

First Amendment to Trust Water Right Agreement

This First Amendment to Trust Water Right Agreement ("First Amendment") is made and entered into as of the 2nd day of April, 2013, by and between the Washington State Department of Ecology, Yakima River Basin Trust Water Rights Program ("Ecology") and SC Aggregate Company, Inc., a Washington corporation ("SC").

A. WHEREAS, Ecology and SC entered into that certain Trust Water Right Agreement dated as of February 12, 2010 (the "Agreement"); and

B. WHEREAS, Ecology and SC are now desirous of amending the Agreement to allow for and provide a mechanism for the Department of Ecology to expedite processing of mitigation transfers and to clarify and supplement certain other provisions;

NOW, THEREFORE, in consideration of the mutual benefits contained herein and contained within the Agreement, Ecology and SC hereby agree to amend and supplement the Agreement as follows:

1. The provisions of Paragraph 2 of the Agreement are fully satisfied and the Trust is in full force and effect.

2. Paragraph 3 of the Trust Water Right Agreement is amended to read as follows:

3. The process for SC's sale of any uncommitted Water in Trust to third parties, and the corresponding issuance of mitigated permits or water budget neutrality determinations by Ecology, shall be as follows:

3.1 SC will propose or enter into a contract with a third party to provide a portion of the Water in Trust as mitigation on such terms consistent with this Agreement as SC may elect, SC or such third party shall make applications to Ecology (or, if appropriate, to a water conservancy board) for a water budget neutrality determination or to appropriate surface or ground water at the desired location and for the intended use and quantities, together with all regularly required supporting information (each, hereinafter a "New Application"). As part of the New Application, Ecology will assist in designating the specific quantity of the Water in Trust as required to offset the consumptive loss associated with the uses described on the New Application.

3.2 Ecology will process the New Application in accordance with applicable law, utilizing such portion of the Water in Trust as reasonably needed under the quantity allocation set out in Exhibit D which, together with any other proposed mitigation

measures, shall reasonably offset the impacts of such new withdrawal.

3.3 If necessary or appropriate, Ecology will complete a Water Transfer Working Group ("WTWG") project description and will present it to the WTWG. Ecology, in consultation with the U.S. Bureau of Reclamation, will determine if some or all of the Water that SC or the third party applicant designates would be assigned to the Reclamation-Ecology storage and delivery exchange contract.

3.4 Ecology will investigate the New Application and recommend issuance or denial of a permit or a determination of water budget neutrality based on applicable policy, rules, and law. Ecology's review of New Application shall also include the following considerations:

3.4.1 In order to develop and confirm performance standards as set forth in any respective report of examination or determination of water budget neutrality, Ecology and such third party shall provide information to reasonably show or estimate, as the case maybe, that the consumptive uses of the proposed project, when offset by the mitigation water allocated from the Trust and any other proposed mitigation measures, do not increase the consumptive use of water.

3.4.2 With regard to domestic uses and so long as withdrawals are metered to users; and the subject project is, or will be made, subject to covenants, conditions and restrictions which impose water use restrictions for both inside and outside purposes which will be recorded against the project; and reasonable water use enforcement provisions are provided; and return flows are provided for through an approved septic or other waste treatment facility reasonably designed to infiltrate treated water in the general area from which it is being withdrawn, the allocation of Trust Water for mitigation shall be at a rate of not more than .392 acre-feet (350 gallons per day on a year round basis) per equivalent residential unit ("ERU"), or such other amount as required by the Kittitas County Department of Health for serving a residential dwelling.

3.4.3 Ecology's permit or determination of water budget neutrality relative to a New Application will specify the conditions and limitations on the use of water in a manner consistent with the Water held in the Yakima Pilot Water Bank as mitigation. Conditions relating to measuring and reporting water

use and for reimbursement of any Ecology costs to administer the Reclamation-Ecology Exchange Contract will also be included in the permit.

3.4.4 If all or a portion of the Water is deemed adequate to fully mitigate a New Application, then SC, and/or the third party, upon receipt of final approval from Kittitas County of its land use applications for development of the real property that is the intended place and purpose of use of the New Application, and exhaustion of all applicable appeal periods thereof, SC and/or the third party applicant (beneficiary of the Water) shall execute such documentation as necessary to irrevocably and perpetually commit the Water to Trust for purposes of offsetting the New Application.

