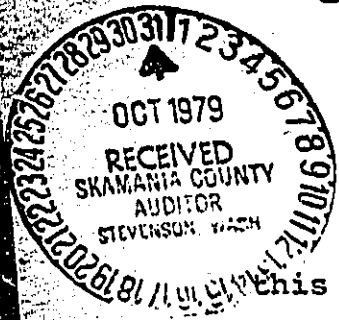


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BOOK 6

PAGE 247

2nd SUPPLEMENTAL LEASE AND PERMIT TO REMOVE ROCK
SKAMANIA COUNTY, WASHINGTON



THIS SECOND SUPPLEMENTAL AGREEMENT, entered into this 24~~th~~ day of October, 1979, by and between ELIZABETH BOND STARKER, successor in interest to Bruce Starker, deceased, hereinafter referred to as "Lessor", and KENNETH W. PETERSON, hereinafter referred to as "Lessee";

W I T N E S S E T H :

WHEREAS, Bruce Starker as Lessor and Kenneth W. Peterson as Lessee did enter into an agreement dated May 23, 1975, under the terms of which Lessee had certain rights therein enumerated in lands owned by Bruce Starker; and

WHEREAS, Bruce Starker is now deceased and Elizabeth Bond Starker has succeeded to all rights of Bruce Starker in said lease agreement; and

WHEREAS, said agreement has previously been amended and supplemented between the parties hereto by supplemental agreement dated May 24, 1976; and

WHEREAS, the parties hereto desire to further amend and supplement said May 23, 1975 agreement and said supplemental agreement, to amend existing and provide for further terms, covenants and conditions relating thereto;

AND WHEREAS, the parties hereto desire to reduce to writing an agreement in regard thereto;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is understood and agreed between Lessor and Lessee that the lease agreement dated May 23, 1975, and supplemented May 24, 1976, is amended and supplemented as follows, to-wit:

I.

The term of said supplemented lease agreement is hereby extended to midnight, December 31, 1996.

II.

The first paragraph of Section 2, Page 1 of said May 23, 1975, agreement is amended to read as follows:

2. PURPOSE OF LEASE: Said premises are leased by Lessor to Lessee for the sole purpose of allowing Lessee to remove rock and sand from the leased premises, either in its natural state or as crushed rock. Lessee agrees to pay for said rock, monthly, at the rate of 15¢ per yard, truck measure, for the calendar year 1979 and further agrees to pay for said sand monthly at the rate of 35¢ per yard, truck measure, for the calendar year 1979, as the rock and sand is removed from the leased premises, with a minimum annual rental of One Thousand Dollars (\$1,000.00) payable annually in advance on or before January 1 of each year. Lessor does hereby acknowledge receipt of the sum of One Thousand Dollars (\$1,000.00) to cover minimum rental for the period ending December 31, 1979. The foregoing per yard rates of payment (15¢ for rock and 35¢ for sand) shall be increased six percent (6%) on January 1 of each succeeding calendar lease year, commencing with January 1, 1980, with such six percent (6%) computation to be based on the preceding year's rate, rather than the 1979 rate.

III.

Lessee shall be entitled to remove sand from the stock pile site described in the first paragraph of Section II, Page 2, of said May 24, 1976 supplemental agreement. The annual stock pile rental provided in the second paragraph of Section II, Page 2, of said May 24, 1976 supplemental agreement shall increase to Two Hundred Dollars (\$200.00) commencing May 1, 1983, and thereafter to Two Hundred Fifty Dollars (\$250.00) commencing May 1, 1986; Three Hundred Dollars (\$300.00) commencing May 1, 1989; Three Hundred Fifty Dollars (\$350.00) commencing May 1, 1992; and Four Hundred Dollars (\$400.00) commencing May 1, 1995.

IV.

Lessee hereby agrees to sell to Lessor or her successor(s), Lessor's requirements of rock at fair and reasonable market prices provided, however, that Lessee shall not be required to sell to Lessor any more than fifty percent (50%) of its normal monthly production of rock during any one month. In the event that the Lessee is not actively operating at the rock quarrying site at

a time when Lessor has a need for rock, Lessor may take rock from the quarry site or Lessee's stockpiles, which shall be purchased at fair and reasonable market prices.

V.

The Lessor and the Lessee agree that each will leave access roadways to the leased premises in as good or better condition as said roadways were at the commencement of their use. Lessee shall have the right to maintain existing gates on said roadways, so long as Lessor is provided a key or separate lock.

VI.

Lessee specifically approves the sale of Lessor's interest herein to TALMO, INC., a Washington corporation and/or Crown Zellerbach, and agrees that the undersigned original Lessor shall be released from any and all further obligation hereunder in the event of such sale.

