach by Tenant of any of its obligations, representations or warranties hereunder, or any litigation commenced by or against Tenant to which Landlord is made a party without fault on the part of Landlord; provided that nothing herein shall require Tenant to indemnify Landlord on account of any fault or negligence on the part of Landlord or its employees, agents, contractors or invitees. Landlord shall indemnify, defend and hold harmless Tenant and Tenant's employees, agents, contractors and invitees, from and against all demands, claims, causes of action, judgments, losses, damages, liabilities, fines, penalties, costs and expenses, including, without limitation, reasonable attorneys' fees, arising from or related in any way to the breach by Landlord of any of its obligations, representations or warranties hereunder, or any litigation commenced by or against Landlord to which Tenant is made a party without fault on the part of Tenant; provided that nothing herein shall require Landlord to indemnify Tenant on account of any fault or negligence on the part of Tenant or its employees, agents, contractors or invitees.

11. Insurance. During the Term, Tenant shall, at its sole cost, procure and continue in force commercial general liability insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 per occurrence, including, without limitation, contractual liability coverage for the performance by such party of the indemnity agreement set forth in Section 10, and hazard insurance with special causes of loss including theft coverage, insuring against fire, extended coverage risks, vandalism and malicious mischief, coverage, in an amount equal to the full replacement cost (without deduction for depreciation) of the Premises. Such liability insurance shall name Landlord as an additional insured and include a complete waiver of subrogation. During the Term, Tenant shall also maintain workers' compensation insurance as required by law, and shall require any and all agents, contractors and subcontractors on the Premises to maintain workers' compensation coverage. Upon Landlord's reasonable request, Tenant shall furnish Landlord with certificates evidencing such coverage. Such shall not be cancelable or subject to reduction of coverage or other material modification except after at least ten (10) days' prior written notice to Landlord by the insurer. Said insurance coverage shall remain in full force and effect until such time as Tenant has completely vacated the Land upon the termination of the Lease.

12. Damage or Destruction. If the Premises are partially damaged or destroyed, Landlord shall be entitled to all property insurance proceeds paid under insurance policies obtained by Tenant. Landlord shall allow Tenant to use the insurance proceeds to promptly repair and restore the Premises and all fixtures, leasehold improvements, equipment and other personal property located in the Premises to substantially the condition in which the Premises were immediately prior to such destruction.

13. Condemnation. If the whole of the Premises is taken through the exercise of the power of eminent domain or by purchase or other means in lieu of such exercise, this Lease shall automatically terminate as of the date of the taking. If a portion but not all of the Premises is taken by condemnation, and in Tenant's judgment such taking makes it commercially impracticable to continue Tenant's operations on the Premises, Tenant may terminate this Lease upon at least 60 days prior notice, such termination to be effective as of the effective date of such taking. In any threatened or actual condemnation proceeding, all damages or compensation awarded (the "Condemnation Award") shall be apportioned between Landlord and Tenant as follows: Landlord will be entitled to (a) the Royalty Landlord would have received on Materials removed from the Premises for the remaining term of this Lease had extraction activity been allowed to continue, discounted to present value; and (b) the residual value of the Premises taken at their highest and best use after the term of this Lease; and Tenant will be entitled to (x) the fair market value of the Materials that would have been removed from the Premises for the remaining term of this Lease and any extension periods, less the cost of removing and processing the Materials discounted to present value; and (y) any award for the loss of, or damage to, Tenant's fixtures, equipment, or other compensation allowable by law. In the event a court determines that either Landlord's

or Tenant's damages as set forth herein are not recoverable for whatever reason, Landlord and Tenant agree the each will be entitled to seek their own compensation as the law may allow.

14. Default.

14.1. Default by Tenant. The occurrence of any of the following events shall constitute a default by Tenant under this Lease: (a) Tenant fails to timely pay any undisputed payment under this Lease when due and such failure continues for more than thirty (30) days after written notice from Landlord; (b) Tenant fails to timely perform any other obligation to be performed by Tenant under this Lease, and such failure is not cured within thirty (30) days after written notice is given to Tenant or, such default is of a nature that cannot be reasonably cured within such thirty (30) day period, Tenant does not commence such cure within such thirty (30) day period and diligently pursue the same to completion; or (c) Tenant files a petition in bankruptcy, becomes insolvent, has taken against such party in any court, pursuant to state or federal statute, a petition in bankruptcy or insolvency or for reorganization or appointment of a receiver or trustee, which involuntary petition is not dismissed within ninety (90) days, petitions for or enters into an arrangement for the benefit of creditors or suffers this Lease to become subject to a writ of execution. Tenant is not in default under this Lease if Tenant fails to make a payment that Tenant disputes in good faith, provided that Tenant shall pay any undisputed amount.