3.5 If Ecology intends to issue an ROE for a New Application, it will publish the draft ROE on its internet site. If Ecology intends to issue a determination of water budget neutrality, it shall notify SC. If the form and substance of the draft ROE or water budget neutrality determination is acceptable to SC, SC or the third party applicant promptly shall cause an escrow to be opened for such transaction at the Escrow Agent. All escrow costs shall be borne by SC, or as otherwise set forth in the written escrow instructions or sale agreement between SC and the third party. SC and any third party having the right to do so under an agreement with SC, may, at any time prior to closing of escrow and without cause or penalty, withdraw the New Application or otherwise prevent any allocation of any portion of the Water to such transaction.

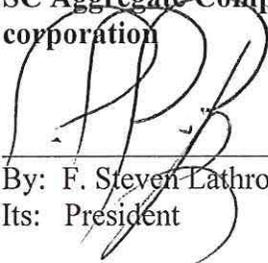
3. Except as amended herein, all other terms and conditions of the Trust Water Right Agreement remain in full force and effect as first written.

This First Amendment is executed as of the date first above written.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY:

SC Aggregate Company, Inc., a Washington
corporation


By: MARK KEMNER
Its: WRP CRO SECTION MANAGER


By: F. Steven Lathrop
Its: President

INDEX OF EXHIBITS
TO FIRST AMENDMENT TO TRUST WATER RIGHT AGREEMENT

D. Quantity Allocation for New Application

Exhibit D (Quantity Allocation for New Application)

Consumptive Water Use Calculator			
Percentage of Water Consumed by Rule			
<small>Water Use</small>	<small>% Consumed</small>		
In-house Use with a On-site Septic System	30%		
In-house Use Hooked up to a Sanitary Septic System	20%		
Outdoor Use (Irrigation)	50%		
How Much Water Do I need?			
In-house Use with a On-site Septic System	1	350	
In-house Use Hooked up to a Sanitary Septic System	0	350	
<small>* This value is a default value based on Dept of Health minimum requirements.</small>			
Irrigation	500	0.011	1.83
<small>** This value is based on an irrigation requirement for a portion of the site area and an irrigation efficiency of 60% based on WAC 173-534.</small>			
TOTAL CONSUMED		TOTAL USE	
Consumptive Water Use (ac-ft)		Water Use (ac-ft)	
0.118		0.392	
0.000		0.000	
Consumptive Water Use (ac-ft)		Water Use (ac-ft)	
0.019		0.022	
Total Consumptive Water Use (ac-ft)		Total Water Use (ac-ft)	
0.137		0.414	
The total consumptive water use is based on the assumptions in WAC 173-534.		Total water use is the quantity of water required for the project.	

Trust Water Right Agreement

This Trust Water Right Agreement is made and entered into as of the 12th day of February, 2010, by and between the Washington State Department of Ecology, Yakima River Basin Trust Water Rights Program ("Ecology") and SC Aggregate Company, Inc., a Washington corporation ("SC").

WHEREAS, Ecology is the trustee of the Yakima River Basin Trust Water Rights Program as authorized under Chapter 90.38 RCW (the "Trust"); and

WHEREAS, SC is the owner of certain water rights in the mainstem of the Yakima River as more particularly described and confirmed under Claim No. 01724 in the Conditional Final Order issued in Subbasin No. 7 (Reecer Creek), dated October 25, 2001, in State of Washington v. Acquavella, et al, Yakima County Superior Court Cause No. 77-2-01484-5 ("Acquavella") in Exhibit A (the "Water") and presently appurtenant to the land legally described in Exhibit B (the "Land"), each such exhibit being attached hereto and incorporated herein; and

WHEREAS, SC submitted a Trust Water Right Application to Ecology, WRTS File No. CS4-01724CTCLsb7 (KITT-09-05) (the "Application"), to place the Water into the Trust for the purpose of enhancing in-stream flows and providing mitigation water to offset and allow for the permitting of new water rights to be used for any lawful purpose within the Yakima River basin; and

WHEREAS, Ecology has accepted the Application, has completed its examination of the extent and validity of the Water based on the Kittitas County Water Conservancy Board Report of Examination as modified and confirmed by Ecology's Final Order letter, as amended (collectively the "ROE") as attached hereto as Exhibit D; and

WHEREAS, Ecology is also prepared to issue its trust water right certificate placing the Water in the Trust for in-stream and mitigation purposes pursuant to RCW 90.38.040, provided that such certificate shall be replaced if and as reasonably necessary to comply with the final decree in Acquavella when issued by the Court pursuant to Pre-trial Order 17 (collectively the "Certificate"); and

WHEREAS, subject to the terms of this Agreement and the Application, Ecology confirms that it is willing, able and authorized to hold the Water in the Trust as provided for herein;

NOW, THEREFORE, in consideration of the forgoing, the mutual covenants and undertakings as hereinafter set forth, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. The purpose of this Agreement and the primary reason SC is willing to place the Water into the Trust is to provide a senior water right as off-setting mitigation that will allow SC or third parties to apply for and receive new ground water withdrawal or surface water diversionary permits within the Yakima River basin, particularly within Kittitas County. These new water

rights will be mitigated in whole or in part by way of a permanent designation of such portion of SC's beneficial interest in the Water in Trust as reasonably required to ensure no impairment to the total water supply available in the Yakima River ("TWSA") or other water rights; provided that any portion of such mitigation may also be provided by other means.

