

RECEIVED

APR 02 2018

IDWR/NORTHERN

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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?
95-9091	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: Spokane Rock Products, Inc. / Eucon Corp.
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
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: March 2, 2018
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: Jana L. Barton Attorney 3/29/18
Signature of new owner/claimant Title, if applicable Date

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

For IDWR Office Use Only:

Received by [Signature] Date 4-2-2018 Receipt No. N033281 Receipt Amt. \$ 25.00

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 _____

EXHIBIT “D”

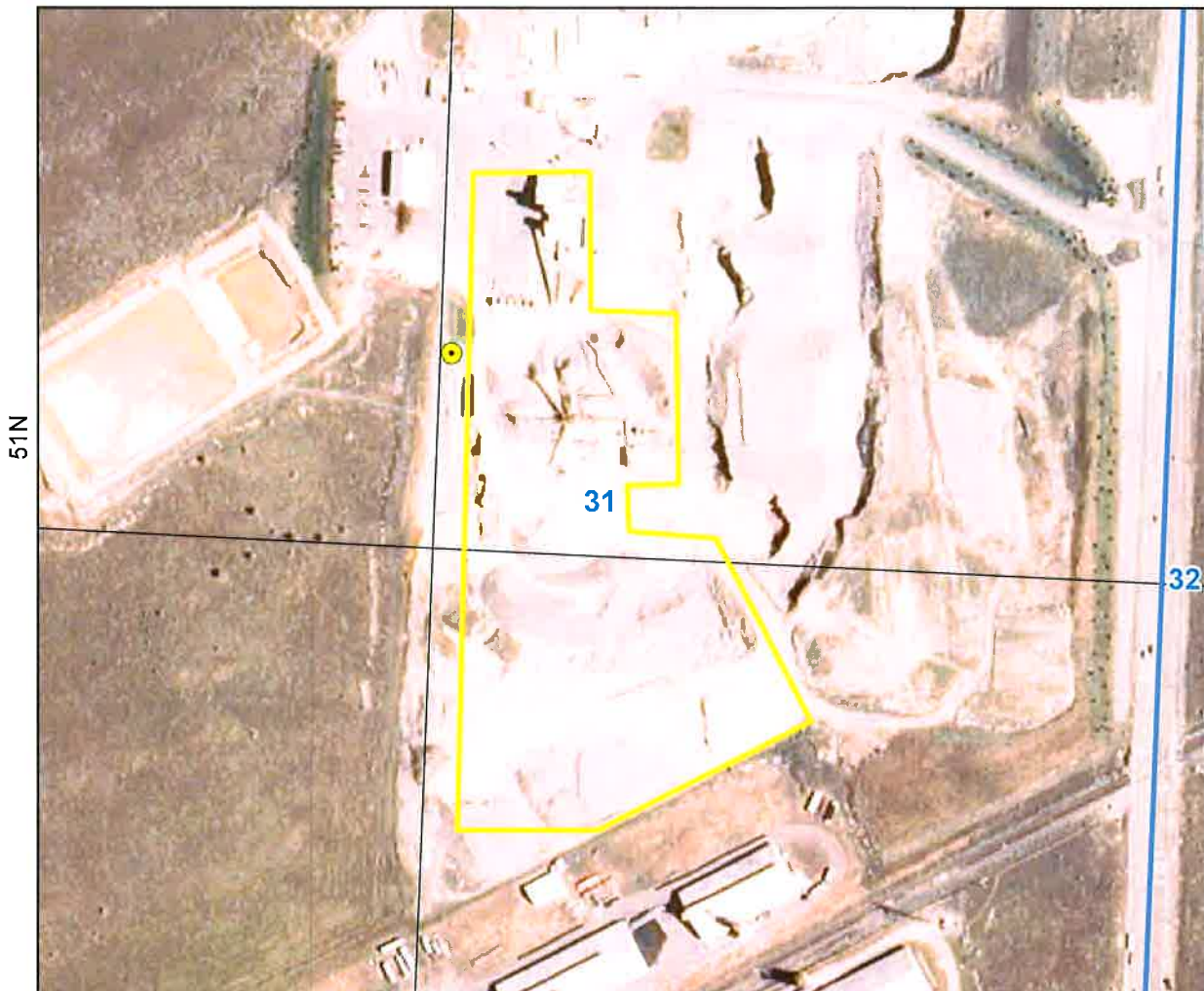
State of Idaho
Department of Water Resources

Water Right
95-9091

INDUSTRIAL

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.

05W



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

0 0.04 0.08 0.16 Miles



State of Idaho
Department of Water Resources

Water Right
95-9091

IRRIGATION

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.

05W



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

0 0.04 0.08 0.16 Miles



State of Idaho
Department of Water Resources
Water Right License

WATER RIGHT NO. 95-09091

Priority: June 29, 2001

Maximum Diversion Rate: 1.45 CFS
Maximum Diversion Volume: 6.5 AF

It is hereby certified that SPOKANE ROCK PRODUCTS INC/EUCON CORP
PO BOX 3808
SPOKANE WA 99202 has complied with the terms and conditions of
the permit, issued pursuant to Application for Permit dated June 29, 2001; and has submitted Proof of
Beneficial Use on November 23, 2001. An examination indicates that the works have a diversion
capacity of 1.45 cfs of water from:

SOURCE

GROUND WATER

and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>DIVERSION RATE</u>	<u>ANNUAL DIVERSION VOLUME</u>
INDUSTRIAL	01/01 to 12/31	1.25 CFS	6.0 AF
IRRIGATION	03/15 to 11/15	0.20 CFS	0.5 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SW1/4NE1/4SE1/4 Sec. 31, Twp 51N, Rge 05W, B.M. KOOTENAI County

PLACE OF USE: INDUSTRIAL

Twp	Rge	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
51N	05W	31													X				X

PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
51N	05W	31													5.0			5.0	10.0

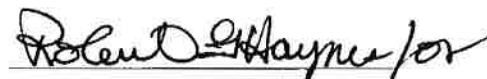
Total Acres: 10

CONDITIONS OF APPROVAL

1. Use of water under this approval shall comply with applicable water quality standards of the Department of Environmental Quality.
2. The issuance of this right does not grant any right-of-way or easement across the land of another.
3. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to determine the amount of water diverted from power records and shall annually report the information to the Department.
4. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.0 afa per acre at the field headgate for irrigation of the lands above.
5. Industrial use is for gravel and sand processing and concrete manufacturing.
6. This right authorizes the diversion of ground water within the Rathdrum Prairie Ground Water Management Area (RPGWMA). Use of water under this right shall be subject to the provisions of the management plan approved by the director for the RPGWMA.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed and sealed this 27th day of November, 2007.



DAVID R. TUTHILL, JR.
Director

EXHIBIT “A”

LANDLORD CONSENT AND ESTOPPEL

This LANDLORD CONSENT AND ESTOPPEL (this "*Estoppel and Consent*") dated as of 2-27-2018, 2018 (the "*Effective Date*"), is executed by Donald E. Beck and Kathleen A. Beck, Co-Trustees of the Donald and Kathleen Beck Family Trust, dated April 23, 2008 as to Government Lots 1 and 2, and 7 B Beck, LLC, an Idaho limited liability company, as to the remainder (collectively, "*Landlord*"), in favor of Spokane Rock Products, Inc., a Washington corporation ("*Assignor*"), First American Title Insurance Company (the "*Title Company*"), and Interstate Concrete and Asphalt Company, an Idaho corporation ("*Assignee*").

WHEREAS, Assignor is presently the holder of the tenant's interest under the provisions of that certain Lease Agreement with Right of First Refusal dated June 4, 2001, as amended by that certain Amendment to Lease Agreement dated September 18, 2008, by and between Landlord and Assignor, as tenant (the "*Lease*"), pursuant to which Assignor is leasing from Landlord certain real property and related interests in Kootenai County, Idaho, as more particularly described in the Lease (the "*Premises*"), a true and complete of which is attached hereto as Exhibit A.

WHEREAS, Assignor and Assignee, among other parties, are contemplating entering into Asset Purchase Agreement (the "*Purchase Agreement*"), pursuant to which Assignor will assign and Assignee will assume the Lease at the closing of the transactions contemplated by the Purchase Agreement (the "*Closing Date*"), contingent upon Landlord's execution and delivery of this Estoppel and Consent and the First Amendment to Memorandum and Assignment of Lease (the "*Memorandum*") attached hereto as Exhibit C;

WHEREAS, Landlord is willing to execute this Estoppel and Consent to grant its prior written consent to Assignor's assignment of the Lease to Assignee and to make certain representations set forth herein; and

WHEREAS, Landlord is further willing to execute the Memorandum and consent to the recording of the Memorandum in the real property records of Kootenai County, Idaho.

NOW, THEREFORE, with the understanding that Assignor, Assignee and Title Company will be relying on each of the statements contained in this Estoppel and Consent, Landlord hereby agrees as follows:

1. **Consent to Assignment.** Pursuant to Section 21 of the Lease, Landlord, by its execution below, hereby expressly consents to the assignment of the Lease by Assignor to Assignee, and the assumption by Assignee of all of Assignor's interest and rights and Assignor's obligations under the Lease arising after the Closing Date.

