



U.S. Aggregates Inc.

A Heritage Group Company

5400 W. 86th Street
P.O. Box 68274
Indianapolis, IN 46268-0123
317-872-6010

July 1, 1998

Mayor Sam Deiwert
Councilperson Hope Coomey
Councilperson Nancy Cripe
Councilperson William Harford
Councilperson Caroline Pearson
Councilperson Mike Sanders
City of Delphi
201 South Union Street
Delphi, IN 46923

Dear Mayor and Council Members:

In my May 27, 1998 letter I advised you at the request of George Obear we were going to reinstate our offer of Gift of Well to the City through a document to be drafted by George. George has completed his work, a copy of which is enclosed.

The offer is a gift and not negotiable and the agreement written by George is self explanatory.

As specified on page 11 of the Gift of Well, timely acceptance by Delphi shall be the adoption of an appropriate resolution of acceptance of the document, as prescribed by law, by the Common Council of the City of Delphi, approval by its Mayor, and the delivery of a duly certified copy to U. S. Aggregates, Inc. (c/o Lewis L. Davis, Vice President) on or before August 1, 1998.

Best regards,

U. S. AGGREGATES, INC.

Lewis L. Davis
Vice President

LLD/mn

GIFT OF WELL

U.S. Aggregates, Inc., an Indiana corporation (called "U.S. Ag.") hereby offers to give and grant to the City of Delphi, a municipal corporation of Carroll County, Indiana (called "Delphi"), a new well drilled on real estate owned by U.S. Ag. and the right to connect the well to Delphi's water system for so long as Delphi uses the well as a source of water. The gift was heretofore summarized and offered in the following form and language and is now repeated in this offer.

Summary of Proposed Gift to the City of Delphi

By Indiana law (I.C. 14-25-4-6) U.S. Aggregates, Inc. and the City of Delphi are each classified as a "significant groundwater withdrawal facility". As such, each has a legal responsibility to respond to claims of small users that such "significant" user has caused a well failure. Significant users do not have such a legal responsibility to each other.

U.S. Ag. has not violated any laws concerning its use of water and henceforth believes it has no legal responsibility to any other significant users. However, U.S. Aggregates is concerned about the problems Delphi is having with its water supply and has made a genuine effort to help. This effort stems from U.S. Aggregates' company policy of trying to be a "good corporate neighbor" where ever we are located.

U.S. Aggregates has offered to the City of Delphi a well which we have drilled on our property. The well is a 12" well which is 300' deep and has been test-pumped at almost 2 million gallons per day. The water has been tested and exceeds all the standards set for drinking water by the Safe Drinking Water Act.

The gift of the well to the City of Delphi includes the use of the land on which it is located and the use of any land necessary to connect the well to Delphi's water system for as long as the City uses the well as a source of water. In addition we are gifting an amount of money estimated to equal the cost of connecting the well to the Delphi water system.

U.S. Ag. restates the last paragraph of the above Summary of Proposed Gift as follows: The gift of the WELL to Delphi includes the use of the land on which it is located and the use of any land necessary to connect WELL to Delphi's water system and have access to WELL for as long as and for only as long as Delphi uses WELL as a source of water. In addition U.S. Ag. is performing the connection at its expense or, in the alternative, is gifting an amount of money estimated to equal the cost of connecting WELL to the Delphi water system. U.S. Ag. is also gifting stone to be used for construction of an access road to and from the WELL. In addition to the above, U.S. Ag. is also gifting money toward the purchase of a pump.

U.S. Ag. includes in this offer supplementary details including those stated under titles below: Definition and Description of WELL, Location of WELL, Conveyance, Access and Connection, Pump, Extent of U.S. Ag. Gift, Certificate of Insurance, Restrictive Covenants, Possible Termination, Concluding Statement.

Definition and Description of WELL

The well, the use of which has been offered to Delphi is hereinafter referred to as WELL in capital letters. WELL is offered to Delphi as a source of water for Delphi's use only for so long as Delphi uses WELL for such purpose. WELL was drilled on land owned by U.S. Ag. at U.S. Ag.'s sole expense. WELL is twelve (12) inches in diameter,

is three hundred (300) feet deep and has cost \$39,016.00 to bring it to its present state. It is temporarily capped. No pump is at WELL site or within the WELL and no building or structure exists at the WELL site.