2. This Agreement shall be effective upon its mutual execution, and the Trust shall commence upon the close of an escrow established by the parties as hereinafter provided. The term of this Agreement shall then be for so long as any portion of the Water remains in the Trust (the "Term"). The escrow shall be opened at Amerititle, Ellensburg, Washington (the "Escrow Agent") upon the mutual execution of this Agreement and its deposit with the Escrow Agent.

2.1 The escrow shall close within thirty (30) days of the occurrence of the last of the following events: mutual execution of all agreements and documents contemplated by or collateral to this Agreement; SC's deposit of an executed quit claim deed in recordable form of the Water to the Trust substantially in the form of Exhibit C attached hereto and incorporated herein (the "Deed"); the giving of all requisite public notices for actions contemplated or referred to herein; the deposit of Ecology's letter accepting the Water into the Trust (the "Acceptance"); the deposit of the Certificate, in form and content acceptable to SC; and the expiration of all notice, comment and appeal periods related to the full implementation of this Agreement, the ROE, and the Certificate. The parties shall execute appropriate escrow instructions to the Escrow Agent, and all escrow costs shall be shared equally by the parties.

2.2 Upon closing, the Escrow Agent shall record the Deed with the county auditor and/or such other places as may be appropriate and shall deliver the Acceptance and Certificate to SC.

3. Once this agreement is executed, SC and Ecology may begin the process of designating parties to receive mitigation credit based upon the Water held in the Yakima Pilot Water Bank. The process for SC to identify recipients of mitigation credit and for Ecology to issue mitigated permits is as follows:

3.1 In the event SC shall propose or enter into a contract with a third party to provide a portion of the Water in Trust as mitigation on such terms consistent with this Agreement as SC may elect, SC or such third party shall make application to Ecology (or, if appropriate, to a water conservancy board) to appropriate surface or ground water at the desired location and for the intended use and quantities, together with all regularly required supporting information (hereinafter a "New Application"). As part of the New Application, SC will designate the specific quantity of the Water in Trust as required to offset the consumptive loss associated with the uses described on the application. SC will also co-sign the New Application.

3.2 Upon receipt of a complete New Application, Ecology, pursuant to WAC 173-539A-080 or such other laws or rules as may from time to time apply to the priority processing of water right transfers, shall accept and timely process it under RCW 90.03.260-.340 and Chapter 90.44 RCW utilizing such portion of the Water in Trust as reasonably needed under the quantity allocation set out in Exhibit D which, together with any other proposed mitigation measures, shall reasonably offset the impacts of such new withdrawal.

3.3. Ecology will prepare a public notice and send it to the applicant for publication in a newspaper with general circulation in the area as required by RCW 90.03.

3.4. The applicant must publish the notice and ensure that the newspaper transmits an affidavit of publication to Ecology.

3.5. Ecology will complete a Water Transfer Working Group (“WTWG”) project description and will present it to the WTWG. Ecology, in consultation with the U.S. Bureau of Reclamation, will determine if some or all of the Water SC designates would be assigned to the Reclamation-Ecology storage and delivery exchange contract.

3.6. Ecology will investigate the New Application and prepare a Report of Examination recommending issuance or denial of a permit based on applicable policy, rules, and law. Ecology’s review of New Applications shall also include the following considerations:

3.6.1 In order to develop and confirm performance standards as set forth in any respective report of examination, SC and/or such third party shall provide information to reasonably show or estimate, as the case maybe, that the consumptive uses of the proposed project, when offset by the mitigation water allocated from the Trust and any other proposed mitigation measures, do not increase the consumptive use of water. In this regard and during the consideration of initial New Applications, Ecology may limit the allocation of the quantities of the Water shown in Exhibit D, in the aggregate, to not more than fifty (50%) percent of the total in order to obtain data on actual consumptive use by projects for which New Applications are approved; provided, however, that such limitation shall no longer apply once actual consumptive use has been established with respect to twenty-five (25%) of the Water allocated to New Applications.

