

**FIRST AMENDMENT TO EASEMENT AGREEMENT
FOR COWLITZ FALLS PROJECT ACCESS**

This First Amendment to Easement Agreement for Road Access, re-titled by this amendment as EASEMENT AGREEMENT FOR COWLITZ FALLS PROJECT ACCESS (this "Agreement") is entered into as of the 20th day of August, 2012, by and between Port Blakely Tree Farms (Limited Partnership); a Washington limited partnership ("Owner") and Lewis County Public Utility District, a municipal corporation ("PUD"). This Agreement supercedes and replaces the First Amendment to Easement Agreement for Road Access between Owner and PUD dated March 10, 2012.

Recitals

A. Owner owns that certain real property situated in Sections 4, 5, 6, 10, 11, 12 and 13 of Township 11N, Range 06E, W.M.; and Parts of Sections 21, 28, 33, 34, 35, and 36 of Township 12N, Range 05E, W.M.; and Parts of Sections 1, 2, 3, 11, 12 of Township 11N, Range 05E, W.M., and Parts of Sections 31, 32 Township 12N, Range 06E, W.M., Lewis County, Washington, and located approximately as shown on the map attached hereto as Exhibit A (the "Owner's Property").

B. PUD owns and operates the Cowlitz Falls Hydroelectric Project ("Project") on the Cowlitz River, which Project and adjoining PUD lands are located in the general vicinity of the Owner's Property. To operate the Project and to administer adjoining PUD lands requires access across and over the Owner's Property by way of the Owner's 200 and 300 roads and a private road, through the City of Tacoma's Cowlitz River Project, known as the 100 road.

C. PUD obtained a non-exclusive perpetual easement over and across portions of certain existing roads located on the Owner's Property commonly known as the 100, 200 and 300 Roads located approximately as shown on the map attached hereto as Exhibit A (the "Roads") under an unrecorded Easement Agreement for Road Access dated March 26, 2007, (the "Original Agreement") which allows access for PUD employees, contractors, and/or duly authorized representatives and its successors and assigns to and from the Cowlitz Falls Hydroelectric Project and adjoining FERC licensed Project lands. Owner and PUD now wish to Amend the Agreement for and in consideration of, and subject to, the covenants, conditions and agreements contained herein.

D. A portion of the 300 Road crosses property in Section 3 of Township 11N, Range 06E, W.M., Lewis County, Washington, which is currently owned by a third party, Orm Timber Operating Company, L.L.C. Owner has no right or obligation to grant or extend any rights for an easement over such portion of the 300 Road, and PUD acknowledges and agrees that it bears the sole obligation to obtain from the owner of such property an easement over such portion of the 300 Road in order to gain access from the portion of the 300 Road crossing Sections 10, 11, 12 and 13 to the portion of the 300 Road located in Sections 4 and 5.

E. To administer this Agreement and to assure a working relationship between the parties, various individuals of the Owner and the PUD will be involved. All matters concerning the

First Amendment
Easement For Cowlitz Falls Project Access
Port Blakely and Lewis County PUD
August 2012

use and upkeep of the Owner's roads will require communication of several individuals. Exhibit C provides the names along with their contact information and primary duties in relationship to the Easement Agreement.

NOW, THEREFORE, the parties agree to amend the Original Agreement as follows:

1. Extension of Easement Term. Owner hereby grants to PUD, a five year extension to the renewable, non-exclusive Easement Agreement for Cowlitz Falls Project Access on, over and across (a) that portion of the 300 Road located on Owner's Property from the intersection of USFS 25 in Section 13 of Township 11N, Range 06E to the 108 Bridge located in Section 3 of Township 11N, Range 05E ("300 Easement Road") and (b) the 340 Road, extending north from the 300 road near the Copper Canyon Creek to the PUD's Project boundary; (c) that portion of the 100 Road from Kosmos Road to intersection of the 300 Road; (d) the 200 Road from intersection of 100 Road to intersection of 240 Road for the sole purpose of providing ingress to, egress, and utilities to the PUD's Project and adjoining PUD's lands by the PUD's employees, contractors and/or duly authorized representatives, and its successors or assigns.

The term of this extension shall be five years, beginning on the date first above written and ending on the same day on the fifth year, 2017. Unless notified in writing at the end of the five year term; the parties agree to negotiate a renewal of an additional five year period. The area covered by such easement is herein called the "Easement Area".