14.2. Remedies. On any default by Tenant under this Lease and the expiration of any applicable cure and grace periods, Landlord may at any time, without waiving or limiting any other right or remedy available to Landlord: (a) perform in Tenant's stead any obligation that Tenant has failed to perform, and Landlord shall be reimbursed promptly for any reasonable cost incurred by Landlord; (b) terminate Tenant's rights under this Lease by written notice; or (c) pursue any other remedy allowed by law. Tenant shall pay to Landlord the reasonable cost of recovering possession of the Premises, and all other reasonable costs and damages arising out of Tenant's default, including reasonable attorneys' fees and costs.

14.3. Default by Landlord. Landlord shall not be in default under this Lease unless Landlord or the holder of any mortgage or deed of trust covering the Premises whose name and address have been furnished to Tenant in writing fails to perform an obligation required of Landlord under this Lease within thirty (30) days after written notice by Tenant to Landlord and to such holder, specifying the respects in which Landlord has failed to perform such obligation. If the nature of Landlord's obligation is such that more than thirty (30) days are reasonably required for performance or cure, Landlord shall not be in default if Landlord or such holder commences performance within such thirty (30) day period and after such commencement diligently prosecutes the same to completion. If Landlord fails to cure, Tenant shall have the right to pursue any remedy allowed by law.

15. Expiration or Termination; Removal of Materials.

15.1. Expiration or Termination. On the expiration of the Term or sooner termination of this Lease, Tenant shall, at Tenant's sole cost (a) promptly and peaceably surrender the Premises to Landlord in the same condition as when delivered to Tenant, ordinary wear and tear, extracted Materials and casualty damage excepted; (b) repair any damage caused by or in connection with the removal of any personal property from the Premises; and (c) subject to Section 6.3 commence or continue reclamation of the Premises pursuant to Section 6.3. Unless the parties to this Lease otherwise agree in writing, this Lease shall be null and void and shall have no effect, if, by December 31, 2026, a conditional use permit or other similar governmental authorization has not been issued by Box Elder County or Willard City to allow the Permitted Use on the Premises.

15.2. Removal of Tenant's Equipment and Materials. Subject to Section 4.1, within ninety (90) days after the termination or expiration of the Term, Tenant shall, at Tenant's sole cost, remove from the Land all or any portion of Tenant's property except such equipment needed for reclamation as contemplated in Section 6.3. Subject to the foregoing sentence, all alterations, additions, and fixtures, other than Tenant's personal property and trade fixtures, which have been made or installed by Tenant in the Premises shall, upon mutual agreement, be Landlord's property and shall be surrendered with the Premises as a part thereof at the end of the Term. Tenant's obligations under the Lease shall continue during the period of removal of equipment and materials.

15.3. Removal of Stockpiled Materials. Notwithstanding the foregoing, rejected materials shall be moved to a location to be mutually agreed upon by Landlord and Tenant in conjunction with the approved reclamation plan. Materials mined by Tenant that have not been exported from the Premises at the end of the Term shall remain the property of Tenant but shall be timely removed from the Premises by Tenant, unless otherwise approved by Landlord, within ninety (90) days after the end of the Term, subject to the payment by Tenant of the Royalty provided for in Section 4.1 hereof.

16. General Provisions.

16.1. Right of First Opportunity; Right of First Refusal. If Landlord desires to Sell the Land (or any portion thereof) (the "Subject Parcel") at any time during the Term, Landlord shall first offer to Sell the Subject Parcel to Tenant on the same terms and conditions that Landlord is willing to Sell the Land to any other person (the "Offer"). Tenant shall have a period of fifteen (15) business days to determine whether to accept the Offer. If Tenant accepts the offer within such fifteen (15) business day period, Landlord shall Sell the Subject Parcel to Tenant pursuant to the terms and conditions of the Offer. If Tenant does not accept the Offer within such fifteen (15) business day period, Landlord shall be free to Sell the Subject Parcel to any other person on the same terms and conditions set forth in the Offer; provided that if such Sale is not consummated within one hundred eighty (180) days after the end of such fifteen (15) business day period, this Section 16.1 shall once again apply to any proposed Sale.

16.2. Force Majeure. If either Landlord or Tenant is delayed in or prevented from the performance of any act required under this Lease by reason of acts of God, strikes, lockouts, other labor troubles, inability to procure labor or materials, restrictive laws, ordinances, rules or regulations of general applicability, riots, civil commotion, insurrection, war or other reason not the fault of the party delayed or prevented and beyond the control of such party (financial inability excepted), performance of the action in question shall be excused for the period of delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 16.2 shall not, however, operate to excuse Tenant from the prompt payment of Royalties or any other amounts required to be paid under this Lease.