3.6.2 With regard to domestic uses and so long as withdrawals are metered to users; the subject project is, or will be made, subject to covenants, conditions and restrictions which impose water use restrictions for both inside and outside purposes which will be recorded against the project; reasonable water use enforcement provisions are provided; and return flows are provided for through an approved septic or other waste treatment facility reasonably designed to infiltrate treated water in the general area from which it is being withdrawn, the allocation of Trust Water for mitigation shall be at a withdrawal or diversionary rate of not more than .392 acre-feet (350 gallons per day on a year round basis) per equivalent residential unit (“ERU”).

3.7. Ecology’s permit relative to the New Application will specify the conditions and limitations on the use of water in a manner consistent with the Water held in the Yakima Pilot Water Bank as mitigation. Conditions relating to measuring and reporting water use and for reimbursement of any Ecology costs to administer the Reclamation-Ecology Exchange Contract will also be included in the permit.

4. SC shall have the right at any time to withdraw the Application, terminate this Agreement and remove from the Trust any portion of the Water that has not been permanently allocated as

mitigation for other water uses as set forth in this Agreement. Should the Escrow not close on or before May 15, 2010, this Agreement shall terminate, and the Application deemed withdrawn.

5. In the event Ecology is prepared to issue an ROE for a New Application, it will publish the draft ROE on its internet site. If the form and substance is acceptable to SC and to the third party applicant, if any, SC shall cause an escrow to be opened for such transaction at the Escrow Agent upon the mutual execution and deposit of the fully executed agreement between SC and the third party applicant, if any, and the deposit of any other documents required for closing. The escrow shall close within thirty (30) days of the occurrence of the last of the following events: mutual execution of all agreements and documents contemplated by or collateral to this Agreement; SC's deposit of an executed document in a form acceptable to Ecology permanently allocating a portion of the then available and unallocated Water in the Trust to the proposed purpose as set forth in the New Application; the giving of all requisite public notices for actions contemplated by such transaction; deposit of the ROE and the new water right permit, each in form and content acceptable to SC and such third party, if any; the expiration of all notice, comment and appeal periods related to the full implementation of this Agreement, the ROE, and the new water right permit; and the deposit of all monies, documents and things relevant and necessary to conclude the transaction between SC and any third party. All escrow costs shall be shared equally between SC and the third party. SC, and any third party having the right to do so under an agreement with SC, may, at any time prior to closing of escrow and without cause, withdraw the New Application or otherwise prevent any allocation of any portion of the Water to such transaction.

6. During the Term and in its capacity as a fiduciary, Ecology shall hold and manage the Water in trust pursuant to chapter 90.38 RCW and this Agreement as a part of TWSA. Ecology:

6.1 Shall take no position and make no assertions that the quantities and beneficial use of the Water is other than as stated in Exhibit D and paragraph 3 above, and this representation shall also apply to any Water removed from the Trust;

6.2 Shall, in addition to the protections against relinquishment in RCW 90.03.380, 90.03.615 and 90.14.140, at all times during the Term manage, maintain, preserve and protect for the benefit of SC and its successors, designees and assigns all aspects and attributes of the Water as quantified in Exhibit D, including, but not limited to, the priority date, the total diversionary right, instantaneous quantity, and annual consumptive quantity from impairment, challenges, claims and relinquishment;

6.3 Shall process all New Applications where portions of the Water is proposed as mitigation and shall take all steps necessary to comply with any restrictions imposed by other agreements to which Ecology may be subject, including, but not limited to memorandums of agreement and groundwater moratoriums or subsequently enacted water right processing rules; and

6.4 Shall not assess or charge SC any costs or fees for maintaining the Water in the Trust; provided that Ecology may charge third parties its regular costs and fees for water

right applications, transfers and investigations or costs attributable to assignment of a portion of the Water to Ecology's USBR contract for storage and exchange contract.

7. In keeping with the purpose of this Agreement and as a material part of the consideration for this Agreement upon which its execution is dependent:

7.1 SC makes the following undertakings, representations and warranties to Ecology:

7.1.1 SC is a Washington corporation duly formed and authorized and fully able to enter into and perform all its obligations in this Agreement according to its terms.

7.1.2 Each individual executing this Agreement on behalf of SC is duly authorized to execute and deliver this Agreement.

7.1.3 Upon its full execution, this Agreement is binding upon SC in accordance with its terms.

7.1.4 SC shall use its best efforts to fully and timely perform its obligations and actions contemplated by this Agreement.

7.2 Ecology makes the following undertakings, representations and warranties to SC:

7.2.1 Ecology is a division of the State of Washington duly formed and authorized and fully able to enter into and perform all its obligations in this Agreement according to its terms.

7.2.2 Each individual executing this Agreement on behalf of Ecology is duly authorized to execute and deliver this Agreement.

