

KUTAK ROCK LLP RECEIVED
SUITE 800
510 WEST RIVERSIDE AVENUE
SPOKANE, WASHINGTON 99201-0506
509-747-4040
FACSIMILE 509-747-4545
www.kutakrock.com

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TANYA L. BARTON
tanya.barton@kutakrock.com
(509) 747-4040

September 18, 2017

VIA FIRST-CLASS MAIL

IDWR Northern Region
7600 N. Mineral Dr., Suite 100
Coeur d'Alene, Idaho 83815-7763

Re: IDWR Water Right No.: 95-03089 ("Water Right")
Notice of Change of Water Right

Ladies and Gentlemen:

We are counsel to Interstate Concrete and Asphalt Company, an Idaho corporation ("Interstate"). Interstate is the holder of the tenant's interest under that certain Access, Use and Extraction Agreement by and between the David L. Haman Trust dated October 11, 1995 ("Haman Trust") and JTL Group, Inc. ("JTL") dated April 23, 2001 (the "Original Lease") for the purpose of extracting sand and gravel from certain real property described therein located in Kootenai County, Idaho. A copy of the Original Lease is enclosed herewith as Exhibit "A." Interstate submits this letter for the purpose of confirming that it is the owner of the Water Right and to update the records of the Idaho Department of Water Resources ("IDWR").

JTL's interest in the Original Lease was assigned to Hap Taylor & Sons, Inc., an Oregon corporation ("Hap Taylor") pursuant to the terms of that certain Assignment of Access, Use and Extraction Agreement dated June 8, 2005 (the "Assignment"). Hap Taylor merged with Morse Bros., Inc., an Oregon corporation ("Morse") effective as of December 31, 2009 ("Morse Merger"), and on January 1, 2010, Morse changed its name to Knife River Corporation – Northwest, an Oregon corporation ("Knife River"). Knife River and Haman Trust subsequently amended the Original Lease via letter agreement on January 21, 2011 ("Letter Amendment"). The Original Lease, Assignment, Morse Merger, and Knife River are collectively referred to as the "Lease." Under the Lease, Interstate as the eventual successor to JTL, was ultimately responsible for obtaining all necessary water rights from IDWR for the extraction of sand and gravel.

Interstate acquired Knife River's interest in the Lease as of December 30, 2016 under that certain Assignment and Assumption of Leases ("Interstate Assignment"). A copy of the Interstate Assignment is enclosed herewith as Exhibit "B." Notice of the Interstate Assignment was further recorded in the records of the Kootenai County Recorder under that certain Memorandum and Assignment of Leases ("Interstate Memorandum"). A copy of the Interstate Memorandum is

SCANNED

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IDWR Northern Region
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Page 2

enclosed herewith as Exhibit "C." The Interstate Assignment and the Interstate Amendment evidence that Interstate is now the holder of Knife River's interest in the Water Right.

Interstate submits the enclosed Notice of Change in Water Right Ownership attached hereto as Exhibit "D" and associated application fee to confirm the transfer of the Water Right from Knife River to Interstate in the records of the Idaho Department of Water Resources pursuant to Idaho Code § 42-248.

Should you require any additional information regarding the foregoing, please do not hesitate to contact me.

Very truly yours,

Kutak Rock LLP



Tanya L. Barton

TLB/NS

cc: John Shogren

Enclosures

EXHIBIT A

SCANNED
APR 17 2018

ACCESS, USE AND EXTRACTION AGREEMENT

THIS AGREEMENT IS MADE this 23 day of April, 2001, by and between the David L. Haman Trust, acting through and by David L. Haman, Trustee, hereinafter referred to as "Lessor", and JTL Group, Inc., a Montana corporation, hereinafter referred to as "JTL."

WHEREAS, Lessor owns the land described in Exhibit A (the "Property");

WHEREAS, JTL desires to acquire the rights to access, use, and extract sand and gravel from the Property; and

WHEREAS, JTL is willing to pay Lessor a royalty fee for these rights;

NOW, THEREFORE, the parties hereto agree as follows:

1. **Use of Property.** In consideration of the obligations undertaken by JTL hereunder, Lessor does hereby grant to JTL exclusive access, use and extraction rights to the Property for the life of this Agreement, and any extensions thereto.

2. **Term.** The initial term of this Agreement shall be for a ten (10) year term beginning upon the date written above. JTL has the option to extend

this Agreement for two (2) additional five (5) year terms, which options can be executed by furnishing a notice to Lessor any time prior to sixty (60) days before the end of the initial term of this Agreement (for the first option), or before the end of the first extension (for the second option).

