



SALT RIVER MATERIALS GROUP | CLARKDALE PLANT



Mission Statement

Creating Opportunities and Solutions with
Quality Products and Exceptional People

Values

Profitability The Right Way...
Integrity, Accountability, Excellence



"I've been in this area for 19 years and have watched the development of the cement plant and observed the community interaction that's taken place and it's been excellent. I was on the board for Rainbow Acres and we had a \$4 million fund-raising effort. SRMG was right there. Simply put, the company is an excellent community member. SRMG gives a lot of time to the Community. It is hard to describe just how important they have been to us. They are always there to lend a helping hand when anyone needs them."

—Dr. Peter Sesow, Former Executive Director
Cottonwood Chamber of Commerce

"We've had a wonderful relationship with SRMG. One of the beginnings of our relationship was a craft item we do here called Patio Stepping Stones. These are made by our clients, men and women who have developmental disabilities. SRMG got involved by providing us with the bags of cement we needed to make the mix. A few years ago, coming up for the holidays, we were asked if we wanted Tony K to come (an Elvis Impersonator) to entertain. The people we serve just love music and many were adolescents when Elvis was King and they loved the show. SRMG sent the show to several senior centers as well as to Rainbow Acres. Most recently, we've been building permanent residences here and SRMG has donated the cement that goes into the construction process. We are proud to say that Salt River Materials Group is a stakeholder in our work. We think very, very highly of these folks."

—Gary Wagner, President and CEO, Rainbow Acres

Building Arizona: Cementing Strong Relationships



Roger Smith
President and CEO
Salt River Materials Group

The Clarkdale Plant is located in the Verde Valley in Central Arizona, just outside of Clarkdale, while Salt River Materials Group is headquartered at the Salt River Pima-Maricopa Indian Community's (SRP-MIC) Chaparral Business Park near Scottsdale, AZ. The SRP-MIC purchased Phoenix Cement Company in 1987. The Clarkdale Plant was established in 1959 by the American Cement Corporation to supply cement for the building of Glen Canyon Dam, near Page. The corporation expanded the plant in 1961 and continued operating it even after the dam was completed. That decision was welcomed by the citizens of Clarkdale and the surrounding community as the closure of copper mines in nearby Jerome in 1951 had put the future of Clarkdale in jeopardy.

In 2003, the marketing activities of Phoenix Cement Company and Salt River Sand and Rock were integrated under the Salt River Materials Group (SRMG) commercial trade name to better capitalize on the synergies of related products for the concrete industry. SRMG is currently a leading supplier of portland and masonry cements, fly ash and other pozzolans, aggregates, and natural gypsum products throughout Arizona and the Southwestern United States.

With its strategically located manufacturing facilities, large fleet of railcars, and extensive network of rail-served bulk terminals, SRMG continues to deliver quality products and services to the rapidly-growing construction market. From ready mix concrete to stucco, concrete masonry to paving and soil stabilization, customers of all types throughout the Southwest have experienced the value of SRMG's reliable network, technical expertise, market development and customer service.

Salt River Materials Group is also a leader promoting sustainable products and practices in its industries. With over two decades of experience producing and marketing blended cements and coal combustion products to the concrete industry, SRMG has helped pioneer the use of recycled materials in the development of new applications.





Safety

The management of the Clarkdale Plant places the utmost value on the health and safety of its employees. Safety training, tools and equipment are constantly updated to ensure that employees have the right training and the best available equipment to perform their jobs safely.



"They are so involved in so many wonderful things about the community. They have been involved in Magic In Believing Holiday Gift Drive for the Elderly for several years. Like other sponsors, they are asked to buy one item, but they buy five and beautifully wrap and tag each gift. They also attend the party to meet the residents. They have been lovingly involved. SRMG also helped sponsor some of the items we needed for our gardens, which is an intergenerational activity. The transformation with the gardens is absolutely amazing.

Throughout the years, SRMG has consistently been active in the community. They've always been there, not only giving money and products, but also by reaching out and connecting hand-to-hand."

—Beth Carrigan, President, LightHeart Foundation

"What I've observed is that they have demonstrated their commitment to this community consistently over time. They partner with numerous agencies, especially non-profits. They've been there when other people wouldn't step up. They've demonstrated an understanding of their presence in the community. It's not just the dollars. They know how to listen and to respond to the needs."

