July 7, 2010

MC Ten LLC
c/o Sean Northrop
PO Box 923
Cle Elum WA 98922

Re: Determination of Water Budget Neutrality for Request No. G4-35294

Dear Mr. Northrop:

Thank you for submitting a Request for Determination of Water Budget Neutrality, which was received by the Department of Ecology (Ecology) office on April 30, 2010.

In accordance with Washington Administrative Code (WAC) 173-539A, Ecology has determined your proposed appropriation of groundwater, as mitigated by the trust water right identified in your request, will be water budget neutral with respect to Total Water Supply Available at Parker.

The information in the table below was based on the documents you provided.

<table>
<thead>
<tr>
<th>Use</th>
<th>Proposed Total Annual Quantity (ac-ft/yr*)</th>
<th>Proposed Mitigation (ac-ft/yr*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indoor</td>
<td>4.705</td>
<td>1.411</td>
</tr>
<tr>
<td>Outdoor</td>
<td>1.249</td>
<td>1.125</td>
</tr>
<tr>
<td>Total</td>
<td>5.954</td>
<td>2.536</td>
</tr>
</tbody>
</table>

*ac-ft/yr = acre-feet per year (1 acre-foot = 325,851 gallons)

Consumptive use, totaling 2.536 ac-ft/yr, is proposed to be offset with Trust Water Right No. CS4-00365CTCLsb5. The total consumptive use does not exceed the amount of water available under the subject trust water right during the irrigation season nor does it exceed the availability of unused storage capacity to retain the subject portion of the trust water right for later release during the non-irrigation season. Please refer to the enclosed Advisory Letter for additional information on consumptive use.
Ecology has determined, based on review of your Request for Water Budget Neutral Determination and the accompanying materials, your proposed use of groundwater will be Water Budget Neutral as follows:

- Water use is to be made within Parcel No. 951355, described as: Lot 10, Plat of Timber Ridge Plat No. P-04-07, recorded in book 10 of Plats, Pages 127 and 128.
- In-home water use is 12 connections, resulting in a consumptive use of 1.411 ac-ft/yr.
- Outdoor irrigation use is 0.5 acres, resulting in a consumptive use of 1.125 ac-ft/yr.
- The proposed well is located in Parcel No. 951355, being within the NE¼NW¼ of Section 9, T. 21 N., R. 14 E.W.M.
- Water use shall be recorded and reported as required under WAC 173-539A-070 and as described in the Advisory Letter enclosure.
- You will record with the Kittitas County Auditor a property covenant as required under WAC 173-539A-050 that restricts or prohibits trees or shrubs over a septic drain field on Parcel No. 951355.
- You will record with the Kittitas County Auditor an appropriate conveyance instrument under which the owner of the land on which water will be used obtains an interest in Trust Water Right No. CS4-00365CTCLs5 to offset consumptive use as described in this letter.
- You will pay to Ecology the sum of $872.59 which represents a proportionate amount of the payment cue and owing to the United States for storage and deliver of water under Paragraph 15(a) of Water Storage and Exchange Contract No. 09XX101700, between the Bureau of Reclamation and the State of Washington Department of Ecology, Yakima Project, Washington, dated January 29, 2009.
- Water use on the above described land will not commence until all obligations under the Trust Water Right Agreement between Northland Resources LLC and Ecology, dated May 13, 2016, and as amended, have been fulfilled.
- Any valid priority calls against Trust Water Right No. CS4-00365CTCLs5, based on local limitations in water availability, will result in temporary curtailment of the use of water until the priority call for water ends.

**YOUR RIGHT TO APPEAL**

You have a right to appeal this Order to the Pollution Control Hearing Board (PCHB) within 30 days of the date of receipt of this Order. The appeal process is governed by Chapter 43.21B RCW and Chapter 371-08 WAC. “Date of receipt” is defined in RCW 43.21B.001(2).

To appeal you must do the following within 30 days of the date of receipt of the Order.

- File your appeal and a copy of this Order with the PCHB (see addresses below). Filing means actual receipt by the PCHB during regular business hours.
- Serve a copy of your appeal and this Order on Ecology in paper form - by mail or in person. (See addresses below.) E-mail is not accepted.

You must also comply with other applicable requirements in Chapter 43.21B RCW and Chapter 371-08 WAC.
ADDRESS AND LOCATION INFORMATION

<table>
<thead>
<tr>
<th>Street Addresses</th>
<th>Mailing Addresses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department of Ecology</strong></td>
<td><strong>Department of Ecology</strong></td>
</tr>
<tr>
<td>Attn: Appeals Processing Desk</td>
<td>Attn: Appeals Processing Desk</td>
</tr>
<tr>
<td>300 Desmond Drive SE</td>
<td>PO Box 47608</td>
</tr>
<tr>
<td>Lacey WA 98503</td>
<td>Olympia WA 98504-7608</td>
</tr>
<tr>
<td><strong>Pollution Control Hearings Board</strong></td>
<td><strong>Pollution Control Hearings Board</strong></td>
</tr>
<tr>
<td>4224 – 6th Avenue SE</td>
<td>PO Box 40903</td>
</tr>
<tr>
<td>Rowe Six, Building 2</td>
<td>Olympia WA 98504-0903</td>
</tr>
<tr>
<td>Lacey WA 98503</td>
<td></td>
</tr>
</tbody>
</table>

If you have any questions, please contact Teresa Mitchell at (509) 575-2597.

Sincerely,

Mark C. Schuppe, Section Manager
Water Resources Program

MCS:KW:gg/100706

Enclosures: Your Right To Be Heard
Advisory Letter
Water Measuring Requirements

By Certified Mail: 7007 2560 0001 9535 1386

cc: Tom McDonald, Cascadia Law Group
    Tom Justus, Washington State Department of Health, Spokane
    Philip Rigdon, Director, Natural Resources Division, Yakama Nation