3. Royalty.

(a) On or before May 10, 2002, JTL will make a minimum royalty payment¹ to Lessor of Twenty Five Thousand Dollars (\$25,000.00), subject however to the parties' understanding that if JTL is unable to secure all necessary permitting despite its exercise of reasonable diligence, that such circumstance would constitute an Act of God under paragraph 22 of this Agreement, which would thereby cause this payment obligation to be suspended as described therein. On or before May 10, 2003, JTL will make another minimum royalty payment to Lessor of Fifty Thousand Dollars (\$50,000.00). On or before May 10, 2004 and on or before May 10 of every year thereafter during the term of this Agreement, and during any extension

¹The term "minimum royalty payment" means JTL agrees that if and to the extent there is a shortfall of actual royalty payments paid as compared with the total of all minimum royalty payments due as of the due date for a minimum royalty payment, then JTL will pay as an advance royalty to Lessor an amount up to the promised "minimum royalty payment" sum so as to offset, or help offset, the shortfall.

period, JTL will make a minimum royalty payment of One Hundred Thousand Dollars (\$100,000.00) to Lessor. To the extent the total of all royalty payments and minimum royalty payments exceeds the royalty payments due to date, such excess shall be carried forward without interest accruing thereupon and be credited against any royalty payments that may become due in subsequent years. Any remaining credit due JTL upon the termination or expiration of this Agreement may be redeemed by sand or gravel extraction or removal by JTL within sixty (60) days after the termination or expiration of this Agreement.

(b) The parties agree that the royalty payments to be paid by JTL for each in-bank cubic yard of material removed from the Property shall be \$.55/ton² for the first five years of this Agreement. This royalty will be adjusted upward at the start of the sixth year in the amount of \$.05/ton. For the seventh year, and for each year thereafter, the royalty payments shall be adjusted annually from a \$.60/ton base payment by the percent change of the U.S. City Average for the Consumer Price Index for All Urban Consumers (CPI

²The term "ton," whenever used herein, shall refer to 2000 pounds.

- U) (not seasonally adjusted) for all items for the index base period where 1982 - 1984 = 100 for the previous April from the same index for April, 2006.

To recap: the royalty payments are the following:

1st through 5th year of lease - -

(The date first written above to April 30, 2006): \$0.55 per ton

6th year of lease - -

(May 1, 2006 to April 30, 2007): \$0.60 per ton

7th year of lease - -

\$0.60 per ton base payment adjusted by the percent change of the U.S. City Average for the CPI-U (not seasonally adjusted) for all items for the index base period where 1982 - 1984 = 100 for April, 2007 from the same index for April, 2006. However, the price per ton base payment shall not be reduced below \$.60 per ton.

8th year and each year thereafter, to include the two option periods - -

\$0.60 per ton base payment adjusted by the percent change of the U.S. City Average for the CPI-U (not seasonally adjusted) for all items for the index base period where 1982 - 1984 = 100 for the previous April from the same index for April, 2006. However, the price per ton base payment shall not be reduced below the price per ton established for the operating year that was two years previous.

If for any year when royalty payments are to be adjusted by the CPI-U it occurs that the necessary data for calculating such an adjustment is not available by the time payment is due hereunder, the parties agree an interim payment based upon the rate used the previous year shall be made by the appointed date, and

the parties further agree to promptly make an adjustment to that payment when the necessary data becomes available.

(c) If for any reason the U.S. Department of Labor ceases to report or substantially alters the components of the U.S. City Average for the CPI-U (not seasonably adjusted) for all items for the index base period where 1982 - 1984 = 100, then the parties will agree upon an alternate basis for the adjustment, or failing that, then they will submit to an arbitrator the selection of a suitable alternate basis for the adjustment pursuant to paragraph 18 below.

4. Payment of Royalty Fees. The monthly royalty fees described above are to be accounted for and paid on the 10th day of each month for all sand and gravel shipped off site during the preceding calendar month as determined by readings of standard scales maintained by JTL on the Property. JTL shall have the scales independently inspected at the beginning of the term of this Agreement and annually thereafter. Lessor may, at his sole expense, upon reasonable prior notice have an independent inspector perform random inspection and testing of the scales after ordinary business hours.

5. Taxes. JTL agrees to pay all taxes that may be assessed against any improvements it makes to the Property, and upon all sand and gravel that may be shipped off site during the term of this Agreement, when and as the same may become due. Lessor will pay all other real property taxes and assessments, including ad valorem taxes, levied against the Property. However, if the Kootenai County Assessor changes the classification of the real property after JTL commences operation in such a manner that the assessed market value of the property is increased because of the mining activity, the real property taxes shall be pro-rated with the Lessor to pay that portion attributable to the classification of the property as of this date and JTL to pay the proportionate increase attributable to the change to a higher market value classification.