7.2.3 Upon its full execution, this Agreement is binding upon Ecology in accordance with its terms.

7.2.4 Ecology shall use its best efforts to fully and timely perform its obligations and actions contemplated by this Agreement.

8. If either party defaults in its obligations under this Agreement; or if this Agreement, or a material portion thereof, be declared illegal or unenforceable; or, if either party, through no fault or action by such party, should be incapable or prevented from performing any material obligations or actions, the non-defaulting party in the event of a default or either party in any other event shall have the right to the following:

8.1 As the computation of damages may be difficult, continue this Agreement and bring an action to specifically perform this Agreement.

8.2 Declare the Agreement null and void, whereupon the parties shall cooperate to end the trust water right relationship in an orderly manner as follows:

8.2.1 SC shall identify all in-process designation agreements and inform Ecology of their status. SC shall not make representations regarding in-process designations and shall each instance work with Ecology to determine in whether an assignment should be completed. If Ecology agrees, the permit process will be completed promptly in accordance with applicable policies, rules, and law.

8.2.2 Ecology shall promptly convey to SC or its designee the portion of the trust water right not yet designated and assigned as mitigation for individual ground water and surface water permits. If any reserve has been set aside to address uncertainty (see paragraph 3.6) associated with the then-existing mitigated permits, Ecology will retain such reserve until it is either assigned to individual permits or Ecology determines some or all of the reserve is unnecessary. Any reserve not needed shall be promptly conveyed by Ecology to SC.

8.2.3 Each party shall be responsible for their own costs associated with ending the trust water right relationship in an orderly manner.

8.3 Pursue any other remedy now or hereafter available.

8.4 In no event shall the termination of this Agreement alter or affect any Water previously allocated for mitigation or permits granted relative to New Applications.

9. This Agreement may be assigned by SC upon the giving of written notice to Ecology. This Agreement is binding upon and inures to the benefit of the parties to the Agreement as well as upon and to the benefit of their respective heirs, personal representatives, assigns and other successors in interest.

10. Any notice or communication required by this Agreement between SC and Ecology shall be given to the addresses set forth below:

To Ecology:
Water Resources Section Manager
Washington Department of Ecology
Central Regional Office
15 West Yakima Avenue, Suite 200
Yakima, Washington 98902-3452

To SC:
SC Aggregate Company Inc.
1572 Robinson Canyon Road
Ellensburg, Washington 98926

11. No provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision of this Agreement be unenforceable for any reason outside the

control of the parties and subject to the provisions of Paragraph 8.2, the party finding itself unable to enforce the provision may, at its sole discretion, declare this entire Agreement to be null and void.

12. If either party fails to exercise its rights under this Agreement, it will not be precluded from subsequent exercise of its rights under this Agreement. A failure to exercise rights will not constitute a waiver of any other rights under this Agreement, unless stated in a letter signed by an authorized representative of the party and attached to the original Agreement.

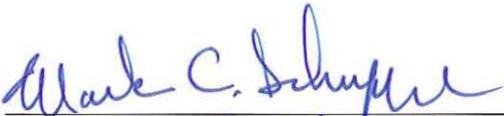
13. Amendments to this Agreement must be in writing and signed by an authorized representative of each of the parties.

14. Each party shall protect, defend, indemnify, and hold the other hold harmless from and against their respective acts and omissions and for all third party claims arising out of or related to this Agreement.

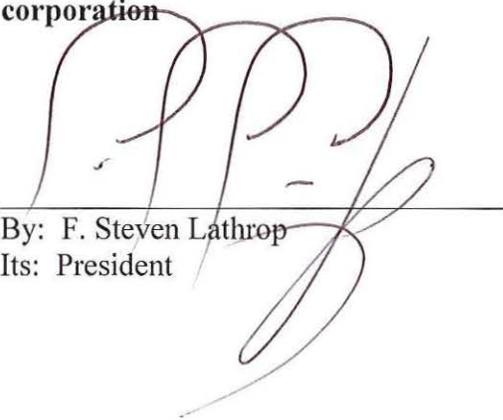
15. This Agreement will be governed and enforced under the laws of the State of Washington. Venue for any action arising under or related to this Agreement shall be in Kittitas County, Washington.

This Agreement is executed as of the date first above written.