2. **Landlord Estoppel.** Landlord hereby represents and warrants that a true, correct, and complete copy of the Lease with all amendments, supplements and modifications thereto, is attached hereto as Exhibit A, and all of the terms, covenants and conditions of the Lease (i) are presently and (ii) shall continue to remain in full force and effect in all respects from and after the assignment of the Lease from Assignor to Assignee. Further, Landlord represents and warrants that, as of the Effective Date:

(a) the current term of the Lease ends on June 4, 2019, with an option to extend the lease for four additional ten year terms;

(b) the minimum royalty payment currently payable under the Lease is \$ [REDACTED] per year;

(c) the royalty payment on net tons of materials currently payable monthly under the Lease is [REDACTED] per ton;

(d) the royalty payments and all additional rent and other charges required to be paid under the Lease have been paid for the period up to and including Jan 2012 [*insert month most recently paid*], and as of the Effective Date, there are no other fees or payments presently due or past due under the Lease;

(e) other than royalty payments, Assignor, as tenant under the Lease, does not owe any other amounts to Landlord, including amounts owed under indemnity obligations, insurance proceeds, penalties, fees, costs related to casualties or any other amounts;

(f) to Landlord's knowledge, there are no defaults, breaches or unsatisfied conditions presently existing under the Lease and no events have occurred that, with the passage of time or the giving of notice, or both, would constitute a breach or default under the Lease by either Landlord or Assignor or would permit Landlord to terminate the Lease or exercise any other remedies;

(g) all representations and warranties made by Landlord under the Lease remain true, complete and accurate;

(h) to Landlord's knowledge, there are no defenses, offsets, credits, rent increases or claims of Landlord pursuant to any of the agreements, terms, covenants or conditions of the Lease;

(i) Landlord has fulfilled all of its obligations under the Lease to the date hereof;

(j) Landlord and Tenant confirm that the legal description in Section 1 of the Lease is hereby deleted and replaced with the legal description attached hereto as Exhibit B and incorporated by reference hereby; and

(k) there are no actions, whether voluntary or otherwise, pending against Landlord under the bankruptcy laws of the United States or any state thereof.

3. **Memorandum.** Landlord hereby agrees to execute the Memorandum in Exhibit C and consents to the recording of the Memorandum in the real property records of Kootenai County, Idaho.

4. **Miscellaneous.**

(a) **Authority.** Landlord represents and warrants that it is duly authorized to execute this Estoppel and Consent and perform its obligations hereunder, and that the person signing this Estoppel and Consent on its behalf is duly authorized to sign on behalf of Landlord.

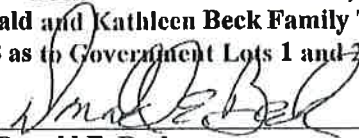
(b) **Successors and Assigns.** This Estoppel and Consent shall be binding upon Landlord and its successors, transferees and assigns, and inure to the benefit of Assignee and Assignor and their respective title companies, successors, transferees and assigns.

[Signature page follows]

IN WITNESS WHEREOF, Landlord has duly executed this Estoppel and Consent as of the date first above written.

LANDLORD:

**Donald E. Beck and Kathleen A. Beck, Co-Trustees of
the Donald and Kathleen Beck Family Trust, dated April
23, 2008 as to Government Lots 1 and 2**

By: 
Name: **Donald E. Beck**
Title: owner

By: 
Name: **Kathleen A. Beck**
Title: owner

AND

7 B Beck LLC,
an Idaho limited liability company, as to the remainder

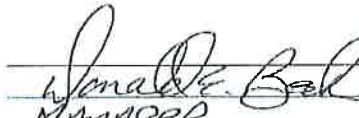
By:  
Name: **Donald E. Beck**
Title: MANAGER

EXHIBIT A

LEASE

[See attached]

CONFIDENTIAL

LEASE AGREEMENT WITH RIGHT OF
FIRST REFUSAL TO PURCHASE

THIS LEASE AGREEMENT WITH RIGHT OF FIRST REFUSAL TO PURCHASE ("Agreement") is made effective the 17th day of June, 2001, between DONALD F. BECK and KATHY BECK, husband and wife, who reside at 2016 N. Beck Road, Post Falls, Idaho, 83854 (hereinafter referred to as "Lessor") and SPOKANE ROCK PRODUCTS, INC., a Washington corporation, whose business address is 104 South Freya, Yellow Flag Building, Suite 207, Spokane, Washington, 99202 (hereinafter referred to as "Lessee").

I. RECITALS

WHEREAS, Lessor desires to grant an exclusive right to lease to Lessee and Lessee desires to receive an exclusive right to lease from Lessor, the below described real property for purposes of mining, manufacturing, and marketing aggregate materials from the real property, including the operation of a sand and gravel open pit mine; and

WHEREAS, Lessor desires to grant an exclusive Right of First Refusal to Lessee to purchase the subject property in the event the property is offered for sale outside of Lessor's immediate family as further defined herein while the Lease Agreement is in effect.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. SUBJECT AND PURPOSE

Lessor shall lease and grant a Right of First Refusal to purchase to Lessee, the below described land ("Leased Property") located in Kootenai County, Idaho, and more particularly described as follows:

All of Section 31, Township 51 North, Range 5 West, Boise Meridian,
Kootenai County, State of Idaho:

EXCEPTING THEREFROM that certain 100 foot strip lying within the Southeast quarter conveyed to the Spokane International Railway Co., by Deed recorded January 3, 1906, in Book 18, Page 35, records of Kootenai County, Idaho;

AND EXCEPT from said Section 31, that portion of the South half of the Southeast quarter conveyed to the Spokane Valley Land and Water Company, by Deed recorded April 21, 1913, in Book 52 of Deeds, Page 616, records of Kootenai County, Idaho;

AND EXCEPT from said Section 31, that certain 300 foot by 1300 foot rectangular parcel conveyed to Pacific Supply Cooperative, Inc., by Deed recorded May 12, 1972, as Instrument No. 601640, records of Kootenai County, Idaho;

AND EXCEPT that portion conveyed to Post Falls Highway District by Warranty Deed, recorded June 29, 1993 as Instrument No. 1309932, records of Kootenai County, Idaho;

AND EXCEPT the South half of the Northwest quarter of Government Lot 1, Section 31, Township 51 North, Range 5 West, Boise Meridian, Kootenai County, Idaho, as conveyed by Quit Claim Deed, recorded January 6, 1993 as Instrument No. 1288994, records of Kootenai County, Idaho;

AND EXCEPT the North half of the Northwest quarter of Government Lot 1, Section 31, Township 51 North, Range 5 West, Boise Meridian, Kootenai County, Idaho, as conveyed by Warranty Deed, recorded February 27, 1991 as Instrument No. 1403552, records of Kootenai County, Idaho;

AND EXCEPT a portion of the Southeast quarter of Section 31, Township 51 North, Range 5 West, more particularly described as follows:

COMMENCING at the North quarter corner of said Section 6, Township 50 North, Range 5 West, Boise Meridian, Kootenai County, Idaho, as shown on that certain record of survey filed at the request of Elmer D. Smith, PLS 3390, in Book 17 at Page 29 in the Kootenai County Recorder's Office, said corner being also the True Point of Beginning of the following parcel:

thence North 68° 55' 46" East, a distance of 950.04;

thence South 28° 35' 06" East, a distance of 300.00 feet, a point on the Northerly right of way line of the Spokane International Railway;

thence along said Northerly right of way line South 61° 24' 54" West, a distance of 210.19 feet to a point on the Northerly Section line of said Section 6;

thence leaving said right of way and along said Northerly section line North 88° 28' 46" West, a distance of 845.79 feet to the True Point of Beginning, conveyed by Warranty Deed, recorded March 19, 1999 as Instrument No. 1580267, records of Kootenai County, Idaho;

AND EXCEPT the South 995 feet of the Northeast quarter of the Southeast quarter of Section 31, Township 51 North, Range 5 West, Boise Meridian; and all of the Southeast quarter of the Southeast quarter of Section 31, Township 51 North, Range 5 West, Boise Meridian, lying North of the Union Pacific Railroad right of way, as conveyed in Sellers Assignment and Deed, recorded December 22, 1997 as Instrument No. 1518241;

AND EXCEPT the South 865 feet of the Northeast quarter of the Southeast quarter of Section 31, Township 51 North, Range 5 West, Boise Meridian, and all of the Southeast quarter of the Southeast quarter of Section 31, Township 51 North, Range 5 West, Boise Meridian, lying North of the Union Pacific Railroad right of way, as conveyed by Warranty Deed, recorded January 21, 2000 as Instrument No. 1621271.

AND EXCEPT existing county roads.

A drawing approximating the boundaries of the Leased Property is attached hereto as Exhibit-A.

2. TERM AND RENT

2.1 General. The term of this Agreement shall be for a period of up to eighteen (18) years commencing 4 June, 2001, (hereinafter "Commencement Date"), and terminating on 4 June, 2019 or sooner as provided herein (hereinafter "Termination Date"). This initial term provides for up to three (3) years to seek approval of the necessary mining permits (Section 2.3.1) followed by fifteen (15) years of mining operations.

2.2 Option to Extend Term. So long as Lessee is not in default under any of the terms and conditions contained in this Agreement and subject to the terms of this Agreement, Lessee shall have four (4) separate options to extend the term of this Agreement for additional periods of ten (10) years from and after the end of the original term by giving Lessor written

notice of Lessee's exercise of said option no later than one hundred eighty (180) days prior to the end of the then existing term, whether that term be the original term or any renewal thereof. If Lessee gives such notice, the Agreement (including Lessee's Right of First Refusal to purchase) shall automatically be extended on the same terms and conditions as those specified herein, except that royalty amounts shall be renegotiated, in good faith, by the parties, and the renegotiated royalty amount will be applied to the full renewal ten (10) year term. In the event the parties are unable to reach agreement on the royalty amount to be paid for the particular renewal period within ninety (90) days following Lessee's notification of its intent to exercise its option to renew the Agreement, the parties will submit the matter to arbitration as provided for in paragraph 28 herein. In accordance with the foregoing, if the permitting period required the full three years and if all renewal periods are exercised, the final ten-year renewal period, if exercised, would end and this Agreement would terminate in the year 2059.