Should either party fail to make such payments as they are obliged to pay hereunder, the other may make such payments on their behalf, and offset the full expense thereof against any sums that may be owing and due hereunder, if any, or make separate charge against the other therefore.

6. Remedies of Parties. The parties hereto recognize that simple money damages alone would not adequately compensate them for the damages

they might sustain in the event one or the other of them breaches any term of this Agreement. Consequently, the parties each agree that, because irreparable harm could result from a breach of this Agreement, any court or arbitrator seeking to enforce the terms of this Agreement shall have the power to order specific performance of the terms hereof. This right of specific performance is in addition to, and does not in any way limit, whatever legal rights each of the parties may otherwise possess pursuant to law.

7. **Books of Account.** JTL shall keep books of account for recording the amount of sand and gravel shipped off site, and said books shall be open for inspection by Lessor, his agents or attorneys, at the office of JTL in Spokane, Washington upon reasonable written notice, but no more frequently than once per month, during JTL's business hours, for the purpose of verifying the accounts rendered.

8. **Mining Permit and Reclamation Plan.**

(a) Prior to the execution of this Agreement, Lessor secured an approved Reclamation Plan and permit from the Idaho Department of Lands (copy attached hereto). The Property has been placed by Kootenai County in

a Mining Zone upon a Conditional Zoning Development Agreement with Kootenai County which has been made part of the Reclamation Plan attached hereto.

(b) Lessor agrees to do all things reasonably necessary on his behalf to keep the zoning in effect. Lessor shall assign the Reclamation Plan and Mining Permit to JTL which shall comply with all terms thereof including the Conditional Zoning Development Agreement with Kootenai County.

Paragraphs 8.0 (c) on page 6 and 8.0 (o) on page 8 of the Conditional Zoning Development Agreement have provisions for the contingency that a real time particulate air quality monitoring device may be required on the property by DEQ and that DEQ may require recordkeeping for air quality monitoring purposes. JTL shall be responsible for any and all duties that may be required by DEQ under said paragraphs.

(c) JTL and Lessor shall indemnify each other for any damages which damages are actually suffered by JTL and Lessor and which were caused by the other or its agents during the time of this Agreement.

9. Operating Provisions.

(a) JTL agrees to conduct its operations in compliance with all applicable federal, state, county and local regulations and laws, including the obligations that may be owed by the Lessor under the current reclamation plan during the life of this Agreement.

(b) JTL agrees to adequately secure its work area to comply with any safety requirements of the State of Idaho.

(c) JTL shall promptly submit to the Lessor a copy of its plan of operations. The parties recognize that JTL will be changing that plan of operations from time to time as circumstances warrant. In such event, JTL agrees to promptly submit to Lessor a copy of any updated plan of operations.

(d) Notwithstanding paragraph 1 above, the parties agree that, at the sole discretion of JTL, to the extent JTL does not have a foreseeable need in the near term to occupy portions of the Property, JTL will so indicate in its plan of operations, and Lessor shall be free to undertake agricultural activities on an annual basis upon the balance thereof to the same extent and intensity that such activities were engaged in at the time of entering into this Agreement. The Lessor's use of the Property under such conditions shall, under no circumstances, impair or impede in any way JTL's right to fully exercise and

enjoy its rights obtained hereunder. The Lessor shall have no other rights to use of the Property during the term of this Agreement other than as are expressly granted herein.

(e) JTL shall fence that portion of the Property that it will be actively using at any given time, and it will have sole control over the gate and lock. It is the intention of the parties that JTL will proceed in an orderly fashion to "grow" its extraction operation from one portion of the Property to another. As it does it will continually adjust its fencing so as to enclose the area of current operational activity. That sequence of activities as initially envisioned shall be set forth in the plan of operations. The parties agree that, if in the exercise of that process of "growing" the site, JTL needs to "take" agricultural land that Lessor has under current cultivation, JTL may do so at no additional cost to JTL upon giving 360 days written notice in advance. If, at the sole discretion of JTL, JTL determines it needs to "take" land as outlined above with less than 360 days of written notice, then in such event JTL shall be obliged, within thirty (30) days of said taking, to reimburse the Lessor for the proportionate costs that he invested in that portion of the Property for that current growing season, such as the cost of seed, fertilizer, and similar such expenses, to the

maximum sum of \$400.00/a. This reimbursement is intended to include any taking for the 2000 - 2001 growing season. Agricultural equipment (including irrigation equipment) is not contemplated to be reimbursed as a seasonal expense.