2. Owner's Reserved Rights. Owner reserves for itself and its successors and assigns (i) the right at all times and for any purpose to enter upon, use, cross and recross the Easement Area, so long as such use does not unreasonably interfere with the rights granted to PUD hereunder, (ii) the right to impose reasonable traffic rules and regulations with respect to the use of the Easement Area, (iii) the right to suspend or limit the use of the Easement Area (or portions thereof) when Owner determines appropriate due to adverse road conditions or an excessive risk of fire, rock slide, washout, flood, danger to health or public safety; or damage to the Easement Area (or portions thereof) due to soil conditions, weather conditions, water level in the River, or bank or slope stability, (iv) use of easement area for harvest operations and forest management activities, or for any other reason. Owner reserves the right to relocate the Easement Area (or portions thereof), so long as such relocation is accomplished without interruption of the use of such road and PUD is provided with prior notice of the location of the road; and in the event the road is so relocated, the parties shall as soon as reasonably feasible sign an amendment to this Agreement showing the new location of such relocated road. Owner reserves to itself all timber and natural resources now or hereafter located on or growing within the Easement Area.

3. Restrictions on PUD's Use. PUD shall not (i) install any gates, change or remove any locks on any gates located on Owner's Property or on the portion of the 300 Road that is located in

First Amendment
Easement For Cowlitz Falls Project Access
Port Blakely and Lewis County PUD
August 2012

Section 3, owned by Orm Timber Operating Company, (ii) cut or remove any timber or other natural resources from the Owner's Property, (iii) install or bring onto the Easement Area any structures, materials or equipment of whatever nature, (iv) construct any new roads or widen, grade, change, repair, damage, or make any improvements to any roads on Owner's Property, (v) have (or consume) any alcoholic beverages on the Easement Area or other portion of the Owner's Property, (vi) make, have or use any fires, barbecues, open flames, fireworks or firearms on the Easement Area or other portion of the Owner's Property, or (vii) have parties on, make overnight use of, camp on, or park vehicles overnight on the Easement Area or other portion of the Owner's Property.

4. Vehicle Entry Application. In compliance with Owner's application requirements the PUD shall establish and administer a Vehicle Entry Application (VEA) process for the public use of the 340 road. Upon receipt of a VEA, the PUD shall review and confirm the application is complete before forwarding the VEA onto the Owner. If the VEA is found acceptable, the Owner will issue an Entry Permit and deliver the original to the PUD for signature of Applicant. The PUD will be responsible for notifying the Applicant and issuing a gate key. The permit would be valid for one year from date of issue, which permit may be extended with Owner's written approval. The Applicant is obligated to comply with all rules, regulation and restrictions imposed upon the PUD under this Agreement and the Original Agreement..

5. PUD Event days. The PUD may have up to three "Open Gate" days annually for non-permitted access using the Owner's 340 road to the PUD's Take-Out site. Prior to any Open Gate day, PUD will notify Owner 48 hours prior to the event. During the time the gate is open for public access a PUD representative shall be present to unlock and lock the 340 road gate. An "Open Gate" day should end no later than 6 pm with the gate being closed and locked. At all other times the 340 road shall be closed and locked for private vehicle use unless the user has been issued a Vehicle Entry Permit and a gate key.

6. Normal Maintenance of the 100, 200 and 300 Easement Roads. Owner shall maintain the 100, 200 and 300 Easement Roads in accordance with its customary standards, with the cost of such maintenance being allocated between Owner, PUD and other parties as appropriate on the basis of respective uses of said road by Owner, its Permittees, by PUD, its employees, contractors and/or duly authorized representatives, and successors or assigns, and by other parties. PUD shall reimburse Owner for that share of such maintenance costs occasioned by such use by PUD, its employees, contractors and/or duly authorized representatives, and successors or assigns as hereafter provided. During periods when Owner or its Permittees and PUD, its employees and agents are using the 100, 200 and/or 300 Easement Roads (or segment thereof), Owner and PUD should meet yearly to agree on the allocation of respective pro rata shares of such maintenance costs and a reasonable rate for Owner to perform such maintenance of the 100, 200 and/or 300 Easement Roads or the portion thereof being jointly used. PUD shall reimburse Owner annually for

First Amendment
Easement For Cowlitz Falls Project Access
Port Blakely and Lewis County PUD
August 2012

it's pro rata share of the costs of maintenance of the 100, 200 and/or 300 Easement Road. PUD's annual normal maintenance cost of the 100, 200, and 300 Easement Roads will be approximately, yet not exceed \$10,000. If PUD believes that any maintenance, or repair of the 100, 200 and/or 300 Easement Roads is necessary, PUD shall notify Owner in writing, and Owner shall have no duty to conduct any maintenance or repair thereof unless it receives such notice. Notification for snow removal to the project site may be by email or phone call to Owner.