2.3 Rental

2.3.1 Permitting Period Rent

Upon execution of this Agreement, Lessee will diligently proceed in good faith to obtain all requisite permits to conduct mining operations on the Leased Property. Lessee will pay Lessor [REDACTED] upon execution of this Agreement by the parties and for each year or part thereof that mining permits have not been obtained. Lessee will have a maximum period of three (3) years from the Commencement Date to obtain the permits necessary to conduct mining activities on the Leased Property. Lessee will give Lessor written notice of its intent to utilize an additional permitting period on or before the lapse of the preceding one-year permitting period and by payment of an additional [REDACTED] [REDACTED] for each such additional permitting period. Until permitting is obtained, no royalty payments will be due and payable by Lessee. If permitting is not obtained

within three years from the Commencement Date of this Agreement, the Agreement shall terminate and neither party will have any further obligations hereunder. Prior to completion of the permitting process, Lessee may mine the adjacent property owned by Eucon Corporation which is described elsewhere herein (the "Eucon Property"). Once the permitting process is complete and the royalty payments commence as set forth below, Lessee agrees to cease mining activities on the Eucon Property for such period of time this Lease remains in force and effect.

2.3.2 Royalty Payments

At such time as the permitting process is completed, Lessee shall pay to Lessor a royalty payment on net tons of materials removed from the quarry operations. The royalty rate shall be paid as follows:

Years 1-5 of mining operations: [REDACTED] per ton

Years 6-10 of mining operations: [REDACTED] per ton

Years 11-15 of mining operations: [REDACTED] per ton

For purposes of this Agreement, material will be deemed "removed" from the property when the material is extracted and shipped. For purposes of this Agreement, net tons means the actual amount of materials removed and does not include other blend materials such as cement, asphalt oil and other blend materials imported to the site. The royalty payment will be due and owing thirty (30) days following the end of the month in which the materials are extracted and shipped. The parties agree this royalty rate is below the current market rate.

2.3.3 Minimum Royalty Payments

Following completion of the permitting process, royalty payments will become due in accordance with paragraph 2.3.2 herein. For each such year (or part thereof) during which royalty payments become due and payable during the original term hereof, there shall be a minimum royalty payment paid as follows:

Year 1 of mining operations: [REDACTED]

Year 2 of mining operations: [REDACTED]

Years 3-5 of mining operations: [REDACTED]

Years 6-10 of mining operations: [REDACTED]

[REDACTED]

Years 11-15 of mining operations: [REDACTED]

Regardless of when mining operations commence on the subject property, a calendar year (January 1st through December 31st) will be utilized by the parties for purposes of calculating a Minimum Royalty. The Minimum Royalty due, if any, will be paid on or before March 1st of the following year once mining operations commence. The difference received by Lessor during a calendar year and the Minimum Royalty amount for that year (the "Adjusting Payment") shall be due and payable on or before March 1st of the following year. Should the total of monthly royalty payments exceed the Minimum Royalty at any time during a year immediately following a year where an Adjusting Payment has been made, Lessee is entitled to offset the amount of the previous year's Adjusting Payment from future monthly payments up to but not to exceed the amount of the Adjusting Payment of the previous year. Royalty payments beyond the Minimum Royalty cannot be used to offset future years, only the year immediately following the year the Adjusting Payment was made. For example, if in Year 3 of mining operations, (which has a [REDACTED] Minimum Royalty) Lessee has paid Lessor [REDACTED] in monthly royalty payments during the year, an Adjusting Payment of [REDACTED] shall be due and payable by Lessee on March 1st of Year 4. Once monthly royalty payments reach [REDACTED] during year 4, Lessee can take credit for the [REDACTED] Adjusting Payment by deducting the [REDACTED] from any further year 4 monthly payments up to the [REDACTED] amount. Thereafter, regular monthly payments for year 4 will resume. Notwithstanding the foregoing, if mining activities commence after January 1st of a

given year or the Lease is terminated prior to December 31st of a given year without a breach by Lessee, the Minimum Royalty and/or the Adjusting Payment from the preceding year shall be pro rated based upon the number of months and days completed as of the date of commencement of mining operations or termination whichever is applicable.

2.4 Termination of Lease Upon Exercise of Right of First Refusal

In the event Lessee exercises its Right of First Refusal as set forth in Section 4 below, this Agreement and Lessee's obligation to pay rental payments (other than those already accrued as set forth in paragraph 2.3 above) of any nature shall terminate effective as of the date of the closing of the purchase.

2.5 Termination of Agreement Due to Change in Law

If during the term of the Lease (including any renewal thereof), there is a change in local, state, or federal law which results in the prohibition or limitation of mining, manufacturing, and/or marketing aggregate materials from the real property to such an extent so as to make such activities no longer economically feasible, Lessee may terminate this Lease by giving Lessor thirty (30) days written notice. Upon such termination, all rights of Lessee, under the right of first refusal shall also immediately terminate. This termination shall not relieve Lessee of Lessee's indemnification and remediation warranties.

2.6 Termination upon Notification from Lessor

The lease may be terminated at the end of the initial lease period or at the end of any extension period. To terminate the lease, Lessor must notify the Lessee in writing of its intention to terminate during the tenth (10th) year of the initial lease period excluding the permitting period or during the fifth (5th) year of any lease extension term. In other words, upon notification Lessee will be have the five (5) years remaining on the term of the lease to plan for reclamation, continue mining, and obtain new resources.

2.7 Duty to Deliver Royalty Statements

Lessee shall keep true, accurate and complete books and records of the materials removed and sold from the mining operations conducted upon the Leased Property, and shall deliver written monthly royalty statements to Lessor with each monthly royalty payment. Lessee's obligation to provide such monthly statements shall begin upon the first royalty payment due pursuant to Section 2.3.2 above.

Lessee agrees that Lessor shall have the right at Lessor's expense, and not more than once in a calendar quarter, to examine Lessee's books relating to the Leased Property quarry operations during normal business hours and upon reasonable notice, for the sole purpose of verifying such royalty statements and earned royalties.

Lessee agrees to cooperate in all such inspections, reviews and audits and to furnish Lessor with all reasonably requested information in a timely manner and to provide Lessor with timely access to any personnel necessary to provide additional data or information at no charge to Lessor. In the event that the results of the audit reveal that Lessee has underreported royalty amounts by greater than five percent (5%), during any period covered by the audit, Lessee shall be responsible to pay Lessor all costs incurred by Lessor in conducting the audit. These costs and the additional amount, if any, owed as a result of the audit shall be deemed additional rent as provided in paragraph 3 herein.

2.8 Manner of Payment of Royalty and Monthly Rent

Unless otherwise provided in a writing signed by all parties, all payments due hereunder shall be to the order of Donald and Kathy Beck and shall be delivered by United States mail to 2016 N. Beck Road, Post Falls, Idaho 83854, by wire transfer, or direct deposit (as directed by Donald and Kathy Beck).

3. **ADDITIONAL RENT**

All taxes indicated in Section 7 hereof, charges, costs, and expenses that Lessee assumes or agrees to pay hereunder, together with all interest and penalties that may accrue thereon in the event of the failure of Lessee to pay those items, and all other damages, costs, expenses and sums that Lessor may suffer or incur, or that may become due, by reason of any default of Lessee or failure by Lessee to comply with the terms and conditions of this Lease, shall be deemed to be additional rent and, in the event of nonpayment, Lessor shall have all the rights and remedies as herein provided for failure to pay rent.

4. **RIGHT OF FIRST REFUSAL TO PURCHASE REAL PROPERTY**

In further consideration of payments previously made to Lessor by Lessee and as a further inducement for Lessee to enter into the lease with Lessor, Lessor grants to Lessee, or Lessee's assignee, a "Right of First Refusal" to match the purchase price of any bona fide offer to purchase the Leased Property made by any third party which is acceptable to Lessor at any time during the lease term and any extensions thereof. For purposes of this paragraph, a "third party" is defined as any individual or entity outside of Lessor's immediate family which is limited to Lessor's children or siblings or the descendants of either, which includes stepchildren and adopted children, including trusts or limited liability companies set up to benefit the same. Lessor shall provide a written copy of the offer with detailed terms to Lessee by certified mail, return receipt requested, to Lessee at the address provided herein. Lessee shall notify Lessor in writing, within thirty (30) days of receipt of the written offer, whether it intends to exercise its Right of First Refusal. In the event Lessee notifies Lessor of its intent to exercise its Right of First Refusal, the parties will then negotiate the terms of the purchase, other than price. In no event shall Lessor be required to accept terms from Lessee that are any less favorable than those offered by the third party. The sale of the property to Lessee shall close within a reasonable

period thereafter, but in no event later than ninety (90) days after Lessee gives notice to Lessor of its intent to exercise its Right of First Refusal. In the event Lessee does not exercise its Right of First Refusal and Lessor does not sell the Leased Property to the third party offeror, the terms of this Agreement shall remain in full force and effect, including Lessee's Right of First Refusal. In the event a sale occurs to Lessor's immediate family, all provisions contained in this Agreement, including Lessor's Right of First Refusal, shall be binding on the purchaser and that purchaser's successors, heirs and assigns. In the event a sale to a third party occurs, all provisions of this Agreement, except the Right of First Refusal, will continue to be binding on the third party purchaser or any of its heirs, successors or assigns.

5. ALTERATIONS, ADDITIONS AND IMPROVEMENTS

5.1 Lessee may, at any time during the lease term, and subject to the conditions set forth below, at its own expense, make any alterations, additions or improvements on and to the Leased Property. Lessor must approve in writing any alteration, addition, and improvement, which consent will not be unreasonably withheld.