16.3. Notices. All notices, claims, demands, and other communications of similar import to be given by any party to this Lease to any other party hereto shall be in writing, shall be given by personal delivery, receipted delivery services, or by registered or certified mail, first class postage prepaid, return receipt requested, and shall be delivered or addressed as follows:

To Landlord:

Willard City Corporation  
80 W 50 S  
Willard, Utah 84340

With a required copy to: Mann, Hadfield & Thorne  
98 North Main Street  
Brigham City, UT 84302  
Attn: Colt Mund

To Tenant:

Granite Construction Company  
1075 North Warm Springs Road  
Salt Lake City, Utah 84126  
Attn: Jason Klaumann

With a required copy to: Granite Construction Company  
585 West Beach Street  
Watsonville, California 95076  
Attention: Corporate Counsel

And

Parr Brown Gee & Loveless  
101 S. 200 E. Suite 700  
Salt Lake City, Utah 84111  
Attn: Cassidy J. Wallin

Either Landlord or Tenant may change the address at which such party desires to receive notice on written notice of such change to the other party. Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice.

16.4. Severability. If any provision of this Lease or the application of any provision of this Lease to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which such provision is held invalid shall not be affected by such invalidity. Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

16.5. Brokerage Commissions. Landlord and Tenant represent and warrant to the other that no claims exist for brokerage commissions or finder's fees in connection with this Lease and each agrees to indemnify, defend and hold harmless the other from and against all claims, liabilities and expenses, including attorneys' fees, arising from any such brokerage commissions or finder's fees.

16.6. Successors. Except as otherwise provided in this Lease, all provisions contained in this Lease shall be binding on and shall inure to the benefit of Landlord and Tenant and their respective successors, assigns and legal representatives.

16.7. Quiet Enjoyment. On Tenant paying the Royalty payable under this Lease and observing and performing all of the terms, covenants and conditions on Tenant's part to be observed and performed under this Lease, Tenant shall have quiet enjoyment of the Land for the Term without interference

from Landlord, or anyone claiming by, through or under Landlord, subject to all of the provisions of this Lease.

16.8. Attorneys' Fees. If either Landlord or Tenant brings suit to enforce or interpret this Lease, the prevailing party shall be entitled to recover from the other party the prevailing party's reasonable attorneys' fees and costs incurred in any such action or in any appeal from such action, in addition to the other relief to which the prevailing party is entitled.

16.9. Relationship of Parties. Nothing contained in this Lease shall be construed to create the relationship of principal and agent or a partnership or joint venture between the parties. The parties acknowledge that none of the provisions of this Lease, nor any of the acts of the parties, shall be deemed to create a relationship between the parties other than the relationship of Landlord and Tenant.

16.10. Miscellaneous. The captions to the Sections of this Lease are for convenience of reference only and shall not be deemed relevant in resolving questions of construction or interpretation under this Lease. Neither party shall record this Lease but either party may record in the official title records of Box Elder County a memorandum or notice of this Lease substantially in the form of Exhibit D so long as the Royalty amounts do not appear in such memorandum or notice. If Tenant elects to record a memorandum of lease, Tenant agrees that within thirty (30) days of the termination or expiration of the Lease, Tenant shall (at Tenant's expense) cause a notice of termination of the Lease to be recorded in the official title records of Box Elder County. This Lease and the exhibits attached hereto (which exhibits are hereby incorporated herein by reference), constitute the entire agreement between the parties. No amendment to this Lease shall be binding on Landlord or Tenant unless reduced to writing and signed by both parties. This Lease shall be governed by and construed and interpreted in accordance with the laws of the State of Utah. Venue on any action arising out of this Lease shall be proper only in the First District Court in and for Box Elder County, State of Utah.

**LIST OF EXHIBITS**

- A. Legal Description of Land
- B. Form of Memorandum of Lease

**[Signature pages follow]**

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the respective dates set forth below, to be effective as of the Effective Date.

**LANDLORD:**

WILLARD CITY CORPORATION, a Utah municipality

By: \_\_\_\_\_

Title:

Date:

**TENANT:**

GRANITE CONSTRUCTION COMPANY,  
a California  
corporation

By: \_\_\_\_\_

Title:

Date:

**EXHIBIT A**

to

**LEASE AGREEMENT**

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**LEGAL DESCRIPTION OF LAND**  
(see attached)