(f) During the course of this Agreement, and any extensions hereto, JTL shall have the sole and exclusive right to utilize any wells, pumps and control panels located on the Property, and any power lines serving same, and shall pay all costs for supplies, alterations, maintenance and repairs thereto. JTL shall have the right to utilize any water rights that may attach to the Property. JTL shall obtain from the Idaho Department of Water Resources any required permits for additional water use, but these water rights or permits for additional water use shall not extend to or allow interference with the pivot irrigation system that Lessor is using for farming on the remaining portions of his land.

(g) The parties anticipate that the mining operation will require severance of part of the cable used in the Pivot irrigation. JTL shall pay all costs associated with adjusting the existing pivot system including the cable,

automatic shut off and segregation of piping, but all such sums owing from JTL shall not exceed in the aggregate \$6,500.00.

(h) JTL anticipates using separate electric metering for its water use which may require Lessor to obtain another meter. JTL shall pay the cost of such additional electric meter.

(i) It is expressly understood that JTL may drill additional wells on the Property to fully enjoy its rights as provided herein. If any additional wells are drilled, JTL shall obtain the necessary permits from the Idaho Department of Water Resources. Upon termination or expiration of this Agreement, such permits and wells shall be assigned to Lessor.

(j) As a condition to proceeding with the exercise of its rights hereunder, JTL will post a reclamation bond in the amount required by law and in the form prescribed by law.

10. Inspection. Through his agents, engineers or other persons, Lessor shall have the right, upon two (2) working days prior written notice to JTL, to enter upon the Property during any JTL regular business day, in a manner so as to not conflict with the operations of JTL, in order to inspect, examine,

survey or measure the Property or any part thereof, or engage in any other transient lawful purpose necessary for Lessor to preserve his rights under this Agreement that does not interfere with JTL's enjoyment of its rights hereunder. However, if the Lessor elects to exercise this right, and for any reason JTL's rights are impaired or personal injury or property damage result, Lessor agrees to defend, indemnify, and hold harmless JTL for any and all direct and indirect liability, cost, and harm, including attorney fees and costs, that may result, other than as may have been caused by the sole negligence of JTL.

11. Covenants of Title. Lessor agrees that, except for recorded mortgages securing loans which he shall keep paid on a current basis, he has an unencumbered fee simple interest in the Property, in the surface thereof, in the sand and gravel under the surface, and in the water rights associated with the Property.

12. Insurance. JTL will obtain and keep in force throughout the term of this Agreement (including extensions) general liability and property damage insurance with limits of not less than \$1,000,000. Upon request, JTL

shall provide Lessor with a certificate evidencing such insurance and indicating Lessor has been named as an additional insured on such policy.

13. Notice. All notices given or required to be given under the terms of this Agreement shall be in writing, sent by U.S. Mail, postage prepaid, certified, with return receipt requested, or delivered in person, with a written acknowledgment of receipt thereof.

14. Notices.

Notices to Lessor shall be addressed as follows:

DAVID L. HAMAN, TRUSTEE
P. O. BOX 3311
HAYDEN, IDAHO 83835

Notices to JTL shall be addressed as follows:

JTL GROUP, INC.
P.O. BOX 30238
BILLINGS, MT 59107-0238

Notices so addressed and mailed shall be deemed given and received at the time of deposit in the U.S. Post Office by certified mail. Notices personally served shall be deemed given and received on the date of written acceptance

of said notice by an individual expressly authorized to accept same for his or her party.

15. Assignment. The parties agree that the rights and privileges hereby granted shall not be assigned to any person or entity without prior written notice thereof having been given first to the other party.

16. Termination and Surrender. At the end of the term of this Agreement or any extension thereof, JTL shall surrender the Property to Lessor. For a period of six (6) months after the termination of this Agreement, JTL shall have the right to remove from the Property all stockpiled gravel, sand and other material from the Property subject to the payment of royalties provided for in this Agreement and to maintain on the Property that equipment that in its sole discretion it deems to be necessary to accomplish same. As for all other structures, equipment, personal property, and fixtures owned by JTL, it will remove those in sixty (60) days. However, JTL shall leave in place all boundary fencing then existing which has been erected upon the Property.

17. Default. (a) If JTL or Lessor fails to comply with any of the provisions of this Agreement, including making necessary payments within 30

days of the mailing of the default notice, the other may seek any of the remedies provided herein including arbitration or court action as may be required. Failure or delay in sending notice of default shall not be deemed a waiver.

(b) Any default claimed of JTL with respect to the payment of money may be cured by the deposit in escrow of the amount in controversy and giving of notice of the deposit to Lessor, the amount to remain in escrow until the controversy is resolved by decision of a court or arbitrators, or otherwise.