5.2 In the event the Right of First Refusal described in Section 4 is not exercised, all alterations, additions and improvements on or to the Leased Property at the commencement of the term and that may be erected or installed during the term, shall become part of the Leased Property and become the sole property of Lessor without compensation to Lessee at the expiration of this Agreement, except that all movable trade fixtures installed by Lessee shall be and remain the property of Lessee.

6. REPAIRS

Lessee shall, at all times during the term of this Agreement and at its own cost and expense, repair and maintain in a good, safe and substantial condition, any buildings or structures on the Leased Property, normal wear and tear excepted, and shall use all reasonable precautions

to prevent waste, damage, or injury to such buildings or structures.

Fences placed at the perimeter of the property shall be "legal fence" defined as 4 strand barbed wire with 16' center to center steel posts as further defined by the State of Idaho Range Management Rules. Fences will include gates for farm access at locations required by permits and/or designated by Mr. Beck. Fences and gates will be constructed so that safety and Lessor's uses are not interrupted.

Lessee shall provide for noxious weed control on areas being actually operated. Said weed control will be conducted by a licensed applicator approved by Lessor.

7. TAXES

During the terms of this Agreement, Lessee shall pay 25% of the real estate taxes on the Leased Property. Lessor will pay the remaining 75% of the real estate taxes. If mining activity conducted on the Leased Property increases the taxes above pre-mining activity taxes, Lessee will pay 100% of the incremental increase during the term of this Agreement. Each party shall be responsible to pay his or its own taxes on personal property. Any amounts paid by Lessor for real estate taxes that are not reimbursed by Lessee as required by this Agreement, shall become additional rent within the meaning of paragraph 3 above. Lessee shall have the right to contest the validity of any tax or special assessment payable by Lessee that Lessee deems, in good faith, to have been illegally levied or assessed against the Leased Property. For that purpose, Lessee shall have the right to institute such proceedings in the name of Lessor as Lessee may deem necessary in good faith, provided that the expenses incurred by reason of the proceedings shall be paid by Lessee, and provided further that it is necessary to use the name of Lessor in maintaining the proceedings. If Lessee initiates such a proceeding, Lessee shall indemnify Lessor from all loss, damage or fees of any kind levied against Lessor.

8. MINING PERMIT FEES

While this Agreement is in effect, all mining permit fees, reclamation bonds and other costs or expenses incurred in acquiring or maintaining the mining permits and reclamation bond shall be paid by Lessee. Lessor agrees to cooperate and assist Lessee in obtaining the required permits and bonds, including, if necessary, providing testimony at public hearings. Lessee is responsible for payment of costs of reclamation due to Lessee's mining activities on the property as such reclamation is specified in the approved reclamation plan. Lessor will participate in the development and approval of the reclamation plan.

9. UTILITIES

While this Agreement is in effect, all applications and connections for necessary utility services on the Leased Property for use in connection with the mining activity shall be made in the name of Lessee, and Lessee shall be responsible for all utility charges and any required deposits as they relate to those services. If Lessee fails to pay the charges, Lessor may elect to pay them and the charges then will become additional rent within the meaning of paragraph 3 herein. Up to 300,000 gallons of water per 24 hour period of water shall be made available to Lessee from the irrigation well on the Leased Property. This does not preclude Lessor's continued use of water from the well. Lessee shall pay the cost of power and normal maintenance to the well during the period of active mining operation and use by both Lessee and Lessor. In the event capital replacements or improvements are required to maintain the current capacity of the well, Lessee shall bear the cost of such capital replacements or improvements. Water from the well may also be utilized on the adjacent Lessee property owned by Lessee.

10. USE AND UNLAWFUL ACTIVITY

Subject to governmental regulation, Lessee shall have the exclusive right to mine, manufacture and market aggregate material from the Leased Property. Lessee shall also have the

exclusive right to bring asphalt and concrete onto the site for storage and processing, store materials, operate scales for purposes of weighing all materials removed from the Leased Property, and to do all other acts within the conduct of Lessee's business.

The development of the property for mining purposes shall follow the operations plan prepared by Adams & Clark, Inc. Said operations plan is attached hereto as Exhibit B. The operations plan can only be modified by written agreement between the parties or by written directive of a regulatory agency.

While this Agreement is in effect, an eighty (80) acre area will remain undisturbed around the Beck residence and farm yard. Said buffer area is depicted in the site plan attached hereto as Exhibit B. Lessee will construct and landscape a berm, or other screen, at its expense, to help mitigate the impacts of mining operations to the Beck home. The landscaping shall include the selection and placement of up to 24 large boulders in a rockery area near the house as directed by Kathy Beck. Landscaping and boulders shall be the first on site activity, other than surveying, sampling and engineering.

In no event shall Lessee use or occupy the Leased Property, for any unlawful business purpose.

11. INSURANCE

During the term of this Lease Agreement and for any further time that Lessee shall hold the Leased Property as Lessee, Lessee shall obtain and maintain, at its expense, insurance against liability for bodily injury in the amount of Two Million and 00/100 Dollars (\$2,000,000.00). The amount of insurance will be revisited at the time of renewal and, if necessary, increased in accordance with industry standards then existing. The insurance shall be written with responsible companies that Lessor shall approve, which approval shall not be unreasonably withheld. All binders, policies, or certificates shall require thirty (30) days written notice by

registered mail from insurers to Lessor, of any cancellation or change affecting any interest of Lessor. Lessee will provide Lessor with certificates of insurance acknowledging coverage. Lessor shall be named as an additional insured on all such policies.

12. ENVIRONMENTAL PROVISIONS

12.1 Representations and Warranties of Lessor

Lessor hereby represents and warrants that there is no hazardous waste, material or substance in, on or under the Leased Property that are in quantities or concentrations that violate any applicable state, federal or local laws. For purposes of this Agreement, the term "hazardous waste, material or substance" includes but is not limited to asbestos, lead, cyanide, DDT, printing inks, pesticides (except for normal farm application), petroleum based products, paints and solvents, polychlorinated biphenyl, ureaformatehyde and other organic and inorganic chemical compounds and any other substance of any kind or nature which is designated by federal, state or local law, rule or regulations as, or which has been determined by a court or any governmental agency or regulatory body to be hazardous or toxic (whether to persons or as affecting the environment or ecology).

12.2 Environmental Indemnity of Lessee by Lessor

Lessor shall indemnify, defend and hold harmless, Lessee and its directors, officers, employees, insurers, agents, representatives, successors and assigns from and against any and all claims, demands, actions, causes of action, losses, damages, liabilities, costs, disbursements and expenses (including, but not limited to, reasonable fees and disbursements of attorneys) arising from or by reason of any hazardous waste, material or substance in, on or under the Leased Property which were present on or prior to the effective date of this Agreement or are attributable to conditions that were present on or prior to the effective date of this Agreement, or are caused subsequent to this Agreement by any activity of Lessor on the Leased Property. The obligations

herein shall survive the termination of this Agreement.

12.3 Environmental Indemnity of Lessor by Lessee

Lessee shall indemnify, defend and hold harmless, Lessor and its directors, officers, employees, insurers, agents, representatives, successors and assigns from and against any and all claims, demands, actions, causes of action, losses, damages, liabilities, costs, disbursements and expenses (including, but not limited to, reasonable fees and disbursements of attorneys) arising from or by reason of any hazardous waste, material or substance in, on or under the property which are deposited on the property by Lessee or are attributable to conditions created by Lessee after the effective date of this Agreement. The obligations herein shall survive the termination of this Agreement.

13. DEFAULT OR BREACH

Each of the following events shall constitute a default or breach of this Agreement by Lessee.

13.1 If Lessee, or any successor or assignee of Lessee while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors.

13.2 If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee, or if a receiver or trustee shall be appointed of all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within thirty (30) days after the institution or appointment.

13.3 If Lessee shall fail to pay Lessor any rent or additional rent when such rent shall become due and shall not make the payment within twenty (20) days after written notice thereof by Lessor to Lessee.

13.4 If Lessee shall fail to perform or comply with any of the conditions of this Lease, and if the nonperformance shall continue for a period of twenty (20) days after written notice thereof by Lessor to Lessee, or if the performance cannot reasonably be made within the twenty (20) day period, Lessee shall not in good faith have commenced performance within the twenty (20) day period and shall not diligently proceed to completion of performance.

13.5 If this Lease shall be transferred to any other person or party, except in the manner herein permitted.

13.6 If Lessee fails to take possession of the Leased Property on the commencement date, or within thirty (30) days after notice that the Leased Property is available for occupancy, if the commencement date is not fixed herein or shall be deferred as herein provided.

14. **EFFECT OF DEFAULT**

In the event of any default hereunder, as set forth in Section 13, the rights of Lessor shall be as follows:

14.1 Lessor shall have the right to cancel and terminate this Agreement, as well as all of the right, title, and interest of Lessee hereunder (including the Right of First Refusal), by giving to Lessee no less than twenty (20) days notice of the cancellation and termination. On expiration of the time fixed in the notice, this Agreement and the right, title and interest of Lessee hereunder, shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.

14.2 Lessor may elect, but shall not be obligated, to make any payment required of Lessee herein or comply with any agreement, term, or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the Leased Property for the purpose of correcting or remedying any such default and to remain until the default has been corrected or

remedied, but any expenditure for the correction by Lessor shall not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default.

14.3 Lessor may re-enter the Leased Property immediately and remove the property and personnel of Lessee, and store the property in a public warehouse or at a place selected by Lessor, at the expense of Lessee. After re-entry, Lessor may terminate the Lease after giving twenty (20) days written notice of termination to Lessee. Without the notice, re-entry will not terminate the Lease. On termination, Lessor may recover from Lessee all damages resulting from the breach, including the cost of recovering the Leased Property, which sum shall be immediately due Lessor from Lessee.

