

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CONTRACT FOR THE SALE OF MINERAL MATERIALS

Office: Spokane District

Contract Number: WAOR 62012

The United States of America, acting through the Bureau of Land Management (BLM), and _____, the purchaser, make this AGREEMENT, under the authority of the Act of July 31, 1947, 61 Stat. 681, as amended at 30 U.S.C. 601 through 604, and the regulations at 43 CFR Group 3600.

We agree:

Sec. 1. Contract area. Under the terms and conditions of this contract, the United States sells to you and you buy the mineral materials listed in section 2 and contained in the following lands as shown on the map and mining plan attached to this contract:

COUNTY	STATE	TOWNSHIP	RANGE	SECTIONS	ALIQUOT PARTS	MERIDIAN	ACREAGE
Benton	WA	0090N	0270E	20	S1/2 (BLM portion)	44M	72.5

Pit name (if any): **Benton City Community Pit**

Sec. 2. Amount and price of materials. The United States determines the total purchase price by multiplying the total quantity of each kind of mineral material designated by the unit price given below, or as changed through reappraisal.

KIND OF MATERIALS	QUANTITY (TONS)	PRICE (PER TON)	TOTAL PRICE
Sand and Gravel	2,000,000 tons	\$0.52 minimum (to be adjusted based on competitive bidding and biannual reappraisal)	\$1,040,000
Reclamation/Administrative Fee	(same as above)	\$0.03/ton	\$60,000
TOTAL	2,000,000 tons	\$0.55	\$1,100,000

BLM's determination of the amount of materials that you have taken under the contract is binding on you. You may appeal this determination as provided in section 19.

You are liable for the total purchase price, even if the quantity of materials you ultimately extract is less than the amount shown above. You may not mine more than the quantity of materials shown in the contract.

Sec. 3. Payments, title, and reappraisals. You may not extract the materials until you have either paid in advance for them in full for a total price of \$1,100,000, or paid the first installment of \$55,000.

(a) If you pay in installments, you must pay the first installment before BLM approves the contract.

(b) Once you start removing material, you must pay each subsequent installment payment on a monthly basis in an amount equal to the value of materials removed in the previous month. Payment must be made by the 15th day following the end of the month for which you are reporting. You must pay the total contract purchase price not later than 60 days before the contract expires.

(c) The United States will retain the first installment as security for your full and faithful performance and will apply it to the last installment required to make the total payment equal to the total price given in section 2 (\$1,100,000).

The total purchase price equals the sum of the total quantities contracted for, multiplied by their respective unit prices.

If you are late making an installment payment, you **must not** remove any more material until you have paid. Removing material you have not paid for is trespass, and for trespass you must pay at triple the appraised unit price, or at triple the reappraised unit price if BLM has made a reappraisal. To resume removal operations after you were late making payments, you must obtain BLM's written approval.

(d) You receive title to the mineral materials only after you have paid for them and extracted them.

Sec. 4. Risk of loss. You assume complete risk of loss for all materials to which you have title. If material covered by this contract is damaged or destroyed before title passes, you are liable for all loss suffered if you or your agents are directly or indirectly responsible for the damages. If you are not responsible for the damage or destruction, you are liable only to the extent that the loss was caused by your failure to remove the material under the terms of this contract. You are still liable for breach of contract or any wrongful or negligent act.

Sec. 5. Liability for damage to materials not sold to you. You are liable for loss or damage to materials not sold to you if you or your agents are directly or indirectly responsible for the damage or loss. You are also liable if you fail to perform under the contract according to BLM's instructions and the United States incurs costs resulting from your breach of any contract term or your failure to use proper conservation practices. If the damage resulted from willful or gross negligence, you are liable for triple the appraised value of the damaged or destroyed materials. If the damage or destruction did not result from willful or gross negligence, you are liable for lesser charges, but not less than the appraised value of the materials.

Sec. 6. Stipulations and reserved terms. Your rights are subject to the regulations at 43 CFR Group 3600 and to any stipulations and the mining plan attached to this contract.

BLM will check this box if there are stipulations attached to this contract. Stipulations as noted in the Benton City Project Environmental Assessment (EA) and Record of Decision (ROD).

Sec. 7. Notice of operations. You **must** notify BLM within fifteen (15) days prior to beginning and ending operations under this contract. This contract is dependent upon acceptable evidence to BLM of timely development of the mine site. If you do not show good faith in developing this deposit in a timely manner, BLM may cancel this contract as set forth in other sections of this contract.

Sec. 8. Bonds. (a) You **must** furnish BLM with a bond in the amount of **\$30,000** as a condition of issuing this contract to you. This bond amount applies only to the percentage of disturbance that this contract sale is anticipated to have on the total deposit. Additional bond amounts will be required for future production disturbance as the pit becomes larger and deeper.