18. Governing Law, Venue and Arbitration.

(a) In the event any suit or action shall be instituted to enforce this Agreement or any part thereof, the venue of such action shall be in Spokane County, Washington, although any rules of law shall be construed in accordance with the laws of the State of Idaho.

(b) All claims, disputes, and other matters in question between Lessor and JTL arising out of or relating to this Agreement, any breach thereof, or sums due thereunder, shall be decided by arbitration in Spokane, Washington before one arbitrator in accordance with the then current Construction Industry

Arbitration Rules of the American Arbitration Association. Said arbitration shall be administered through the American Arbitration Association, Seattle, Washington office, with arbitrator selection from that office's list of neutrals. The prevailing party in any arbitration, and in any litigation relating to this Agreement, shall be entitled to an award of its attorneys fees and costs incurred. Any court having jurisdiction over the parties may enforce the arbitrator's decision, and shall award the prevailing party its attorneys' fees and costs as may be incurred in the arbitration and thereafter to obtain enforcement of that award.

19. Binding Effect.

(a) The terms of this Agreement shall be binding upon the parties hereto, and their heirs, successors, and assigns.

(b) This Agreement represents the final integrated understanding of the parties and shall supersede any prior drafts, proposals, offers, negotiations, or unincorporated communications, whether written or oral. The partial or complete invalidity of any one or more provisions of this Agreement shall not effect the validity or continuing force and effect of any other provision. If any

provision is found to be invalid, in whole or in part, the balance of the provisions shall be considered reformed to reflect the intent of the parties to the greatest extent possible consistent with the law.

20. Right of First Refusal. Lessor grants to JTL a right of first refusal to purchase the Property as follows:

(a) In the event that Lessor receives a *bona fide* offer for the purchase of the Property, or any portion thereof, which offer Lessor intends to accept, Lessor shall transmit the terms of said offer to Lessee in writing.

(b) JTL shall have ninety (90) days from the date of notification of the terms of said offer to purchase the Property or the subject portion thereof upon the same terms and conditions as contained in the offer. In the event JTL elects to not purchase the Property or the subject portion thereof within ninety (90) days of such notification, Lessor shall be free to sell the Property or the subject portion thereof to the third party who made the initial offer within ninety (90) days thereafter, but only for the terms of the written offer as disclosed above.

(c) Said right of first refusal shall remain in effect for the duration of this Agreement, including any extensions thereof.

21. Public Taking. In the event either party learns that any public entity is contemplating or undertaking a condemnation or public taking of any portion of the Property, or any rights in the Property, said party will immediately notify the other of that fact in writing, and provide all available details. In such event, the parties agree to work together to maximize the recovery that each may enjoy as the result of the proposed condemnation action or taking.

22. Act of God. In the event JTL is unable to fully enjoy any of the economic benefits or rights resulting from or granted to it hereunder as a result of an Act of God, which term shall include the passage of any laws or regulations causing that result, any unforeseen and precipitous drop in the local water table, any unforeseen and precipitous depression in the market for sand and gravel, and the like, and if that Act of God continues for a period of more than ninety (90) consecutive days, then JTL's obligation to make minimum royalty payments as provided herein shall be suspended for the period of time when said Act of God is in existence. The parties further agree that any such

suspension shall result in an extension of the term of this Agreement on a day-for-day basis.

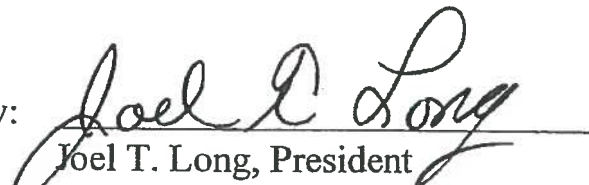
23. Recording. This Agreement shall not be recorded, but if either party so requests, the parties shall promptly execute a memorandum of this Agreement which may be recorded in the public records of the county in which the Property is located. The requesting party shall pay the cost of preparing the memorandum, the recording fees and any other charges in connection with preparing and filing the memorandum of Agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals.

LESSOR: DAVID L. HAMAN TRUST

By: 
David L. Haman, Trustee

JTL: JTL GROUP, INC.

By: 
Joel T. Long, President

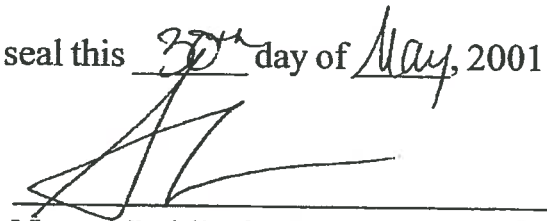
STATE OF WASHINGTON)

ss:

County of Spokane)

On this day personally appeared before me, David L. Haman, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, as trustee for the uses and purposes therein mentioned to be true and correct to the best of his knowledge and that he was authorized to do so.