14.4 After re-entry, Lessor may relet the premises or any part thereof for any term without terminating the Lease, at the rent and on the terms as Lessor may choose. Lessor may make alterations and repairs to the Leased Property. The Lessee shall be liable for all expenses of reletting, the costs of alterations and repairs and for the difference between the rent received by Lessor under the new Lease agreement and the rental installments entered into for the same period under this Lease. However, the cost of such alterations and repairs shall be limited to the cost necessary to restore the premises to their original condition, normal wear and tear excepted, immediately prior to the commencement of this Lease.

15. CONDEMNATION

Rights and duties in the event of condemnation are as follows:

15.1 If the whole of the Leased Property shall be taken or condemned by any competent authority, this Lease shall cease and terminate as of the date on which title shall vest thereby in that authority, and the rent reserved hereunder shall be apportioned and paid up to that date. For purposes of this section, a condemnation of the whole Leased Property means a taking,

alteration or restriction of more than one-third (1/3) of the Leased Property for the use which the Leased Property is leased, as reasonably determined by Lessee.

15.2 If only a portion of the Leased Property shall be taken or condemned (one third or less), and the Leased Property may still be used for the purposes for which it was leased as reasonably determined by Lessee, then Lessee shall have the option of terminating this Agreement and reclaiming the premises in accordance with the reclamation plan. In the event, Lessee chooses to terminate the Lease, it must be done within ninety (90) days of the event of condemnation which is defined as the date that title vests in the taking authority. If no notice is given, this Agreement shall remain in full force and effect as to all terms.

15.3 In the event of the total or partial taking or condemnation of the Leased Property as specified above, Lessee shall have the right to remove all improvements placed by it on the Leased Property affected by such taking or condemnation as provided in the Agreement for such removal at the expiration of this lease agreement. If the improvements are not so removed, or if Lessee elects not to remove them, Lessee may receive from the body or authority taking the property, the value of such improvements as under the terms of this Agreement might have been removed as personal property and not as part of the real estate.

15.4 In the event of the total or partial taking or condemnation of the Leased Property as specified above, Lessee shall be entitled to participate in any and all awards, for the taking to the extent that any award includes (a) the loss sustained by Lessee as a result of the termination of this Agreement, including but not limited to loss of business or depreciation of and costs of removal of stock and fixtures, and (b) the then value of the fixtures installed by Lessee and contained on the Leased Property at the time the taking, but only if the fixtures are taken.

16. **ACCESS TO PREMISES**

Lessee shall permit Lessor or its agents, employees, contractors and authorized representatives to enter the Leased Property at all reasonable hours to inspect the premises and support the ongoing agricultural activities of the Lessor.

Lessee shall also permit Poe Asphalt Company to enter the northern fifty (50) feet of the property described within this lease for an alternative access to Pleasant View Road. Lessee is not responsible for development, permitting, or maintenance of the access. The access will be developed, permitted and maintained by Lessor or Poe Asphalt. Lessee will not be liable for any injury to person or property caused by or arising out of Poe's use of the property and Lessor agrees to indemnify and hold Lessee liable from any and all claims for injury to person or property occurring on the foregoing portion of the Leased Property. Such indemnification shall include the payment of attorneys fees to defend against such claims. This permission for limited access will not be assignable or transferable without the written consent of the Lessee. This consent shall not create any permanent easement encumbering the Leased Property and Lessor in its agreement with Poe, shall provide for the termination of such access in the event Lessee purchases the Leased Property.

Lessor reserves the right to continue agricultural activity (farming, livestock, grazing, etc.) on those portions of the leased property not actively being mined by Lessee and those areas for which reclamation has been completed. Lessee shall provide fencing to prohibit livestock from entering working areas included but not limited to, active mining area, conveyor systems, water storage ponds, or stockpile areas. It is the intent for Lessee to provide adequate fencing to protect livestock from injury due to Lessee's activities suitable to Lessor, not to exceed standards of a legal fence as stated in paragraph #6.

17. **SIGNS AND ADVERTISING**

Lessee shall be permitted to place, construct or maintain signs, advertisements, insignia, trademarks, descriptive material or any other similar item on any portion of the Leased Property. The placement, construction and maintenance of any and all approved signage shall be at the sole cost and expense of Lessee. Any sign that Lessee has the right to place, construct and maintain shall comply with all laws, and Lessee shall obtain any approval required by such laws.

18. **QUIET ENJOYMENT**

Lessor warrants that Lessee shall be granted peaceable and quiet enjoyment of the Leased Property free from any eviction or interference by Lessor if Lessee pays the rent and other charges provided herein, and otherwise fully and punctually performs the terms and conditions imposed on Lessee. Lessee is taking the property for Lease subject to all existing easements and encumbrances of record as of the effective date of this Agreement. Lessor will not grant any additional easements or otherwise further encumber the real property covered by this Agreement without the express written consent of Lessee which may be withheld on reasonable grounds including but not necessarily limited to Lessor's failure to obtain the agreement of the grantee of the easement or encumbrance, to subordinate said interest to Lessee's rights herein.

Nothing in this section shall constitute a warranty by Lessor that there will not be some governmental regulation or restriction during the term of this Lease that may affect Lessee's business. Lessor is not warranting that Lessee shall have quiet and peaceful enjoyment of the leased property free from any or all governmental regulation or restrictions.

19. **NON-WAIVER**

The failure of Lessor and/or Lessee to insist on strict performance of any of the terms and conditions hereof shall not be deemed a waiver of any subsequent breach or default in any terms and conditions in this Agreement. No waiver by Lessor and/or Lessee of any provision of this

Agreement shall be deemed to have been made unless expressed in writing and signed by Lessor and/or Lessee.

20. NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be deemed duly given if personally delivered, or if mailed by United States certified or registered mail, postage prepaid to the parties at the following addresses (or at such other address as either party may from time to time designate in writing):

To: Mr. Donald Beck
2016 N. Beck Road
Post Falls, Idaho 83854

To: John Hjaltalin
c/o Spokane Rock Products
104 S. Freya
Yellow Flag Building, Suite 207
Spokane, WA 99202

With a copy to: Stephen L. Farnell
Winston & Cashatt
1900 Bank of America Financial Center
Spokane, WA 99201

21. SUB-LEASE AND ASSIGNMENT

Lessee and Lessor shall have the right to transfer and assign, in whole or in part, all and every feature of their rights and obligations under this Agreement. However, Lessor must approve in writing any assignment made by Lessee, which approval shall not be unreasonably withheld. Lessor's approval may be withheld if the proposed assignment would place Lessor in a worse position than the current agreement provides including any reclamation responsibilities.

22. ESTOPPEL CERTIFICATE

Pursuant to Lessor's right and Lessee's right to transfer and assign their rights and obligations under Section 21 herein, upon written request of either party, the non-requesting party shall provide the other and/or the prospective transferee or assignee, a written certificate

stating whether this Lease Agreement is in full force and effect, and whether Lessee and Lessor are in compliance with all terms, conditions and provisions of this Agreement as of the date such written certificate is delivered. The responding party shall have no more than thirty (30) days after receipt of the request to provide the written certificate.

23. SURRENDER OF POSSESSIONS/MAINTENANCE OF REAL PROPERTY

In the event the Right of First Refusal described in Section 4 is not exercised, Lessee shall, on the last day of the term, including any extensions thereof, or on earlier termination and forfeiture of the Lease, peaceably and quietly surrender and deliver the Leased Property to Lessor. Lessee shall have one hundred eighty (180) days after the termination of the Agreement to remove all inventory from the Leased Property. For purposes of this section, inventory shall include all processed material remaining on the Leased Property at the termination of the lease. At all times during the 180 day period following termination of this Agreement, Lessee shall pay royalties to Lessor on the inventory so removed in accordance with Section 2 above.

At all times during the term of this Agreement, Lessee shall maintain the Leased Property in compliance with the standards of the State of Idaho, Department of Lands, including all applicable mining and zoning requirements.

24. TOTAL AGREEMENT: APPLICABLE TO SUCCESSORS

This Agreement and the attached exhibits hereto contain the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This Agreement and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors, and assigns of the parties.

25. BROKERS AND FINDERS

Neither Lessor nor Lessee has retained any broker, finder or investment banker in connection with this lease agreement or any of the transactions contemplated by this Agreement.

26. TIME IS OF THE ESSENCE

Time is of the essence in all provisions of this Agreement.

27. MEMORANDUM OF LEASE AND RIGHT OF FIRST REFUSAL

The parties shall record a Memorandum of Lease and Right of First Refusal.

28. ARBITRATION

Any dispute arising out of, connected to, or relating to this Agreement shall be settled by arbitration; and in accordance with this section, a judgment based upon the arbitrator's award may be entered in any court having jurisdiction thereof in accordance with the provisions of the Idaho Code, Chapter 9, Section 7-901 et. seq. In the event of such a dispute, each party to the conflict shall select an arbitrator, both of whom shall then select a third arbitrator which shall constitute the three (3) person arbitration board. The arbitration board will be provided with a written position from each party within thirty (30) days of the selection of the third arbitrator. The decision of a majority of the board of arbitrators, who shall render their decision within sixty (60) days of appointment of the final arbitrator, shall be binding upon the parties.

29. CONFIDENTIALITY

The parties agree that the terms of this Agreement are strictly confidential and will not be disclosed to any agent, associate, employee of either party or to any third party unless such individual(s) needs to know the same in order to effectuate the purposes of this Agreement or need to have the information for financing purposes or for tax preparation purposes. Each person to whom such information is disclosed shall be notified of the confidential nature of this Agreement and advised against re-disclosure. Notwithstanding the foregoing, disclosure of certain information as required by paragraph 27 herein is permitted, as is any other disclosure required by law.

30. COUNTERPARTS

This lease agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this lease agreement on the

4th day of June, 2001.