**Washington State Department of Ecology,
State Trust Water Right Program**


By: Mark C. Schuppe
Title: Section Manager, WR-CRO

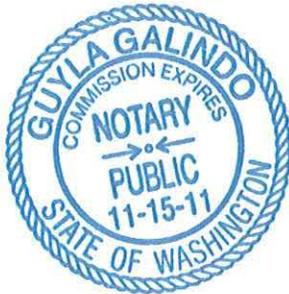
**SC Aggregate Company, Inc., a Washington
corporation**


By: F. Steven Lathrop
Its: President

STATE OF WASHINGTON)
) ss.
County of Yakima)

On this day, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Mark C. Schupp to me known to be the Section Manager of Washington State Department of Ecology, State Trust Water Right Program, the entity that executed the foregoing instrument, and acknowledged that the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.

GIVEN under my hand and official seal this 12th day of February, 2010.

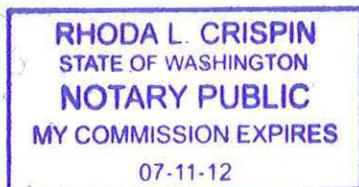


Guyla Galindo
Printed Name: GUYLA GALINDO
Notary Public in and for the State of Washington
My commission expires: 11-15-11

STATE OF WASHINGTON)
) ss.
County of Kittitas)

On this day, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared F. Steven Lathrop, to me known to be the President of SC Aggregate Company, Inc., the corporation that executed the foregoing instrument, and acknowledged that the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he authorized to execute the said instrument.

GIVEN under my hand and official seal this 8th day of February, 2010.



Rhoda L. Crispin
Rhoda L. Crispin
Notary Public in and for the State of Washington
My commission expires: 7/11/2012

**Exhibit A
The Water**

COURT CLAIM NO.: 01724

Source: Yakima River

Purpose of Use: Irrigation of 50 acres and stock water

Period of Use: April 1 to October 15

Instant Quantity: 4.91 cubic feet per second for irrigation and 0.21 cubic feet per second for stock water

Annual Quantity: 1199 acre-feet per year for irrigation; 5.12 acre-feet per year for stock water

Priority Date: October 30, 1884

Point of Diversion: 1500 feet South and 700 feet East from the Northwest corner of Section 3, being within the NW1/4SW1/4NW1/4 of Section 3, T. 17 N., R. 18 E.W.M.

Place of Use: That portion of the S1/2 SE1/4 of Section 3, T 17 N., R. 18 E.W.M. lying southwest of the southwesterly boundary of PSH 3 (I-90) and east of Dike Road and that portion of the NE1/4 of Section 10, T. 17 N., R. 18 E.W.M. lying east of Dike Road and North of Damman Road, except the I-90 right-of-way and that portion lying northeast of the I-90 right-of-way. (See Exhibit B for complete legal description)

Exhibit B
The Land

That portion of the South half of the Southeast quarter of Section 3, Township 17 North, Range 18, E.W.M., in the County of Kittitas, State of Washington, which lies Southwesterly of the Southwesterly boundary line of PSH 3 (SR90);

AND

That portion of the North half of the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, which lies Southwesterly of the Southwesterly boundary line of PSH 3 (SR90);

AND

That portion of the Southwest quarter of the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, which is described as follows:

A tract of land bounded by a line beginning at a point 370.4 feet West of the Northeast corner of said quarter of quarter section, and running thence West 800 feet to the low water mark of the Yakima River; thence along said low water mark South 250 feet; thence South 41°38' East 581.44 feet; thence South 80° East, 570 feet; thence South 33°50' East, 45 feet to the North boundary line of the County Road; thence North 56°10' East, 174 feet; and thence North 18°05' West, 814 feet to the point of beginning;

AND

That portion of the South half of the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, which is described as follows:

A tract of land bounded by a line beginning at the Southwest corner of the Southeast quarter of the Northeast quarter of the Northeast quarter, and running thence West 660 feet; thence South 694.9 feet to the Northwesterly boundary line of the right of way of the County Road; thence North 56°10' East, along the Northwesterly boundary line of said right of way, 794.5 feet; and thence North 252.5 feet to the point of beginning;

AND

A tract of land bounded by a line beginning at the Southwest corner of the Northeast quarter of the Northeast quarter in Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, and running thence West 370.4 feet; thence South 18°05' East, 814 feet to the Northwesterly boundary line of the right of way of the County Road; thence North 56°10' East, along the Northwesterly boundary line of said right of way, 141.8 feet; and thence North 694.9 feet to the point of beginning;

AND

That portion of the Northeast Quarter of the Southeast Quarter of the Northeast Quarter of Section 10, Township 17 North, Range 18 East, W.M., lying Northerly of the Northerly Right of Way line of County Road known as Umptanum Road formerly known as Damman Road.