—Leonard Miller, High School Principal at American Heritage Academy

Fast Facts

- Many years ago, equipment operators found the remains of a stegomastodon in a quarry. The discovery was the most complete stegomastodon remains in Arizona. A full scale replica, constructed from the SRMG stegomastodon skull, tusk and rib measurements, stands in the Smithsonian National Museum of Natural History in Washington, D.C. The actual fossils of the stegomastodon are at Northern Arizona University.
- Natural cement has existed since the Roman Empire. Arches in the pyramids of Egypt demonstrate that men in ancient times understood the "magic" binding properties of limes, that when some limestone was crushed, the material will harden when combined with water.
- Cement is easily the most widely used building material on earth. It can continue to grow in strength over years if moisture is present and cement hydration is sustained.
- In 1959, when the American Cement Corporation decided to build a cement plant in Clarkdale, about 100 miles from Phoenix, the decision was controversial. One of the members of the Board of Directors argued, "What difference does it make that Arizona doubled its growth every five years. Double nothing is still nothing."
- Portland cement is the ingredient that turns sand, stone and water into concrete. Portland cement was named after a building stone quarried on the Isle of Portland, off the English Coast.
- Cement consists of compounds of calcium (CaO) and silica (SiO₂). Limestone contains calcium as a carbonate and accounts for 59% of the final cement mix. Silica comes from clay seams that appear naturally throughout the limestone layers. 22% of the raw materials are silica clays.
- SRMG provides free tours for students, adults, service clubs and residential community organizations that give the community an inside look at this plant and how cement is made.
- Every year SRMG contributes significant financial resources in support of local Verde Valley charities and organizations. Among its contributions, SRMG gives two \$1,000 scholarships each year to graduating seniors from each of the three local high schools; purchases livestock at the annual Verde Valley Fair FFA and 4-H auction to support young people raising money for their education; donated \$1,000 to the Verde Valley Concert Association as matching funds to help the organization meet unexpected expenses; sponsors summer concerts in the park in Clarkdale, the annual Easter Egg Hunt in Cottonwood, the Jerome Home Tour, and

Environmental Quality

Since 2000, SRMG has invested more than \$140 million to modernize and upgrade the Clarkdale Plant. Plant modifications have increased production by approximately 60%, and, at the same time, dramatically reduced air emissions.

Computerized monitoring equipment provides the plant with a continual flow of information necessary to meet regulatory and other reporting requirements. With the plant modernization, water and heat are now recycled, reducing demand for natural resources and energy.



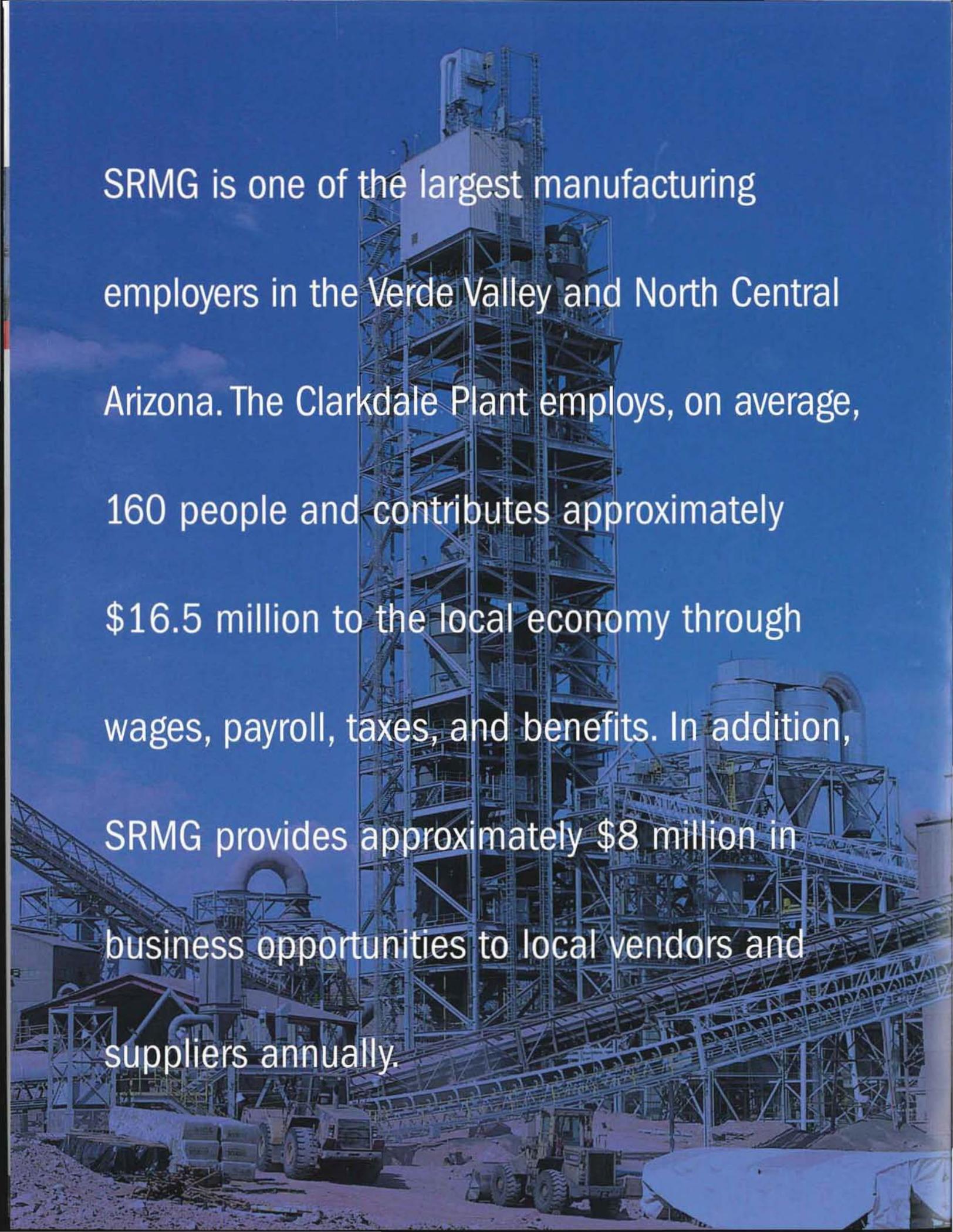
community events in Camp Verde. SRMG also supports non-profit organizations such as the Sedona International Film Festival, Chamber Music Sedona, Verde Valley Land Preservation Institute, Camp Verde Adult Literacy Program, Bread of Life Mission, Alzheimer's Association, Cottonwood Boys and Girls Club, Buena Vista Children's Services, Verde Historical Society, Verde Family Network Council, Verde Valley Birding & Nature Festival and many others.