LESSEE

SPOKANE ROCK PRODUCTS, INC.
a Washington corporation

By: [Signature]
JOHN HJATALIN
Its: Vice President

LESSORS

[Signature]
DONALD F. BECK. Donald E. Beck JB
[Signature]
KATHY BECK

STATE OF WASHINGTON

: ss.

County of Spokane

On this 4th day of June, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOHN HJATALIN to me known to be the Vice President of Spokane Rock Products, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal affixed the day and year first above written.



Erin Mulhern
Notary Public in and for the State of
Washington, residing at Spokane, WA
My appointment expires: June 12, 2002

Washington
STATE OF ~~IDAHO~~)
: ss.
County of Spokane)

On this 14th day of June, 2001, personally appeared DONALD E. BECK AND KATHY BECK to me known to be the individuals described in and who executed the within instrument and acknowledged that they signed and sealed the same as their free and voluntary act and deed for the uses purposes herein mentioned.

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



Erik Mulhens
Notary Public in and for the State of
Washington-Idaho, residing at Spokane, WA
My appointment expires: June 12, 2002

AMENDMENT TO LEASE AGREEMENT

This Amendment of Lease ("Amendment") is effective this 18 day of Sept. 2008, by and between DONALD E. BECK and KATHY BECK, husband and wife ("Lessor"), and SPOKANE ROCK PRODUCTS, INC., a Washington corporation ("Lessee").

RECITALS

- A. On or about June 4, 2001, Lessor and Lessee entered into that certain Lease Agreement With First Right of Refusal to Purchase (the "Lease") dated June 4, 2001, concerning that certain real property (the "Premises") more particularly described in EXHIBIT A attached to this Amendment.
- B. The Lease provides that the development of the property for mining purposes will follow the operations plan prepared by Adams & Clark. That operations plan, which is attached to the Lease as Exhibit B, depicts the mining operation taking place in phases, numbered Phases 1 through 24, and includes directional indicators (arrows) suggesting that the phases will be mined sequentially, in the order numbered.
- C. The operations plan is also incorporated by reference into a development agreement between the Lessee and Kootenai County. By letter dated November 7, 2006, attached hereto as EXHIBIT B, the County confirmed that the mining activity may be conducted within the boundaries of the phases outlined in the development agreement but do not need to start with Phase 1 and continue sequentially thereafter.
- D. Lessee seeks Lessor's consent to conducting the mining operation in phases, but not necessarily in the sequence as numbered and directionally indicated on the operations plan.
- E. By this Amendment, the Lessor and Lessee intend to memorialize their agreement that Lessee may conduct its phased mining operations in whatever sequence is convenient to Lessee, irrespective of the numbering or directional indicators on the operations plan. Except as modified by this Amendment, the Lease, as amended, is incorporated by reference and will remain in full force and effect.

AMENDMENT

For and in consideration of the previously entered into Lease, the mutual covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, IT IS HEREBY AGREED that the Lease is amended as follows:

1. USE AND LAWFUL ACTIVITY. Paragraph 10 of the Lease is amended to add the following supplemental language:

Lessee is permitted to conduct the phased mining operations in whatever sequence is convenient to Lessee. Lessee is not required to conduct mining operations in the sequence that the phases are numbered in the operations plan. Lessee is not required to conduct mining operations in the sequence suggested by the directional indicators (arrows) in the operations plan. In the event Lessee conducts the phased mining operation in an order that differs or varies from the numbering of the phases or the directional indicators on the operations plan, that action by the Lessee shall not be considered, interpreted as, or deemed a breach of the Lease. Lessor acknowledges that (a) Lessee has sought and obtained the consent of Kootenai County to mine in whatever sequence Lessee deems appropriate, for purposes of the development agreement between Lessee and Kootenai County; and (b) the Lessee's activity of conducting the phased mining operation in an order that differs or varies from the numbering of the phases or the directional indicators on the operations plan cannot be considered, interpreted as, or deemed a breach of the Lease due to any alleged deviation from the development agreement.

2. Lease Remains Effective. The Lease, so far as consistent with this Amendment, is incorporated herein by this reference. Any and all terms set forth in the Lease, consistent with this Amendment, shall remain the same and continue in full force and effect and unaffected by this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment on the 18th day of September 2008.

LESSOR


DONALD E. BECK


KATHY BECK

LESSEE
SPOKANE ROCK PRODUCTS, INC.

By:



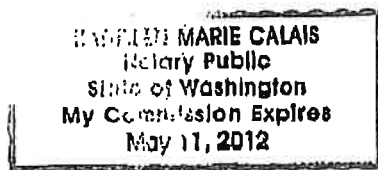
Its:

Vice President

STATE OF IDAHO)
: ss.
County of Kootenai)

On this day personally appeared before me DONALD E. BECK and KATHY BECK, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 10 day of Sept, 2008.

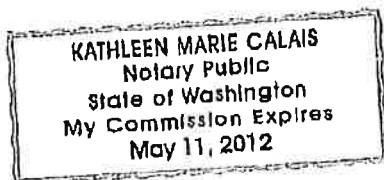


Kathleen M. Calais
Notary Public in and for the State of Idaho, WA
residing at Spokane WA
My appointment expires: 5-11-2012

STATE OF WASHINGTON)
: ss.
County of Spokane)

On this 18th day of September ²⁰⁰⁸2005, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steve Robinson to me known to be the Vice President of SPOKANE ROCK PRODUCTS, INC., the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed is the seal of said limited liability company.

WITNESS my hand and official seal affixed the day and year first above written.



Kathleen M. Calais
Notary Public in and for the State of WA
Washington, residing at Spokane
My Commission expires: 5-11-2012

EXHIBIT B

MEMORANDUM AND ASSIGNMENT OF LEASE

[See attached]

EXHIBIT B

LEGAL DESCRIPTION

ALL OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST, BOISE MERIDIAN, KOOTENAI COUNTY, STATE OF IDAHO;

EXCEPTING THEREFROM THAT CERTAIN 100 FOOT STRIP LYING WITHIN THE SOUTHEAST 1/4 CONVEYED TO THE SPOKANE INTERNATIONAL RAILWAY CO., BY DEED RECORDED JANUARY 3, 1906, IN BOOK 18, DEEDS, PAGE 35, RECORDS OF KOOTENAI COUNTY, IDAHO;

ALSO EXCEPTING FROM SAID SECTION 31, THAT PORTION OF THE SOUTH ½ SOUTHEAST 1/4 CONVEYED TO THE SPOKANE VALLEY LAND AND WATER COMPANY, BY DEED RECORDED APRIL 21, 1913, IN BOOK 52, DEEDS, PAGE 616, RECORDS OF KOOTENAI COUNTY, IDAHO;

AND ALSO EXCEPTING FROM SAID SECTION 31, THAT CERTAIN 300 FOOT BY 1300 FOOT RECTANGULAR PARCEL CONVEYED TO PACIFIC SUPPLY COOPERATIVE, INC., BY DEED RECORDED MAY 12, 1972, AS INSTRUMENT NO. 601640, RECORDS OF KOOTENAI COUNTY, IDAHO; AND

ALSO EXCEPTING THE NORTHWEST QUARTER OF GOVERNMENT LOT 1 OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST, BOISE MERIDIAN, KOOTENAI COUNTY, STATE OF IDAHO; AND

ALSO EXCEPTING THE SOUTH 865 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST, BOISE MERIDIAN, AND ALL OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST, BOISE MERIDIAN, LYING NORTH OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY, AND EXCEPTING THAT RECTANGULAR PARCEL CONVEYED TO PACIFIC SUPPLY COOPERATIVE, INC. BY DEED RECORDED MAY 21, 1972, AS INSTRUMENT NO. 601640, RECORDS OF KOOTENAI COUNTY, IDAHO; AND

ALSO EXCEPTING A PORTION OF SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST AND A PORTION OF SECTION 6, TOWNSHIP 50 NORTH, RANGE 5 WEST, BOISE MERIDIAN, KOOTENAI COUNTY, STATE OF IDAHO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 6 AS SHOWN ON THAT CERTAIN SURVEY RECORDED IN BOOK 17 OF SURVEYS AT PAGE 29 RECORDS OF KOOTENAI COUNTY, IDAHO THENCE; NORTH 68° 55'46" EAST 950.04 FEET TO A POINT THENCE; SOUTH 28° 35' 06" EAST 300.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF THE SPOKANE INTERNATIONAL RAILROAD THENCE; SOUTH 61° 24'54" WEST 1182.99 FEET ALONG SAID RIGHT OF WAY TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 6 THENCE; NORTH 01° 01'34" EAST ALONG SAID WEST LINE 487.97 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THAT PORTION DEEDED TO POST FALLS HIGHWAY DISTRICT BY DOCUMENT RECORDED JUNE 29, 1993 AS INSTRUMENT NO. 1309932;

ALSO EXCEPTING THAT PORTION DEEDED TO POST FALLS HIGHWAY DISTRICT BY

DOCUMENT RECORDED MAY 29, 2002 AS INSTRUMENT NO. 1735103;

ALSO EXCEPTING THAT PORTION DEEDED TO POST FALLS HIGHWAY DISTRICT BY
DOCUMENT RECORDED MARCH 17, 2004 AS INSTRUMENT NO. 1864252.