GIVEN under my hand and official seal this 30th day of May, 2001.



Notary Public for Washington

Residing at Spokane

My Commission Expires: 4/9/02

STATE OF MONTANA)

SS.

COUNTY OF Yellowstone)

On this 1st day of June, 2001, before me, the undersigned, a Notary Public, in and for the State of Montana, personally appeared JOEL T. LONG, to me know to be the President of JTL Group, Inc., who executed the within and foregoing instrument, and acknowledged 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 was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year first above written.

Danelle A. Desjarlais

Print Name: Danelle A. Desjarlais

Notary Public for Montana

Residing at Billings, Montana

My Commission Expires: 12-31-01

qb/1270/auaca.412

EXHIBIT B

SCANNED
APR 17 2018

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "*Assignment*") is made and entered into this 30th day of December 2016 (the "*Effective Date*"), by and between Knife River Corporation – Northwest, an Oregon corporation ("*Assignor*") and CPM Development Corporation, a Washington corporation ("*CPM*") and Interstate Concrete and Asphalt Company, an Idaho corporation ("*Interstate*").

RECITALS

A. Assignor is tenant under those certain Leases described on **Exhibit A** attached hereto and incorporated herein by this reference (the "*Leases*") for certain real property located in the State of Idaho ("*Idaho Property*") and the State of Washington ("*Washington Property*").

B. Assignor, CPM, and Interstate are parties to that certain Asset Exchange Agreement, dated as of the Effective Date (the "*Exchange Agreement*"), pursuant to which, subject to the terms and conditions set forth therein, (i) Assignor has agreed to sell, transfer and assign, and CPM has agreed to assume, all of Assignor's right, title and interest in, under and to the Washington Property Lease and Assignor's obligations under the Washington Property Lease and (ii) Assignor has agreed to sell, transfer and assign, and Interstate has agreed to assume, all of Assignor's right, title and interest in, under and to the Idaho Property Lease and Assignor's obligations under the Idaho Property Lease (the "*Assigned Leases and Liabilities*").

C. All capitalized terms used but not otherwise defined in this Assignment will have the meanings ascribed to them in the Exchange Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. The recitals above are incorporated herein by this reference.
2. Subject to the terms and conditions set forth herein and in the Exchange Agreement, effective as of the Closing, (i) Assignor hereby sells, assigns, transfers and sets over unto CPM all of Assignor's right, title and interest in, under and to the Washington Property Lease and Assignor's obligations under the Washington Property Lease and (ii) Assignor hereby sells, assigns, transfers and sets over unto Interstate all of Assignor's right, title and interest in, under and to the Idaho Property Lease and Assignor's obligations under the Idaho Property Lease.
3. Subject to the terms and conditions set forth herein and in the Exchange Agreement, effective as of the Closing, CPM (as to the Washington Property Lease) and Interstate (as to the Idaho Property Lease) hereby accepts the foregoing assignment and assumes all of Assignor's duties and obligations under the Assigned Leases and Liabilities and agrees to pay, perform and discharge, as and when due, all of the obligations of Assignor under the Assigned Leases and Liabilities accruing or arising from and after the Closing.

SCANNED

APR 17 2018

4. The terms of the Exchange Agreement are incorporated herein by this reference. The parties hereto acknowledge and agree that the terms contained in the Exchange Agreement shall not be altered, modified, waived, or superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Exchange Agreement and the terms hereof, the terms of the Exchange Agreement shall govern.

5. The terms and conditions of this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

6. This Assignment shall be governed by and construed in accordance with the internal laws of the jurisdiction of the State of Washington without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the jurisdiction of the State of Washington.

7. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Assignment delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Assignment.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Assignment to be effective as of the Effective Date.

ASSIGNOR:

Knife River Corporation – Northwest,
an Oregon corporation

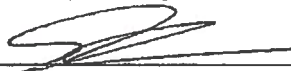
By: 36 O'Kallan

Name: ZACHARY O' KALLAN

Title: PRESIDENT

CPM:

CPM Development Corporation,
a Washington corporation

By: 

Name: John Shogren

Title: Vice President

INTERSTATE:

Interstate Concrete and Asphalt Company,
an Idaho corporation

By: 
Name: John Shogren
Title: Vice President

EXHIBIT A

Schedule of Leases

1. Idaho Lease

Access, Use and Extraction Agreement dated as of April 23, 2001, as amended by that certain Letter dated January 21, 2011, pursuant to which David L. Haman, Trustee of the David L. Haman Trust, as lessor, leases to Assignor (as successor-in-interest to the original lessee), certain leased premises located in Kootenai County, Idaho.