(b) If you do not perform all terms of the contract, BLM will deduct an amount equal to the damages from the face amount of the bond. If the damages exceed the amount of the bond, you are liable for the excess. BLM will cancel the bond or return the cash or U.S. bonds you supplied when you have completed performance under this contract.

(c) BLM will require a new bond when it finds any bond you furnish under this contract to be unsatisfactory.

Sec. 9. Assignments. You may not assign this contract without BLM's written approval.

Sec. 10. Modification of the Approved Mining or Reclamation Plan. You or BLM may initiate modification of these plans to adjust for changed conditions, or to correct any oversight. The conditions for BLM requiring you to modify these plans, or approving your request for modification are found in the regulations at 43 CFR 3601.44.

Sec. 11. Expiration of contract. This contract will expire five (5) years from BLM authorization or when 2,000,000 tons of material has been mined from this site by this operator, whichever comes first, unless BLM extends the term or renews the contract.

BLM will check this box if this contract is a renewable competitive contract.

Sec. 12. Renewal of renewable competitive contract. BLM will renew your contract if it believes the new contract to be in the best interest of the U.S., you apply in writing no less than 90 days before your renewable competitive contract expires and you

meet the conditions in the regulations at 43 CFR 3602.47.

Sec. 13. Violations, and cancellations. (a) If you violate any terms or provisions of this contract, BLM may cancel your contract following the regulations at 43 CFR 3601.60 et seq., and recover all damages suffered by the United States, including applying any advance payments you made under this contract toward the payment of the damages.

(b) If you extract any mineral materials sold under this contract after the contract has expired or been canceled, you have committed, and may be charged with, willful trespass.

Sec. 14. Responsibility for damages suffered or costs incurred by the United States. If you, your contractors, subcontractors or employees breach this contract or commit any wrongful or negligent act, you are liable for any resulting damages suffered or costs incurred by the United States. You **must** pay the United States within 30 days after receiving a written demand from BLM.

Sec. 15. Extensions of time. BLM may grant you an extension of time in which to comply with contract provisions under the regulations at 43 CFR 3602.27. For contracts with terms over 90 days, you **must** apply in writing no less than 30 or more than 90 days before your contract expires. For contracts with terms of 90 days or less you **must** apply no later than 15 days before your contract expires.

Sec. 16. Time for removing personal property. You have 90 days (not to exceed 90) from the date this contract expires to remove your equipment, improvements, and other personal property from United States lands or rights-of-way. You may leave in place improvements such as roads, culverts, and bridges if BLM consents. Any property remaining after this period ends becomes the property of the United States, but you will remain liable for the cost of removing it and restoring the site.

Sec. 17. Equal opportunity clause. The actions you take in hiring **must** comply with the provisions of Executive Order No. 11246 of September 24, 1965, as amended, which describe the non-discrimination clauses. You may get a copy of this order from BLM.

Sec. 18. Effective date. This contract becomes effective as indicated below.

If this contract becomes effective on the date BLM signs the contract, BLM will check this box.

If this contract becomes effective only after certain conditions are met, BLM will check this box, list the conditions below, and indicate the effective date.

Sec. 19. Appeal. You may appeal any decision that BLM makes in regard to this contract under parts 4 and 1840 of Title 43 of the Code of Federal Regulations.

The following parties have executed this contract as of:

PURCHASER	THE UNITED STATES OF AMERICA
(Individual or Firm Name)	Thomas Ryan
	(Authorized Officer)
(Address)	(Signature)
(Phone Number – include area code)	Spokane District Manager
	(Title)
(Signature)	

	March 7, 2011 (or later)
(Signature)	(Date)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly or willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction, subject to a fine of up to \$10,000 and imprisonment up to 5 years.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) requires us to inform you that:

- BLM is collecting this information to process your application and effect a binding contract
- BLM will use this information to identify and communicate with applicants.
- You **must** respond to this request to get a benefit.
- A federal agency may not conduct or sponsor, and you are not required to respond to, an information collection which does not have a currently valid OMB control number.

AUTHORITY: 30 U.S.C. 601 *et seq.*; 43 CFR 3600

PRINCIPAL PURPOSE: BLM uses this information to identify the parties entering into contracts for disposing of mineral materials.

ROUTINE USES: BLM will transfer information from the record or the record itself to appropriate federal, state, local, or foreign agencies, when relevant to criminal, civil, or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: If you do not provide this information to BLM, we will not be able to process your application for a contract.

BLM estimates the public reporting burden for this form at an average of 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing this form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Information Collection Clearance Officer, (1004-0103), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Example Only - Price Totals Will Vary Depending Upon Bid Amounts