[No further text on this Page]

EXHIBIT C

MEMORANDUM AND ASSIGNMENT OF LEASE

[See attached]

Exhibit A to First Amendment to Memorandum and Assignment of Lease

Legal Description

ALL OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST, BOISE MERIDIAN, KOOTENAI COUNTY, STATE OF IDAHO;

EXCEPTING THEREFROM THAT CERTAIN 100 FOOT STRIP LYING WITHIN THE SOUTHEAST 1/4 CONVEYED TO THE SPOKANE INTERNATIONAL RAILWAY CO., BY DEED RECORDED JANUARY 3, 1906, IN BOOK 18, DEEDS, PAGE 35, RECORDS OF KOOTENAI COUNTY, IDAHO;

ALSO EXCEPTING FROM SAID SECTION 31, THAT PORTION OF THE SOUTH ½ SOUTHEAST 1/4 CONVEYED TO THE SPOKANE VALLEY LAND AND WATER COMPANY, BY DEED RECORDED APRIL 21, 1913, IN BOOK 52, DEEDS, PAGE 616, RECORDS OF KOOTENAI COUNTY, IDAHO;

AND ALSO EXCEPTING FROM SAID SECTION 31, THAT CERTAIN 300 FOOT BY 1300 FOOT RECTANGULAR PARCEL CONVEYED TO PACIFIC SUPPLY COOPERATIVE, INC., BY DEED RECORDED MAY 12, 1972, AS INSTRUMENT NO. 601640, RECORDS OF KOOTENAI COUNTY, IDAHO; AND

ALSO EXCEPTING THE NORTHWEST QUARTER OF GOVERNMENT LOT 1 OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST, BOISE MERIDIAN, KOOTENAI COUNTY, STATE OF IDAHO; AND

ALSO EXCEPTING THE SOUTH 865 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST, BOISE MERIDIAN, AND ALL OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST, BOISE MERIDIAN, LYING NORTH OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY, AND EXCEPTING THAT RECTANGULAR PARCEL CONVEYED TO PACIFIC SUPPLY COOPERATIVE, INC. BY DEED RECORDED MAY 21, 1972, AS INSTRUMENT NO. 601640, RECORDS OF KOOTENAI COUNTY, IDAHO; AND

ALSO EXCEPTING A PORTION OF SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WEST AND A PORTION OF SECTION 6, TOWNSHIP 50 NORTH, RANGE 5 WEST, BOISE MERIDIAN, KOOTENAI COUNTY, STATE OF IDAHO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 6 AS SHOWN ON THAT CERTAIN SURVEY RECORDED IN BOOK 17 OF SURVEYS AT PAGE 29 RECORDS OF KOOTENAI COUNTY, IDAHO THENCE; NORTH 68° 55'46" EAST 950.04 FEET TO A POINT THENCE; SOUTH 28° 35' 06" EAST 300.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF THE SPOKANE INTERNATIONAL RAILROAD THENCE; SOUTH 61° 24'54" WEST 1182.99 FEET ALONG SAID RIGHT OF WAY TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 6 THENCE; NORTH 01° 01'34" EAST ALONG SAID WEST LINE 487.97 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THAT PORTION DEEDED TO POST FALLS HIGHWAY DISTRICT BY DOCUMENT RECORDED JUNE 29, 1993 AS INSTRUMENT NO. 1309932;

ALSO EXCEPTING THAT PORTION DEEDED TO POST FALLS HIGHWAY DISTRICT BY
DOCUMENT RECORDED MAY 29, 2002 AS INSTRUMENT NO. 1735103;

ALSO EXCEPTING THAT PORTION DEEDED TO POST FALLS HIGHWAY DISTRICT BY
DOCUMENT RECORDED MARCH 17, 2004 AS INSTRUMENT NO. 1864252.

After recording return to:

Polsinelli PC
1401 Lawrence Street, Suite 2300
Denver, Colorado 80202
Attn: Brian Furgason

This space reserved for recorder's use.

**FIRST AMENDMENT TO MEMORANDUM OF LEASE WITH RIGHT OF FIRST REFUSAL
TO PURCHASE AND ASSIGNMENT OF LEASE**

THIS FIRST AMENDMENT TO MEMORANDUM OF LEASE WITH RIGHT OF FIRST REFUSAL TO PURCHASE AND ASSIGNMENT OF LEASE (this "**Memorandum**") is made and entered into effective as of _____ (the "**Effective Date**"), by and among Donald E. Beck and Kathleen A. Beck, Co-Trustees of the Donald and Kathleen Beck Family Trust, dated April 23, 2008 as to Government Lots 1 and 2, and 7 B Beck, LLC, an Idaho limited liability company, as to the remainder ("**Lessor**"), Spokane Rock Products, Inc., a Washington corporation ("**Lessee**"), and Interstate Concrete and Asphalt Company, an Idaho corporation ("**Assignee**"). Lessor, Lessee and Assignee agree to and acknowledge the following matters:

1. **Original Memorandum.** Lessor, as successor in interest to Donald E. Beck and Kathleen A. Beck, and Lessee entered into that certain Memorandum of Lease recorded June 17, 2002 as Document No. 1738014 ("**Original Memorandum**") which memorializes that certain Lease Agreement dated June 4, 2001, as amended by that certain Amendment to Lease Agreement dated September 18, 2008 (the "**Lease**"), pursuant to which Lessor leased to Lessee, and Lessee leased from Lessor, subject to the terms, covenants and conditions contained therein, the leased premises located in Benton County, Washington (the "**Leased Premises**").
2. **Leased Premises.** Lessor and Lessee wish to amend the Original Memorandum as set forth in this Amendment and the description of the Leased Premises as set forth in the Original Memorandum is hereby amended to include the property as described on **Exhibit A** attached hereto and incorporated herein by this reference. Lessor is the owner of the Leased Premises.
3. **Term.** The term of the Lease commenced on June 4, 2001, and will expire on June 4, 2019, with an option to extend the lease for four additional ten year terms.
4. **Assignment.** Lessee and Assignee entered into that certain Assignment and Assumption of Lease dated as of the Effective Date (the "**Assignment**"), pursuant to which Lessee sold, assigned and transferred all of Lessee's right, title and interest in, under and to the Lease and Assignee accepted the foregoing assignment and assumed Lessee's duties and obligations under the Lease arising after the Effective Date.

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

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

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.

9. No Alteration of Lease. This Memorandum does not alter the terms and conditions of the Lease.

[Signature page follows]

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

LESSOR:

Donald E. Beck and Kathleen A. Beck, Co-Trustees of the Donald and Kathleen Beck Family Trust, dated April 23, 2008 as to Government Lots 1 and 2

By: [Signature]
Name: Donald E. Beck
Title: owner

By: [Signature]
Name: Kathleen A. Beck
Title: owner

AND

7 B Beck LLC,
an Idaho limited liability company, as to the remainder

By: [Signature] DONALD E. BECK
Name: [Signature]
Title: manager

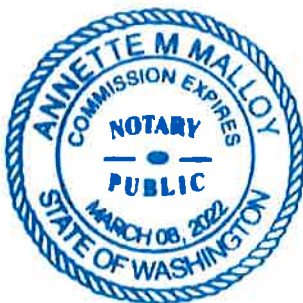
State of Idaho

FEB 27, 2018

County of KOOTENAI ss.

Then personally appeared the above-named Donald E. Beck, Kathleen A. Beck, and _____, as aforesaid, and acknowledged the foregoing instrument to be _____ free act and deed in _____ said capacity and the free act and deed of said _____.

Before me,



[Signature]
Notary Public

Printed Name: ANNETTE M. MALLOY

My commission Expires: MARCH 08, 2022

LESSEE:

Spokane Rock Products, Inc.,
a Washington corporation

By: TERRY GADDAW
Name: [Signature]
Title: TREASURER / SECRETARY

State of Idaho

FEB. 27, 2018

County of KOOTENAI ss.

Then personally appeared the above-named TERRY GADDAW SEC/TREAS of Spokane Rock Products, Inc., a Washington corporation, as aforesaid, and acknowledged the foregoing instrument to be _____ free act and deed in _____ said capacity and the free act and deed of said _____.



Before me,

Annette M. Malloy
Notary Public

Printed Name: ANNETTE M. MALLOY

My commission Expires: MARCH 8, 2022

ASSIGNEE:

Interstate Concrete and Asphalt Company,
an Idaho corporation,

By: _____
Name: _____
Title: _____

State of Washington _____, 2018

County of _____ ss.

Then personally appeared the above-named _____, _____ of Interstate Concrete and Asphalt Company, an Idaho corporation, as aforesaid, and acknowledged the foregoing instrument to be _____ free act and deed in _____ said capacity and the free act and deed of said company.

Before me,

Notary Public

Printed Name: _____

My commission Expires:

EXHIBIT “B”

ASSIGNMENT AND ASSUMPTION OF LEASES

This ASSIGNMENT AND ASSUMPTION OF LEASES (this “*Assignment*”) is being entered into as of March 2, 2018, by and among Spokane Rock Products, Inc., a Washington corporation (“*Assignor*”), and Interstate Concrete and Asphalt Company, an Idaho corporation (“*Assignee*”).

RECITALS

A. Assignor is a party to all of the Leases provided in Schedule A, attached hereto and incorporated herein (collectively, the “*Leases*”).

B. Assignor, as seller, and Assignee, as buyer, are parties to that certain Asset Purchase Agreement, dated as of the date hereof (the “*Purchase Agreement*”), pursuant to which, subject to the terms and conditions set forth therein, Assignor has agreed to sell, transfer and assign all of Assignor’s right, title and interest in, under and to the Leases, and Assignee has agreed to assume certain obligations thereunder.

C. All capitalized terms used in this Assignment but not otherwise defined herein shall have the meanings used in the Purchase Agreement.

AGREEMENT

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

Subject to the terms and conditions set forth herein and in the Purchase Agreement, effective at Closing, Assignor hereby sells, assigns, transfers and sets over unto Assignee all of Assignor’s right, title and interest in, under and to the Leases.