EXCEPTING FROM ALL OF THE ABOVE:

1. A strip of land within the Northwest quarter of the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, thirty (30) feet in width, being fifteen (15) feet on either side of the center line of the irrigating ditch of the Bull Canal Company as it existed on June 24, 1908, as conveyed to Bull Canal Company by deed recorded September 29, 1908, in Volume 17 of Deeds, page 320.
2. A strip of land within the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, thirty (30) feet in width being fifteen (15) feet on either side of the centerline, being the center of a Slough running near the North boundary line of the South half of the Northeast quarter of said Section 10, as conveyed to the Bull Canal Company by deed recorded October 6, 1908, in Volume 18 of Deeds, page 125, under Auditor's File No. 22172.
3. Any portion of the South half of the Southeast quarter of said Section 3, as conveyed to the City of Ellensburg, Washington, by Deeds recorded May 23, 1972, under Auditor's File No.'s 375397 and 375398, which property lies Westerly of the East boundary line (tow of the slope) of the River Dike as it existed on December 10, 1970.
4. Any portion thereof within the Northwest quarter of the Northeast quarter and the Southwest quarter of the Northeast quarter of said Section 10, as conveyed to the City of Ellensburg, Washington by deeds recorded May 23, 1972, under Auditor's File No.'s 375397 and 375398, which property lies Westerly of the East boundary line (tow of the slope) of the River Dike as it existed on December 10, 1970.
5. That portion of the South half of the Northeast quarter of said Section 10, as conveyed to Kittitas County for a county road and appurtenances, by deed recorded January 27, 1987, in Volume 256, page 150, under Auditor's File No. 502062.
6. That portion of the Northeast Quarter of the Southeast Quarter of Section 10, Township 17 North, Range 18 East, W.M. conveyed to the State of Washington by deed recorded September 30, 1965, under Auditor's File No. 324491.

**Exhibit C
Form of Deed**

After recording return to:

F. Steven Lathrop
Lathrop, Winbauer, Harrel, Slothower & Denison, LLP
P. O. Box 1088
Ellensburg WA 98926

Document Title:	Quit Claim Deed (as to Water Rights)
Grantor:	SC Aggregate Company, Inc., a Washington corporation
Grantee:	The State of Washington, by and through its Department of Ecology Yakima River Basin Trust Water Rights Program as authorized under Chapter 90.38 RCW
Legal Description:	Water Rights appurtenant to portions of: South half Southeast quarter, Section 3, Township 17 North, Range 18, East, and of North half Northeast quarter, Southwest quarter Northeast quarter, South half Northeast quarter, Southeast Quarter Northeast Quarter, Section 10, Township 17 North, Range 18 East
Assessor's Tax Parcel No.:	17-18-03040-0004 (12364), 17-18-10010-0024 (525136), 17-18-10010-0026 (13144), 17-18-10010-0005 (448533)

QUIT CLAIM DEED (as to Water Rights)

THE GRANTOR, SC Aggregate Company, Inc., a Washington corporation, for and in consideration of Ten Dollars (\$10.00) and other valuable consideration conveys and quit claims unto The State of Washington, by and through its Department of Ecology Yakima River Basin Trust Water Rights Program as authorized under Chapter 90.38 RCW, all of Grantors' right, title, interest and beneficial use of, in and to the water right confirmed under Claim No. 01724 in the Conditional Final Order issued in Subbasin No. 7 (Reecer Creek), dated October 25, 2001, in State of Washington v. Acquavella, et al, Yakima County Superior Court Cause No. 77-2-01484-5 and more fully described on Exhibit A attached hereto and incorporated herein by reference (hereinafter referred to as the "Water Right"); which water right is currently appurtenant to the real property situated in the County of Kittitas, State of Washington, legally described on Exhibit

B attached hereto and incorporated herein by reference, including any interest therein which grantor may hereafter acquire.

Dated this _____ day of _____, 2010.

SC Aggregate Company, Inc., a Washington corporation

By: _____
Its: _____
Exhibit to Document
Do Not Sign

STATE OF WASHINGTON)
) ss.
County of Kittitas)

On this day, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of SC Aggregate Company, Inc., the corporation that executed the foregoing instrument, and acknowledged that the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he authorized to execute the said instrument.

GIVEN under my hand and official seal this _____ day of _____, 2010.

Exhibit to Document
Do Not Sign

Printed Name:
Notary Public in and for the State of Washington
My commission expires: _____

EXHIBIT A
(Water Rights)

COURT CLAIM NO.: 01724

Source: Yakima River

Purpose of Use: Irrigation of 50 acres and stock water

Period of Use: April 1 to October 15

Instant Quantity: 4.91 cubic feet per second for irrigation and 0.21 cubic feet per second for stock water

Annual Quantity: 1199 acre-feet per year for irrigation; 5.12 acre-feet per year for stock water

Priority Date: October 30, 1884

Point of Diversion: 1500 feet South and 700 feet East from the Northwest corner of Section 3, being within the NW1/4SW1/4NW1/4 of Section 3, T. 17 N., R. 18 E.W.M.