U.S. Ag. has furnished to Delphi all available data received by U.S. Ag. relative to tests of water quality of the WELL and also of quantity of water received over certain periods. Additional copies of test results can be obtained if desired. U.S. Ag. makes no warranties or guarantees of any kind based upon such test results.

U.S. Ag. will not provide, nor pay the cost of, nor be responsible for further testing of quality or quantity of water produced at WELL.

Delphi shall be solely responsible for obtaining any further testing of water produced at WELL,

Delphi shall be solely responsible for providing any power, all equipment and any other items at WELL site which may be required or desired for the production of water for the use of Delphi and Delphi shall be solely responsible for replacement of equipment and pump, and all maintenance and repair.

Delphi shall be solely responsible for the quality and quantity of all water produced by such WELL, including but not limited to its effect on any "non-significant" users, and U.S. Ag. shall have no responsibility for any of such matters.

Location of WELL

U.S. Ag. is the owner of two parcels of real estate the legal description of which appear on "Exhibit A" appended. Both parcels are located west of the Carrollton Road and east of old Wabash & Erie Canal in Carroll County, Indiana. Parcel A1 is north of Parcel A2 and separated from it by a road or lane. Parcel A2 is immediately north of the

abandoned Belt Railroad right-of-way. The approximate location of WELL is marked and described on Parcel A1 on the drawing which is part of "Exhibit A" appended.

Conveyance

U.S. Ag. shall give to Delphi by a Grant of an Easement in gross upon and over portions of the real estate described in Exhibit A appended, as follows:

1. A tract of approximately one tenth (.10) acre in area, square in shape measuring sixty-six (66) feet on each side, and which tract shall contain WELL at its center, and
2. A strip of land twenty (20) feet in width, being ten (10) feet on each side of a center line extending from WELL to a point to be selected by Delphi on the abandoned Belt Railroad right-of-way. A greater width is permitted during construction.

such easement in gross being for the use and control by Delphi in producing water from WELL, constructing and using any necessary structures at WELL site, maintaining and using the twenty (20) foot wide strip of land for connecting WELL to Delphi's water system and for the construction of a roadway for access to WELL and the WELL site, and such easement in gross shall be held by Delphi for the use of Delphi for as long as Delphi uses the WELL as a source of water.

Such Grant of Easement shall be expressly conditioned upon Delphi obtaining and maintaining in effect any and all permits or approvals necessary to allow Delphi to operate the WELL as a source of drinking water.

And also

Gifting and granting a negative easement in and upon all that land abutting the area defined in subparagraph (1) above, to the extent owned by U.S. Ag., which lies

within a radius of two hundred (200) feet of WELL, which area is referred to as "servient tenement." The negative easement so granted shall be defined by U.S. Ag.'s covenant as follows:

U.S. Ag. covenants that with respect to the land which it owns, no sewers, drains, privies, cesspools, septic tanks or any other potential source of dangerous contamination shall ever be constructed or maintained in or upon the servient tenement. The gross easement granted over the one tenth (.10) acre tract (which shall constitute the dominant tenement) and the negative easement hereby granted shall each run with the land and shall be binding upon and inure to the benefit of U.S. Ag. and Delphi, their respective successors and assigns.

All easements and rights granted or created under the conveyance shall be binding upon and inure to the benefit of U.S. Ag. and Delphi, their respective successors and assigns. All easements mentioned shall continue in force only for as long as Delphi uses WELL as a source of water.

The total amount of land gifted for Delphi's use amounts to approximately plus or minus four (4) acres, the value of which is undetermined.

Access and Connection

U.S. Ag. offers to make the following gift to be used toward the connection of WELL to Delphi's water system, as follows:

1. Such gift shall include use of a strip of land twenty (20) feet in width over land owned by U.S. Ag. extending from WELL to a point selected by Delphi on

abandoned Belt Railroad right-of-way, as stated in subparagraph (2) under the title "Conveyance".

2. Such gift shall also include up to 350 tons of Superberm stone and up to 350 tons of "screenings" supplied by U.S. Ag. and to be picked up by Delphi at U.S. Ag.'s quarry for purposes of construction by Delphi of an access road to and from the WELL over the twenty (20) foot strip of land described above.