Subject to the terms and conditions set forth herein and in the Purchase Agreement, effective at Closing, Assignee hereby accepts the foregoing assignment and assumes all of Assignor’s obligations implied or required by law or expressly set forth in writing in the Leases that are to be performed after the Closing Date, in each case, except to the extent arising from a breach or default, whether with or without notice, the passage of time or both, of any obligation to be performed on or before the Closing Date.

The parties hereto acknowledge and agree that the terms contained in the Purchase 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 Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

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

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, this Assignment has been duly executed by the parties hereto as of the day and year first above written.

ASSIGNOR:

Spokane Rock Products, Inc.,
a Washington corporation

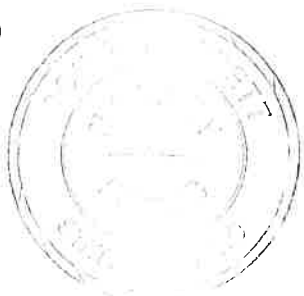
By: Brian N DeAtley
Name: Brian N. DeAtley
Title: Pres.

STATE OF Idaho)
) ss.
COUNTY OF ne? Per. id)

On this 2 day of march, 2018, before me appeared Brian DeAtley, to me personally known, who, being by me duly sworn did say that he/she is the President of Spokane Rock Products, Inc., a Washington corporation, and is authorized to sign on behalf of Spokane Rock Products, Inc., a Washington corporation, who is personally known to me to be the same person who executed the within instrument on behalf of such entity, and such person duly acknowledged the execution of the same to be the free act and deed of such entity acting on behalf of such entity.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

(SEAL)



R17
Notary Public

Print Name: Roni Bleuer

My Commission Expires: 11/30/21

ASSIGNEE:

Interstate Concrete and Asphalt Company,
an Idaho corporation

By: Susan L. Devaney
Name: Susan L. Devaney
Title: Chief Financial Officer & Secretary

STATE OF Washington ss.
COUNTY OF Spokane

On this 27 day of February, 2018, before me appeared Susan L. Devaney to me personally known, who, being by me duly sworn did say that ~~he~~/she is the CFO and Secretary of Interstate Concrete and Asphalt Company, an Idaho corporation, and is authorized to sign on behalf of Interstate Concrete and Asphalt Company, an Idaho corporation, who is personally known to me to be the same person who executed the within instrument on behalf of such entity, and such person duly acknowledged the execution of the same to be the free act and deed of such entity acting on behalf of such entity.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

(SEAL) KATHLEEN FRIZZELL
Notary Public
State of Washington
My Commission Expires
January 19, 2021

Kathleen Frizzell
Notary Public

Print Name: Kathleen Frizzell

My Commission Expires: 1-19-2021

Schedule A

Assigned Leases

Donald E. Beck and Kathleen A. Beck, Co-Trustees of the Donald and Kathleen Beck Family Trust, dated April 23, 2008, as to Government Lots 1 and 2, and 7 B Beck, LLC, an Idaho limited liability company, as to the remainder, Kootenai County, Idaho

- Lease Agreement with Right of First Refusal dated June 4, 2001, by and between Donald E. Beck and Kathleen A. Beck, Co-Trustees of the Donald and Kathleen Beck Family Trust, dated April 23, 2008, as to Government Lots 1 and 2, and 7 B Beck, LLC, an Idaho limited liability company, as to the remainder, Lessors, and Spokane Rock Products, Inc., Lessee;
- as amended by that Amendment to Lease Agreement dated September 18, 2008; and
- as amended by that Landlord Consent and Estoppel dated February 27, 2018.

Kathy Thomason d/b/a Cheney Sand & Gravel, "Ritchey Pit," Spokane County, Washington

- Conditional Materials Purchase Agreement dated December 12, 2014, by and between Kathy Thomason d/b/a Cheney Sand & Gravel, Lessor, and Spokane Rock Products, Inc., as successor in interest to Eucon Corporation, an Idaho corporation, Lessee.

EXHIBIT “C”

WARRANTY DEED

THIS INDENTURE Made this 15th day of March, 2018, by and between **SPOKANE ROCK PRODUCTS, INC.**, a Washington corporation, party of the first part, hereinafter referred to as "Grantor", and **INTERSTATE CONCRETE AND ASPHALT COMPANY**, an Idaho corporation, party of the second part, hereinafter referred to as "Grantee", who has stated its address to be: 5111 East Broadway, Spokane, Washington, 99212.

WITNESSETH, That

The said Grantor, for and in consideration of the sum of ONE DOLLAR (\$1.00), and other good and valuable considerations, lawful money of the United States of America to it in hand paid by the said Grantee, the receipt of which is hereby acknowledged, has granted, bargained and sold, and by these presents does grant, bargain, sell, convey and confirm unto the said Grantee, and to its heirs and assigns forever, all of the following described real property situate in the County of Kootenai, State of Idaho, to-wit:

See Exhibit "A-3" attached hereto and incorporated herein by reference.

SUBJECT TO the following matters: (I) any and all laws, statutes, ordinances, codes, rules, regulations, requirements or executive mandates affecting the Property, (ii) such matters as would be disclosed by a current and accurate survey or inspection of the Property, (iii) 2017-2018 real estate taxes, assessments and water and sewer charges, not yet due and payable, and (iv) any and all recorded exceptions, covenants, easements, restrictions, reservations, encroachments, public rights-of-way and other conditions affecting the Property.

TOGETHER With all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and

remainders, rents, issues and profits thereof; and all estate, right, title and interest in and to said property, as well in law as in equity of the said Grantor.

TO HAVE AND TO HOLD All and singular the above mentioned and described premises, together with the appurtenances, unto the said Grantee, and to its heirs and assigns forever.

The said Grantor WARRANTS to the Grantee that it is lawfully seized of the above described real property in fee simple, that the same is free and clear of any and all encumbrances of every kind and description, except as herein specified, and that the Grantor has lawful right to convey the said property.

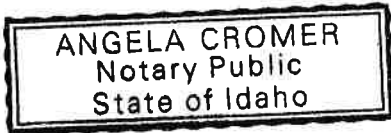
IN WITNESS WHEREOF the said Grantor has hereunto set its hand the day and year hereinabove first written.

SPOKANE ROCK PRODUCTS, INC.

By Brien Deatley
BRIEN DEATLEY, President

STATE OF IDAHO
County of NEZ PERCE

This record was acknowledged before me on March 1st, 2018, by BRIEN DeATLEY, as PRESIDENT of SPOKANE ROCK PRODUCTS, INC.



Angela Cromer
NOTARY PUBLIC FOR STATE OF IDAHO
Commission expires: 10-01-20

EXHIBIT "A-3"
(Pleasant View)

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

THE SOUTH 865 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WBM, AND ALL OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 51 NORTH, RANGE 5 WBM, LYING NORTH OF THE UNION PACIFIC RAILROAD RIGHT OF WAY, EXCEPTING THAT RECTANGULAR PARCEL CONVEYED TO PACIFIC SUPPLY COOPERATIVE, INC., BY DEED RECORDED MAY 21, 1972 AS INSTRUMENT NO. 601640, RECORDS OF KOOTENAI COUNTY, IDAHO ✓

AND ALSO EXCEPTING FROM SAID SECTION 31, THAT PORTION OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 CONVEYED TO THE SPOKANE VALLEY LAND AND WATER COMPANY, BY DEED RECORDED APRIL 21, 1913, IN BOOK 52, DEEDS, PAGE 616, RECORDS OF KOOTENAI COUNTY, IDAHO;

ALSO EXCEPTING THAT PORTION DEEDED TO POST FALLS HIGHWAY DISTRICT BY DOCUMENT RECORDED MAY 21, 1997 AS INSTRUMENT NO. 1490805 AND CORRECTED BY DOCUMENT RECORDED JUNE 18, 1997 AS INSTRUMENT NO. 1494453;

ALSO EXCEPTING THAT PORTION DEEDED TO POST FALLS HIGHWAY DISTRICT BY DOCUMENT RECORDED NOVEMBER 9, 2001 AS INSTRUMENT NO. 1704570;

ALSO EXCEPTING THAT PORTION DEEDED TO POST FALLS HIGHWAY DISTRICT BY DOCUMENT RECORDED MAY 29, 2002 AS INSTRUMENT NO. 1735101.



State of Idaho

DEPARTMENT OF WATER RESOURCES

Northern Region • 7600 N. Mineral Drive, Suite 100 • Coeur d'Alene, Idaho 83815-7763
Phone: (208) 762-2800 • Fax: (208) 762-2819 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

June 26, 2018

INTERSTATE CONCRETE AND ASPHALT COMPANY
PO BOX 3366
SPOKANE WA 99220-3366

SUBJECT: Ownership Change on Notice of Claim Number(s) 95-9091

Dear Claimant:

We have processed your change of ownership request on the Notice of Claim to a Water Right Number(s) listed above. Enclosed is a copy of the claim showing such change; for your records. Also, this information can be accessed on our website at www.idwr.idaho.gov.

Sincerely,

Dawn R. Lenon
Technical Records Specialist 1

Enclosure(s) Notice of Claim 95-9091



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 762-2800 • Fax: (208) 762-2819 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

June 26, 2018

TANYA L BARTON
KUTAK ROCK LLP
510 W RIVERSIDE AVE STE 800
SPOKANE WA 99201

Re: INTERSTATE CONCRETE AND ASPHALT COMPANY
PO BOX 3366
SPOKANE WA 99220-3366

SUBJECT: Ownership Change on Notice of Claim Number(s) 95-9091

Dear Claimant:

We have processed your change of ownership request on the Notice of Claim to a Water Right Number(s) listed above. Enclosed is a copy of the claim showing such change; for your records. Also, this information can be accessed on our website at www.idwr.idaho.gov.

Sincerely,

Dawn R. Lenon
Technical Records Specialist 1

Enclosure(s) Notice of Claim 95-9091