- With a clear vision and philosophical commitment to be the most sustainable and environmentally responsible company in the industry, SRMG adopted a formal initiative in July 2006. The Sustainability Initiative will not only be the guiding force for all SRMG operations, but is also intended to guide activities within local communities and produce measurable benchmarking for environmental performance. SRMG and the Salt River Pima-Maricopa Indian Community recognize the direct financial, social, and environmental benefits that will be achieved through the establishment of the Sustainability Initiative. We intend to make a positive impact on our two greatest resources: our people and our environment.
- Occasionally water vapor is seen coming out of the stack.

- SRMG owns 3,500 acres at the plant site. The plant sits on 43 of those acres; the quarry includes 80 acres. The expected life of this quarry is approximately 125 years.
- With modernization, SRMG's Clarkdale Plant produces 1½ times the amount of cement it used to produce without increasing its use of energy.
- The plant runs 24/7 to produce cement used in a variety of products from ready mix concrete to stucco, concrete masonry to paving and soil stabilization.
- The section of Highway 89-A near Clarkdale was built as a truck by-pass to accommodate traffic from the plant.
- The preheater tower is 418 feet high.
- In 2005, SRMG pledged \$125,000 to the Del E. Webb School of Construction at Arizona State University to fund a new program and endowment for American Indians in Construction Management.
- SRMG, working with the Arizona Department of Game and Fish and the U.S. Forest Service, has closed off all hunting and access to the more than 3,500 acres of Company land. This controls access to about 10,000 acres of Company, U.S. Forest Service, and state lands, creating a protected habitat for wildlife including pronghorn antelope, mule deer, javelina,

foxes, bobcats, Gambel's quail and various hawk and dove species.

- Concrete helps build "green." Concrete optimizes energy performance, contains recycled materials, creates sustainable sites, requires less maintenance, is manufactured locally and builds durable structures.
- Today, the Clarkdale Plant produces 1.1 million tons of cement annually and generates an economic impact in wages, alone, for the State of Arizona of \$12.5 million. SRMG pumps close to \$8.5 million in wages into the Verde Valley. The plant employs more than 160 people, most of whom live in the Verde Valley.
- In 2007 the Clarkdale Plant received the ENERGY STAR® award by the U.S. Environmental Protection Agency for superior energy performance. This award puts the Clarkdale Plant within the top quartile of cement plants nationally. A score of at least 75 is required on the Energy Performance Indicator used by the EPA. The plant scored a 97.



SRMG is one of the largest manufacturing employers in the Verde Valley and North Central Arizona. The Clarkdale Plant employs, on average, 160 people and contributes approximately \$16.5 million to the local economy through wages, payroll, taxes, and benefits. In addition, SRMG provides approximately \$8 million in business opportunities to local vendors and suppliers annually.



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