VII.

As herein specifically supplemented and amended, said May 23, 1975, lease agreement and May 24, 1976 supplemental lease agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first hereinabove written.

Elizabeth Bond Starker
Elizabeth Bond Starker

Kenneth W. Peterson
Kenneth W. Peterson

"Lessor"

"Lessee"

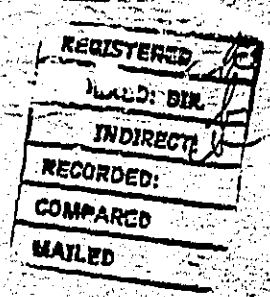
STATE OF WASHINGTON
COUNTY OF SKAMANIA

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT OF WRITING FILED BY

Kenneth Peterson
OF *No. Commercial*
AT *12:00 P. Oct 31, 1976*

WAS RECORDED IN BOOK *6*
BY *[Signature]* AT PAGE *249*
RECORDS OF SKAMANIA COUNTY, WASH.

[Signature]
COUNTY AUDITOR
[Signature]

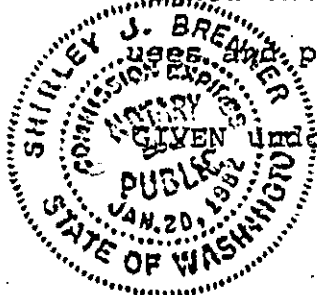


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STATE OF WASHINGTON)
County of Clark (Skamania)) ss.

On this day personally appeared before me KENNETH W. PETERSON to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.



GIVEN under my hand and official seal this 20th day of October, 1979.

Shirley J. Brenner
Notary Public in and for the State
of Washington, residing at Camas,
North Bonneville

STATE OF OREGON)
County of Benton) ss.

On this day personally appeared before me ELIZABETH BOND STARKER, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 24th day of October, 1979.

Jay A. Martin
Notary Public in and for the State
of ~~Washington~~ Oregon, residing at Corvallis.

My commission expires: 9-20-81



2nd Supplemental Lease - 4
Starker - Peterson

ELIZABETH BOND STARKER
P.O. Box 609
Corvallis, OR 97330

December 8, 1976

K.W. Peterson
P.O. Box 305
North Bonneville, WA 98639

Dear Keith:

This letter is to confirm our conversation of December 7, 1976 at your office.

Your company has the right to remove sand from our land under the following conditions:

1. The only authorized area ^{Additional Sand removed to boundary agreed upon on the ground.} is the North or higher part of the previously ribboned and agreed to stockpile site in SE1/4 NE1/4 Sec. 16, T.2N., R.7E. ^{generally west of original area}
As we agreed you will only level out the knob at the north end and provide for drainage to the west and leave all slopes at a 1 1/2 to 1 or flatter slopes. In no case do we want a pit or hole at this site.
2. You are limited to ^{9150 cubic yards Feb 28, 1977} 10,000 cubic yards until we have looked at the site and agreed to additional removals. ^{looked 3/14/77 maximum 10,000 more yards}
3. All sand removal activity will be completed by ~~February 1, 1977.~~ ^{JUNE 1, 1977}
4. The sand will be paid for monthly at the rate of 35¢ per cubic yard truck measure. Summary should be sent with payment. Load tickets will be available to us.
5. If any problems arise with the sand removal, the operation will stop until the problem is resolved. In other words, either party can and should stop the operation if any problem with governmental authorities arises. A phone call will suffice as notice.

We expect a letter from the Washington DNR confirming our telephone approval to go ahead and will forward a copy to you as soon as we receive it.

If this letter meets with your approval and is agreeable, please sign and return the original and keep the copy.

Sincerely,
Barto B. Starker
Barto B. Starker
for Elizabeth Bond Starker

jr

F. Keith Peterson 3/14/77
Keith Peterson

CITY

0+00 EAST 630.00



STARKER

STATE

R/W 2.51A

261.67
S 78° 49' 53" E

248.82
S 53° 32' 38" W

418.85
S 08° 44' 03" W

511.86
S 40° 25' 56" E

A.P.E.L. LINE
S 58° W

464.87
S 25° 24' 38" E

R/W 1.90A
161.29
S 05° 41' 58" W

227.98
S 10° 19' 44" E

21.06 - S 16° 18' 25" W

64.25
S 17° 59' 12" E

32+06" 9
S 14° 31' 20" W - 34.01
31.00 - EAST

FOUND 3/4"
FOUND 2 B.

NORTH 2649.28

STARKER

STATE

STATE

STARKER

STARKER

FOUND 3/4" I
FOUND B.T.

