

Memorandum of Agreement

SC Aggregate Company, Inc. a Washington corporation (hereinafter referred to as “Seller”), and **Mike Stanavich and Debra Stanavich, husband and wife** (hereinafter referred to as “Purchaser”), in consideration of advising Ecology (hereinafter defined) of the pertinent terms of the agreement between the parties, agree as follows:

1. Seller is the owner of certain water rights in the mainstem of the Yakima River, WRTS File No. CS4-01724CTCLsb7 (KITT-09-05) (the “Water”), which it has placed into the Yakima River Basin Trust Water Rights Program as authorized under Chapter 90.38 RCW (the “Trust”) as evidenced by that certain Certificate of Trust Water Right No. S4-01724CTCLsb7 issued by the Washington State Department of Ecology (“Ecology”) dated April 13, 2010 (the “Certificate”) for the purpose of enhancing in-stream flows and providing mitigation water to offset and allow for the permitting of new water rights to be used for any lawful purpose within the Yakima River basin.
2. Purchaser owns that certain real property located in Kittitas County and legally described in Exhibit 1 attached hereto and incorporated herein (hereinafter referred to as “Property”)
3. Purchaser desires to obtain a permit or water budget neutral determination from Ecology to withdraw ground water for in-door domestic use on the Property, which permit or determination would not otherwise be granted by Ecology without an offsetting water right in mitigation (collectively the “Permit”).
4. Seller has agreed to sell and Purchaser has agreed to purchase a permanent allocation of a portion of the Water in the Trust for the benefit of the Property to allow Purchaser to obtain the Permit (the “Mitigation Water”) pursuant to the terms and provisions contained in that certain Mitigation Water Purchase Agreement executed concurrently herewith.
5. Upon receipt from Ecology of a determination that Purchaser’s proposed appropriation of groundwater, as mitigated by the Water, will be water budget neutral, Seller will permanently allocate the Mitigation Water in the Trust to the Property in mitigation of the water right use designated in Ecology’s determination.
6. This Memorandum of Agreement is not a complete summary of the agreement between the parties.
7. This Memorandum of Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart. Electronic or facsimile transmission of any signed original document, and retransmission of any signed electronic or facsimile transmission, shall be the same as delivery of an original; provided, however, delivery of any and all such signed facsimile

copies shall be immediately followed by delivery of the copy containing the original signature(s).

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the 23rd day of September, 2021.

SELLER:

SC Aggregate Company, Inc. a Washington corporation

DocuSigned by:

F. Steven Lathrop

By: F. Steven Lathrop
Its: President

EXECUTION DATE: 10/7/2021

PURCHASER:

DocuSigned by:

Mike Stanavich

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Mike Stanavich

DocuSigned by:

Debra Stanavich

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Debra Stanavich

EXECUTION DATE: 10/7/2021

EXHIBIT 1
The Property

Those portions of the following described Parent Parcel which lie within Parcels B and C, STANAVICH AG PLAT, in the County of Kittitas, State of Washington, as per preliminary plat thereof under Long Plat Application for the Stanavich Ag Plat filed under Kittitas County Community Development Services No. LP-21-00003, as now or hereafter amended.

Parent Parcel:

Parcel A of that certain Survey recorded October 11, 1995, in Book 21 of Surveys, pages 117 and 118, under Auditor's File No. 586114, records of Kittitas County, Washington; being a portion of the Northwest Quarter of Section 35, Township 19 North, Range 18 East, W.M., in the County of Kittitas, State of Washington;

EXCEPT: The South 66.47 feet of Parcel A of that certain Survey recorded October 11, 1995 in Book 21 of Surveys, pages 117 and 118, under Auditor's File No. 586114, records of Kittitas County, Washington; being a portion of the Northwest Quarter of Section 35, Township 19 North, Range 18 East, W.M., in the County of Kittitas, State of Washington.

Legal Description of the Property upon final plat approval:

Parcels B and C, STANAVICH AG PLAT, in the County of Kittitas, State of Washington, as per plat thereof recorded in Book _____ of Plats, pages _____ through _____, records of said County.