2. Washington Lease

Aggregate and Rock Products Lease dated as of June 18, 2013, pursuant to which Randy C. Geschke, Colleen A. Geschke, Keith G. Geschke and Marianne A. Geschke, collectively as lessor, leases to Assignor, certain leased premises located in Spokane County, Washington.

EXHIBIT C

SCANNED
APR 17 2018

Prepared by and Return to:

Polsinelli PC
1515 Wynkoop Street, Suite 600
Denver, Colorado 80202
Attn: Brian Furgason

This space reserved for recorder's use.

MEMORANDUM AND ASSIGNMENT OF LEASE

THIS MEMORANDUM AND ASSIGNMENT OF LEASE (this "*Memorandum*") is made and entered into this 30 day of December, 2016 (the "*Effective Date*"), by and between Knife River Corporation – Northwest, an Oregon corporation ("*Assignor*"), and Interstate Concrete and Asphalt Company, an Idaho corporation ("*Assignee*"). Assignor and Assignee agree to and acknowledge the following matters:

1. **Leased Premises.** David L. Haman, Trustee of the David L. Haman Trust, dated October 11, 1995 (the "*Haman Trust*") and JTL Group, Inc. ("*JTL*") entered into that certain Access, Use and Extraction Agreement dated as of April 23, 2001 (the "*Original Lease*"), a memorandum of which was recorded in the Office of the Kootenai County Recorder on October 27, 2016, as Document No. 2569078000. JTL assigned its interest in the Original Lease to Hap Taylor & Sons, Inc., an Oregon corporation ("*Hap Taylor*"), pursuant to that certain Assignment of Access, Use and Extraction Agreement dated June 8, 2005 (the "*Assignment*"). Hap Taylor merged with and into Morse Bros., Inc., an Oregon corporation ("*Morse*") effective as of December 31, 2009, and Morse thereby succeeded to Hap Taylor's interests and obligations under the Original Lease (the "*Merger*"). On January 1, 2010 Morse changed its name to Assignor, and Assignor thereby succeeded to Morse's interests and obligations under the Original Lease. The Original Lease was subsequently amended by that certain Letter executed by the David L. Haman Trust and Assignor and dated January 21, 2011 (the "*Letter*", together with the Original Lease, the Assignment and the Merger, collectively, the "*Lease*"). The leased premises are located in Kootenai County, Idaho and are legally described on Exhibit A (the "*Leased Premises*") attached hereto and incorporated herein by this reference. The Haman Trust is the owner of the Leased Premises.

2. **Term; Option to Renew.** The term of the Lease commenced on April 23, 2001, and the current term expires on April 22, 2021, unless sooner terminated in accordance with the provisions of the Lease. Assignor has the right and the option to renew the Lease for two (2) additional periods of five (5) years each.

Prepared by and Return to:

Polsinelli PC

1515 Wynkoop Street, Suite 600

Denver, Colorado 80202

Attn: Brian Furgason

This space reserved for recorder's use.

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3. Right of First Refusal; Option to Purchase. Pursuant to Section 20 of the Lease, The Haman Trust granted Assignor a right of first refusal (the "***Right of First Refusal***"), wherein before The Haman Trust enters into a purchase agreement with any other party for the purchase and sale of the Leased Premises (as defined in the Lease), Assignor or its assigns have a Right of First Refusal to enter into agreements for the purchase and sale of the Leased Premises.

4. Assignment. In connection with an Exchange Agreement of even date herewith, Assignor and Assignee entered into that certain Assignment and Assumption of Leases dated as of the Effective Date (the "***Assignment***"), pursuant to which Assignor sold, assigned and transferred all of Assignor's right, title and interest in, under and to the Lease and Assignee accepted the foregoing assignment and assumed all of Assignor's duties and obligations under the Lease as of the Effective Date. For the purpose of ratifying the Assignment in this Memorandum, Assignor affirmatively sells, assigns, and transfers all of Assignor's right, title and interest in, under and to the Lease and Assignee accepts the foregoing assignment and assumes all of Assignor's duties and obligations under the Lease as of the Effective Date.

5. Successors and Assigns. The conditions and provisions hereof shall inure to the benefit of and shall be binding upon The Haman Trust, Assignor, Assignee and their respective personal representatives, successors and assigns and shall run with the land.