Place of Use: That portion of the S1/2 SE1/4 of Section 3, T 17 N., R. 18 E.W.M. lying southwest of the southwesterly boundary of PSH 3 (I-90) and east of Dike Road and that portion of the NE1/4 of Section 10, T. 17 N., R. 18 E.W.M. lying east of Dike Road and North of Damman Road, except the I-90 right-of-way and that portion lying northeast of the I-90 right-of-way.

EXHIBIT B

That portion of the South half of the Southeast quarter of Section 3, Township 17 North, Range 18, E.W.M., in the County of Kittitas, State of Washington, which lies Southwesterly of the Southwesterly boundary line of PSH 3 (SR90);

AND

That portion of the North half of the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, which lies Southwesterly of the Southwesterly boundary line of PSH 3 (SR90);

AND

That portion of the Southwest quarter of the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, which is described as follows:

A tract of land bounded by a line beginning at a point 370.4 feet West of the Northeast corner of said quarter of quarter section, and running thence West 800 feet to the low water mark of the Yakima River; thence along said low water mark South 250 feet; thence South 41°38' East 581.44 feet; thence South 80° East, 570 feet; thence South 33°50' East, 45 feet to the North boundary line of the County Road; thence North 56°10' East, 174 feet; and thence North 18°05' West, 814 feet to the point of beginning;

AND

That portion of the South half of the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, which is described as follows:

A tract of land bounded by a line beginning at the Southwest corner of the Southeast quarter of the Northeast quarter of the Northeast quarter, and running thence West 660 feet; thence South 694.9 feet to the Northwesterly boundary line of the right of way of the County Road; thence North 56°10' East, along the Northwesterly boundary line of said right of way, 794.5 feet; and thence North 252.5 feet to the point of beginning;

AND

A tract of land bounded by a line beginning at the Southwest corner of the Northeast quarter of the Northeast quarter in Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, and running thence West 370.4 feet; thence South 18°05' East, 814 feet to the Northwesterly boundary line of the right of way of the County Road; thence North 56°10' East, along the Northwesterly boundary line of said right of way, 141.8 feet; and thence North 694.9 feet to the point of beginning;

AND

That portion of the Northeast Quarter of the Southeast Quarter of the Northeast Quarter of Section 10, Township 17 North, Range 18 East, W.M., lying Northerly of the Northerly Right of Way line of County Road known as Umptanum Road formerly known as Damman Road.

EXCEPTING FROM ALL OF THE ABOVE:

1. A strip of land within the Northwest quarter of the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, thirty (30) feet in width, being fifteen (15) feet on either side of the center line of the irrigating ditch of the Bull Canal Company as it existed on June 24, 1908, as conveyed to Bull Canal Company by deed recorded September 29, 1908, in Volume 17 of Deeds, page 320.
2. A strip of land within the Northeast quarter of Section 10, Township 17 North, Range 18 East, W.M., in the County of Kittitas, State of Washington, thirty (30) feet in width being fifteen (15) feet on either side of the centerline, being the center of a Slough running near the North boundary line of the South half of the Northeast quarter of said Section 10, as conveyed to the Bull Canal Company by deed recorded October 6, 1908, in Volume 18 of Deeds, page 125, under Auditor's File No. 22172.
3. Any portion of the South half of the Southeast quarter of said Section 3, as conveyed to the City of Ellensburg, Washington, by Deeds recorded May 23, 1972, under Auditor's File No.'s 375397 and 375398, which property lies Westerly of the East boundary line (tow of the slope) of the River Dike as it existed on December 10, 1970.
4. Any portion thereof within the Northwest quarter of the Northeast quarter and the Southwest quarter of the Northeast quarter of said Section 10, as conveyed to the City of Ellensburg, Washington by deeds recorded May 23, 1972, under Auditor's File No.'s 375397 and 375398, which property lies Westerly of the East boundary line (tow of the slope) of the River Dike as it existed on December 10, 1970.
5. That portion of the South half of the Northeast quarter of said Section 10, as conveyed to Kittitas County for a county road and appurtenances, by deed recorded January 27, 1987, in Volume 256, page 150, under Auditor's File No. 502062.
6. That portion of the Northeast Quarter of the Southeast Quarter of Section 10, Township 17 North, Range 18 East, W.M. conveyed to the State of Washington by deed recorded September 30, 1965, under Auditor's File No. 324491.

Exhibit D

Report of Examination and Ecology Letter Order of Modification and Approval