3. U.S. Ag. will manage and pay for the connection of the WELL to Delphi's water system by running the connecting line to the well house at the corner of the Canal Park Annex, a distance of approximately fourteen hundred feet (1400'), which connection would include supplying and laying such pipe and connecting it at both ends. Any such work would be performed in accordance with all applicable governmental laws and regulations. However, if Delphi wishes to have the connection made at a point other than the well house at the corner of the Canal Park Annex or prefers a route to such point other than that designated above, or if Delphi wishes to perform the connection activities itself, U.S. Ag. will pay to Delphi the sum of Fifty Six Thousand Dollars (\$56,000.00) to apply toward the costs of connection, and Delphi shall be solely responsible for all such connection activities.

The easements to be gifted and granted by U.S. Ag. to Delphi are effective only upon land owned by U.S. Ag. and as described in "Exhibit A" appended. Delphi shall obtain at Delphi's cost any necessary permit or easement over any road or real estate controlled or owned by a different governmental entity or third person.

The contribution of stone to Delphi has an approximate value of Five Thousand Dollars (\$5,000.00).

Pump

U.S. Ag. agrees to pay to Delphi the sum of Thirty Five Thousand Dollars (\$35,000.00) to be used or applied toward the purchase and installation of a pump in WELL.

Extent of U.S. Ag. Offer of Gift

U.S. Ag. does not offer any property interest, service, equipment, stone or cash payment not already expressly included herein.

U.S. Ag. will not pay any engineering fee or fees incurred by Delphi. U.S. Ag. will not assume or pay any part of obligations Delphi may have created in water source exploration.

U.S. Ag. will warrant, in its conveyance of easements to Delphi, that it owns the real estate described in Exhibit A and has the right to convey the specific easements, subject, however, to all highways, rights of way, easements and restrictions, including but not limited to all roads and lanes and the right-of-way of the abandoned Belt Railroad. U.S. Ag. will not provide or pay cost of any abstract of title, record search, title insurance or recording fee.

Certificate of Insurance

Delphi agrees to save and hold harmless U.S. Ag., as well as its directors, officers and employees, from and against any and all loss, fine, claim or cause of action related to or arising out of the acts or omissions of Delphi, as well as its employees, invitees, contractors or agents, in connection with the use of the WELL, the quantity or quality of any water produced by such WELL, including but not limited to its effect on

other users, Delphi's use of the land which is the subject of the easements granted herein and/or the presence of Delphi on such land, or the breach by Delphi of any of its obligations pursuant to this Agreement.

U.S. Ag. agrees to save and hold harmless Delphi, as well as the members of the City Council and any officials of Delphi, from and against any loss, fine, claim or cause of action related to or arising out of the breach by U.S. Ag. of any of its obligations pursuant to this Agreement.

Delphi agrees to procure and maintain in effect during the term of the easements granted herein, insurance coverage in the amounts specified below from companies acceptable to U.S. Ag.:

| | |
|-------------------|--------------|
| General Liability | 1,000,000.00 |
|-------------------|--------------|

U.S. Ag. shall be named as an additional insured on any such policy. Delphi agrees to provide to U.S. Ag. annually, and more often if requested, a certificate of Delphi's insurance carrier evidencing such coverage in effect.

Restrictive Covenants

Delphi and U.S. Ag. agree and separately covenant that, for so long as Delphi uses WELL as a source of water for Delphi, Delphi and U.S. Ag. will not, on any of the real estate described in "Exhibit A" drill or authorize the drilling of any other well, or, construct or authorize the construction of any water tower or other basin or tank for the storage of water, or, permit or authorize the use of any portion of the easements upon the real estate as a trail or roadway for public use.

Possible Termination

The easements to be conveyed to Delphi and the agreement formed by U.S. Ag.'s offer and Delphi's acceptance thereof, shall continue in force so long as Delphi uses WELL and the easements granted to Delphi to produce water for distribution to the City of Delphi.

Delphi shall be solely responsible for the quality and quantity of all water produced by WELL, including its distribution to and consumption by customers and citizens of Delphi and including also, but not limited to, its effect on "non-significant" users. Although U.S. Ag. remains the owner of the "fee simple" interest in real estate where WELL exists and upon which the easements granted to Delphi exist, U.S. Ag. shall have no responsibility over the matters mentioned in the first sentence of this paragraph.