7. Recording. This Memorandum shall be recorded in the Kootenai County, Idaho, in lieu of recording the Lease or the Assignment.

8. Counterparts. This Memorandum may be signed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the Effective Date.

ASSIGNOR:

Knife River Corporation – Northwest,
an Oregon corporation

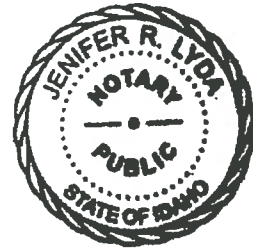
By: Zachary O'Kelley
Name: ZACHARY O'KELLEY
Title: PRESIDENT

STATE OF Idaho)
) ss.
COUNTY OF KOOTENAI)

On this 28th day of December, 2016, personally appeared before me Zachary O'Kelley, the signed of the within instrument, who duly acknowledged to me that he executed the same as PRESIDENT of KNIFE RIVER CORPORATION – NORTHWEST, a CORPORATION, on behalf of said company.

Jenifer R. Lyda
Notary Public

My Commission Expires: 1-10-2020



SCANNED
APR 17 2018

ASSIGNEE:

Interstate Concrete and Asphalt Company,
an Idaho corporation

By: [Signature]
Name: John Shogren
Title: Vice President

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

On this 21st day of DECEMBER, 2016, personally appeared before me John Shogren, the signed of the within instrument, who duly acknowledged to me that he executed the same as Vice President of Interstate Concrete and Asphalt Company, an Idaho corporation, on behalf of said company.

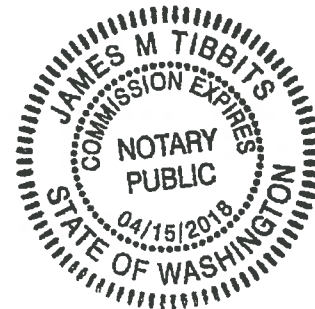
My Commission Expires:

4/15/18

Notary Public [Signature]

Residing at:

SPOKANE, WA



SCANNED
APR 17 2018

EXHIBIT A

Legal Description

Real property in the County of Kootenai, State of Idaho, described as follows:

PARCEL 1:

THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 51 NORTH, RANGE 5 WBM, KOOTENAI COUNTY, IDAHO, EXCEPT ANY PORTION LYING WITHIN COUNTY ROADS.

PARCEL 2:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 51 NORTH, RANGE 5 WBM, KOOTENAI COUNTY, IDAHO, EXCEPT ANY PORTION LYING WITHIN COUNTY ROAD.

SCANNED
APR 17 2018

EXHIBIT D

SCANNED
APR 17 2018

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED
SEP 19 2016
IDWR / NORTH

Notice of Change in Water Right Ownership

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column. If the water right is leased to the Water Supply Bank, check "Yes". If you are not sure if the water right is leased to the Water Supply Bank, see #6 of the instructions.

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
95-09089	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: Hap Taylor & Sons DBA Knife River
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Interstate Concrete and Asphalt Company, an Idaho corporation
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☐ and/or
- P.O. Box 3366 Spokane WA 99220-3366
Mailing address City State ZIP
- 509-534-6221 jana.mcdonald@oldcastlematerials.com
Telephone Email
4. If the water rights and/or adjudication claims were split, how did the division occur?
☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.
5. Date you acquired the water rights and/or claims listed above: December 31, 2016
6. If the water right is leased to the Water Supply Bank changing ownership of a water right will reassign to the new owner any Water Supply Bank leases associated with the water right. Payment of revenue generated from any rental of a leased water right requires a completed IRS Form W-9 for payment to be issued to an owner. A new owner for a water right under lease shall supply a W-9. Water rights with multiple owners must specify a designated lessor, using a completed Lessor Designation form. Beginning in the calendar year following an acknowledged change in water right ownership, compensation for any rental will go to the new owner(s).
7. This form must be signed and submitted with the following **REQUIRED** items:
☒ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
☒ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
☒ Filing fee (see instructions for further explanation):
 o \$25 per *undivided* water right.
 o \$100 per *split* water right.
 o No fee is required for pending adjudication claims.
☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: [Signature] Vice President 9/14/17
 Signature of new owner/claimant Title, if applicable Date

Signature: _____
 Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by [Signature] Date 9/20/17 Receipt No. N032945 Receipt Amt. 25⁰⁰
 Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☐
 Name on W-9 _____ Approved by _____ Processed by _____ Date _____

SCANNED
APR 17 2018

State of Idaho
Department of Water Resources

Water Right
95-9089

COMMERCIAL

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters

0 0.045 0.09 0.18 Miles

SCANNED
APR 17 2018

