

WATTS DAVID HENDERSON  
 Form 4  
 December 02, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 WATTS DAVID HENDERSON

2. Issuer Name and Ticker or Trading Symbol  
 GRANITE CONSTRUCTION INC  
 [GVA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 585 WEST BEACH STREET  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/30/2010

Director  10% Owner  
 Officer (give title below)  Other (specify below)

WATSONVILLE, CA 95076  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	07/15/2010		A	V	23.8478 (1) A \$ 11,161.0627 23.58 (2)	D	
Common Stock	10/15/2010		A	V	24.865 (1) A \$ 11,185.9277 22.74 (3)	D	
Common Stock	11/30/2010		A	V	6,184 (4) (3) A \$ 17,369.9277 25.37 (3)	D	
Common Stock	11/30/2010		F		1,546 (5) D \$ 15,823.9277 25.37 (3)	D	
Common Stock					223 (6)	I	by ESOP

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Performance Units [Right to Receive]	\$ 0	07/15/2010		A	V 304.9757 (7)	(8) (9)	Common Stock 30
Performance Units (Right to Receive)	\$ 0	10/15/2010		A	V 314.8147 (7)	(8) (9)	Common Stock 31
Performance Units (Right to Receive)	\$ 0	11/30/2010		D	6,184	(8) (9)	Common Stock 0

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WATTS DAVID HENDERSON 585 WEST BEACH STREET WATSONVILLE, CA 95076	X			

## Signatures

Terry K. Eller, Attorney-in-Fact, for David H. Watts 12/02/2010

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Dividends on stock units granted pursuant to the Granite Construction Incorporated Amended and Restated 1999 Equity Incentive Plan.
- (2) Includes 4,349.4727 stock units and dividend shares on stock units.
- (3) Includes 4,374.3377 stock units and dividend shares on stock units.

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- This distribution represents the second of 10 installments of performance-based compensation and accrued dividends. The deferred performance-based compensation is paid in shares of common stock issued under the Granite Construction Incorporated Amended and Restated 1999 Equity Incentive Plan. Shares accrue dividends, payable upon distribution of shares of common stock. Mr. Watts elected to receive the shares annually in 10 equal installments.
- (4) Shares surrendered for taxes upon stock distribution.
  - (5) Previously reported.
  - (6) Dividends on performance-based compensation.
  - (7) Each performance right represents a right to receive one share of common stock. The performance rights vested upon acquisition; however, because Mr. Watts chose to defer payment, the stock became payable upon retirement.
  - (8) No expiration date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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