In the event the WELL is no longer used by Delphi as a source of water, all easements granted by U.S. Ag. (whether granted herein or by separate document) shall immediately expire and be terminated, and Delphi, as well as its employees, invitees, contractors or agents, shall have no right to enter upon the real estate owned by U.S. Ag. nor have its equipment or other property located thereon.

A temporary suspension of use for repair or maintenance or replacement of equipment is not to be interpreted as an ending of Delphi's use of WELL sufficient to terminate the right to continue such use.

If U.S. Ag. should have good reason to believe that Delphi no longer uses WELL and easements granted to it for distribution of water to Delphi, then U.S. Ag. may give Delphi thirty (30) days notice of "declaration of termination."

Concluding Statement

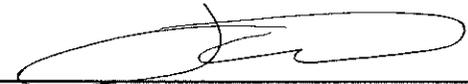
Upon acceptance of this offer by Delphi, and Delphi's selection of the point on the abandoned Belt Railroad right-of-way to which the twenty (20) foot wide easement in gross is to extend, U.S. Ag. shall promptly convey both the easement in gross and the negative servient easement to Delphi. If the point on the abandoned Belt Railroad right-of-way selected by Delphi is consistent with the route to the well house located at the corner of the Canal Park Annex and Delphi notifies U.S. Ag. that it wishes U.S. Ag. to manage and perform the connection to the water system, then U.S. Ag. shall expeditiously perform such activities. Otherwise, U.S. Ag. shall contribute the sum of Fifty Six Thousand Dollars (\$56,000.00) to Delphi to apply toward Delphi's connection costs and shall make available to Delphi at U.S. Ag.'s quarry the stone offered for the access road. U.S. Ag. shall in either case also contribute to Delphi the sum of Thirty Five Thousand Dollars (\$35,000.00) toward the cost of the pump.

The grant of the easement in gross shall enable Delphi to enter upon the lands described in subparagraphs (1) and (2) of the section entitled "Conveyance" for the purpose of testing, construction of structures and facilities, connection of WELL to Delphi's water systems, pumping water from WELL and into Delphi's distribution or storage facilities, and performing and all other activities thereon related to the use of WELL by Delphi as a source of water for Delphi's water system. Such easement shall continue in force only for so long as Delphi uses the WELL as a source of water for Delphi.

This offer by U.S. Ag. and its timely acceptance by Delphi shall constitute a contract. Timely acceptance shall be the adoption of an appropriate resolution of acceptance of this document, as prescribed by law, by the Common Council of City of Delphi, approval by its Mayor, and the delivery of a duly certified copy to U. S. Aggregates, Inc. (c/o Lewis L. Davis, Vice President) on or before August 1, 1998.

U. S. AGGREGATES, INC.

By: _____


Lewis L. Davis, Vice President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Lewis L. Davis the Vice President of U. S. AGGREGATES, INC., who acknowledged the execution of the foregoing Gift of Well.

Witness my hand and Notarial Seal, this 1st day of JULY, 1998.

Signature MARCIA E. NORRIS

Printed MARCIA E. NORRIS
Notary Public

My Commission Expires:

12-7-2000

My County of Residence:

MARION

This instrument prepared by:

George W. Obear, Obear, Overholser, Huffer & Rider, 102 South Union Street,
P. O. Box 257, Delphi, IN 46923.

welgift 7/1/98 8:55 AM

EXHIBIT A

All real estate described is in Carroll County, Indiana.

PARCEL A1

Lot Number One (1) in Grimes Second Addition of Outlots to the Town (now city) of Delphi, lying on the east side of the Wabash and Erie Canal, except that part thereof lying east of the public highway.

Also, Lots Number Two (2) and Three (3) in Grimes Second Addition to the town (now city) of Delphi, lying on the east side of the Wabash and Erie Canal.

EXCEPT THEREFROM the following described tract: A part of Lot Two (2) in Grimes Second Addition of Outlots east of the canal, described as follows: Beginning at the southeast corner of said Lot Two (2), and running thence North 110 feet; thence west 170 feet; thence south 110 feet; thence east 170 feet to the place of beginning.

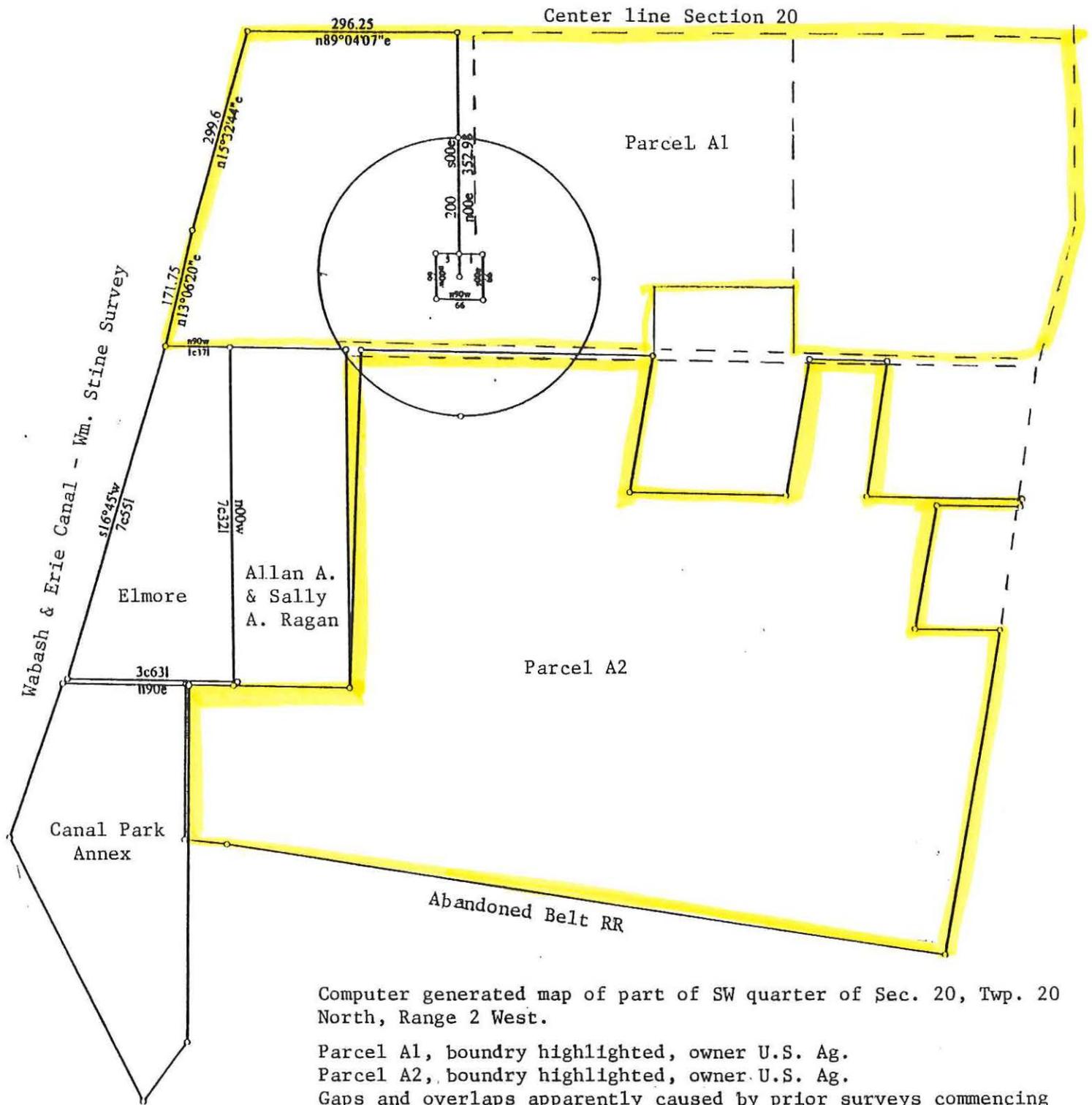
PARCEL A2

A part of the southwest quarter of section 20, township 25 north, range 2 west and a part of the southeast quarter of section 20, township 25 north, range 2 west, the same also being part of Outlots 5, 6, 7, 8, and 9 in Grimes Second Addition of Outlots east of the canal, more particularly described as follows:

Beginning at a point in the center of what is known as the Carrollton Road, said point being S 10° 15' W 198 feet from where the north line of said Outlot 6 intersects the center line of Carrollton Road, and running thence S 10° 15' W 12 feet along said center line of road; thence leaving said center line of road and running west 120 feet; thence S 10° 15' W 180 feet; thence east 120 feet to the center line of Carrollton Road; thence S 10° 15' W along said center line of road 471.20 feet to the center line of the old Delphi Belt Railroad; thence following the center line of the old Belt Railroad N 82° 06' W 1019.80 feet; thence N 84° 48' W 59 feet; thence leaving the center line of the old Belt Railroad and running N 0° 55' E 218.65 feet; thence east 231.06 feet thence N 2° 30' E 483.12 feet to the north line of Outlots 5 and 6; thence east along said north line 413.30 feet; thence leaving said north line and running S 10° W 199 feet; thence east 220.30 feet; thence N 10° E 199 feet to the north line of Outlot 6; thence east along said north line 108.40 feet; thence leaving said north line and running S 8° 45' W 197.25 feet; thence east 219.78 feet to the place of beginning, subject to all legal highways, and subject to a 15 foot right-of-way along the entire south side of said real estate, which right-of-way runs north of and parallel to the center line of the old Delphi Belt Railroad.

Both parcels are highlighted in page 2 of "Exhibit A" on map from page in Tract Book maintained in the office of the Auditor of Carroll County.

A computer made image of Parcel A2 is on page 3 of "Exhibit A".



Computer generated map of part of SW quarter of Sec. 20, Twp. 20 North, Range 2 West.

Parcel A1, boundry highlighted, owner U.S. Ag.

Parcel A2, boundry highlighted, owner U.S. Ag.

Gaps and overlaps apparently caused by prior surveys commencing at different points.

Note: Parcel A2 and Ragan parcel do abut.

Data and Deed Call Listing of File: USAG.DES

Tract 1: 15.265 Acres: 61775.5 Sq Meters: Closure = n33.3429w 0.93 feet: Precision = 1/4810: Perimeter = 4472 feet
 Tract 2: 2.385 Acres: 103898 Sq Feet: 9652.4 Sq Meters: Closure = n00.4705e 1.56 feet: Precision = 1/932: Perimeter = 1449 feet
 Tract 3: 1.815 Acres: 79077 Sq Feet: 7346.5 Sq Meters: No significant closure error.: Perimeter = 1294 feet
 Tract 4: 1.816 Acres: 79101 Sq Feet: 7348.8 Sq Meters: Closure = s42.5731w 8.15 feet: Precision = 1/161: Perimeter = 1311 feet
 Tract 5: 5.289 Acres: 230377 Sq Feet: 21402.7 Sq Meters: Closure = s53.2812w 517.02 feet: Precision = 1/5: Perimeter = 2577 feet
 Tract 6: 0.100 Acres: 4356 Sq Feet: 404.7 Sq Meters: No significant closure error.: Perimeter = 264 feet

| | |
|---------------------|---|
| 001=/s10.15w 198 | 053=/s90w 2c481 |
| 002=/s10.15w 12 | 054=/n00w 7c321 |
| 003=/n90w 120 | 055=/n90w 1c371 |
| 004=/s10.15w 180 | 056=/s16.45w 7c551 |
| 005=/n90e 120 | 057=/n90e 3c631 |
| 006=/s10.15w 471.2 | 058=@0 Merge 1 |
| 007=/n82.06w 1019.8 | 059=/s10.15w 198 |
| 008=/n84.48w 59 | 060=/s10.15w 12 |
| 009=/n00.55e 218.65 | 061=/n90w 120 |
| 010=/n90e 231.06 | 062=/s10.15w 180 |
| 011=/n02.30e 483.12 | 063=/n90e 120 |
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| 021=/s02.30w 483.12 | 073=/n15.3244e 299.6 |
| 022=/s00.55w 510.40 | 074=/n89.0407e 296.25 |
| 023=/s36w 108.24 | 075=/s00e 352.98 |
| 024=/n26w 419.76 | 076=/n00e 200 |
| 025=/n19.30e 232.40 | 077: RL, R=200, Arc=1256, Delta=180 Bng=200.0000e, Chd=400 |
| 026=/n90e 178.20 | 078: RL, R=200, Arc=1256, Delta=180 Dng=n00.0000e, Chd=400 |
| 027=@0 Merge 1 | 079=@0 Merge 1 |
| 028=/s10.15w 198 | 080=/s10.15w 198 |
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| 045=/n90w 120 | 097=/n00e 33 |
| 046=/s10.15w 180 | 098=/n90e 33 |
| 047=/n90e 120 | 099=/s00e 66 |
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