For purposes of this Agreement, "maintenance" of the 200 and 300 Easement Roads is the customary grading, minor repair and maintenance work, occasioned by normal and prudent usage of the 200 and 300 Easement Roads, necessary to preserve and keep the roadway structure (including, without limitation, roadway surface and supporting slopes, cuts and fills) and road facilities (including, without limitation, ditches and culverts) as nearly as possible in their condition as existed when such joint use commenced or as thereafter improved.

For purposes of this Agreement, "maintenance" of the 100 Easement Road is the annual chip seal repair and brushing, including bridge maintenance, occasioned by normal and prudent usage of the 100 Easement Road, necessary to preserve and keep the roadway structure (including, without limitation, roadway surface and supporting slopes, cuts and fills) and road facilities (including, without limitation, ditches and culverts) as nearly as possible in their condition as existed when such joint use commenced or as thereafter improved.

The Owner shall provide notice to the PUD no more than 30 days prior to any timber harvest operations, road maintenance activities and road closures that could affect the PUD's or the public use of the easement roads, with exception to emergency road closures, at which time Owner will give PUD as much notice as is reasonable for the closure event.. As appropriate for the public use of the 340 road, the PUD may place road closure information on its website.

7. Payments to Owner. The PUD shall pay and/or reimburse Owner for road maintenance, snow removal, and repair costs for which PUD is obligated to pay Owner under this Agreement within thirty (30) days after invoicing by Owner. Invoices provided by Owner shall be itemized and contain or be accompanied by reasonable verification of such costs and expenses incurred by Owner. Invoicing for normal maintenance shall be on an annual basis. In the event of major repairs, replacements or construction that will cost the PUD in excess of \$10,000, the Owner shall notify the PUD in writing and meet with the PUD to discuss the need for the repairs and request the approval of payment to the Owner for such repairs.

Except as modified or amended herein, no other changes or modifications to the Original Agreement are intended or implied and in all other respects the Original Agreement is hereby specifically ratified, restated and confirmed by PUD and Owner. The Original Agreement and this

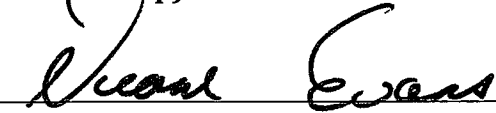
First Amendment
Easement For Cowlitz Falls Project Access
Port Blakely and Lewis County PUD
August 2012

First Amendment to Easement Agreement for Road Access shall be read and construed as one agreement and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate, as of the day and year first above written.

Port Blakely Tree Farms (Limited Partnership)

By: _____



Duane Evans

Title: Vice President

Lewis County Public Utility District

By: _____



Robert D. Geddes

Title: PUD Manager

Owner's Address:

Port Blakely Tree Farms
8133 River Dr SE
Tumwater, WA 98501

Facsimile No: 360-570-0311
Telephone No: 360-570-1992
E-mail: devans@portblakely.com

PUD's Address:

Lewis County Public Utility District
Robert D. Geddes, Manager
P.O. Box 330
Chehalis, WA 98532

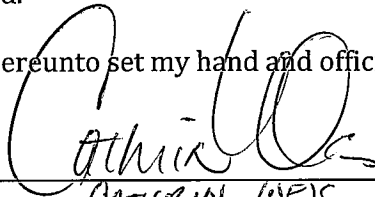
Facsimile No: 360-740-2459
Telephone No: 360-740-2411
E-mail: bobg@lcpud.org

First Amendment
Easement For Cowlitz Falls Project Access
Port Blakely and Lewis County PUD
August 2012

STATE OF WASHINGTON)
) ss.
COUNTY OF Thurston)

On this 20th day of August 2012, before me, a Notary Public in and for the State of Washington, personally appeared Duane Evans personally known to me to be the person who signed this instrument; on oath stated that he was authorized to execute this instrument as Vice President of Port Blakely Tree Farms (Limited Partnership), a Washington limited partnership, and acknowledged this instrument to be the true and voluntary act and deed of said partnership for the uses and purposes therein mentioned.

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



CATHRIN WEIS

(Print Name)

NOTARY PUBLIC in and for the State of Washington,
residing at Port, WA 98021

My appointment expires September 9, 2013

First Amendment
Easement For Cowlitz Falls Project Access
Port Blakely and Lewis County PUD
August 2012

STATE OF WASHINGTON)
) ss.
COUNTY OF Lewis)

On this 16 day of August 2012, before me, a Notary Public in and for the State of Washington, personally appeared Robert D. Geddes personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who signed this instrument; on oath stated that he was authorized to execute this instrument as Manager of Lewis County Public Utility District, a municipal corporation, and acknowledged this instrument to be the true and voluntary act and deed of said partnership for the uses and purposes therein mentioned.

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

Stacy M. Davis
Stacy M. Davis
(Print Name)

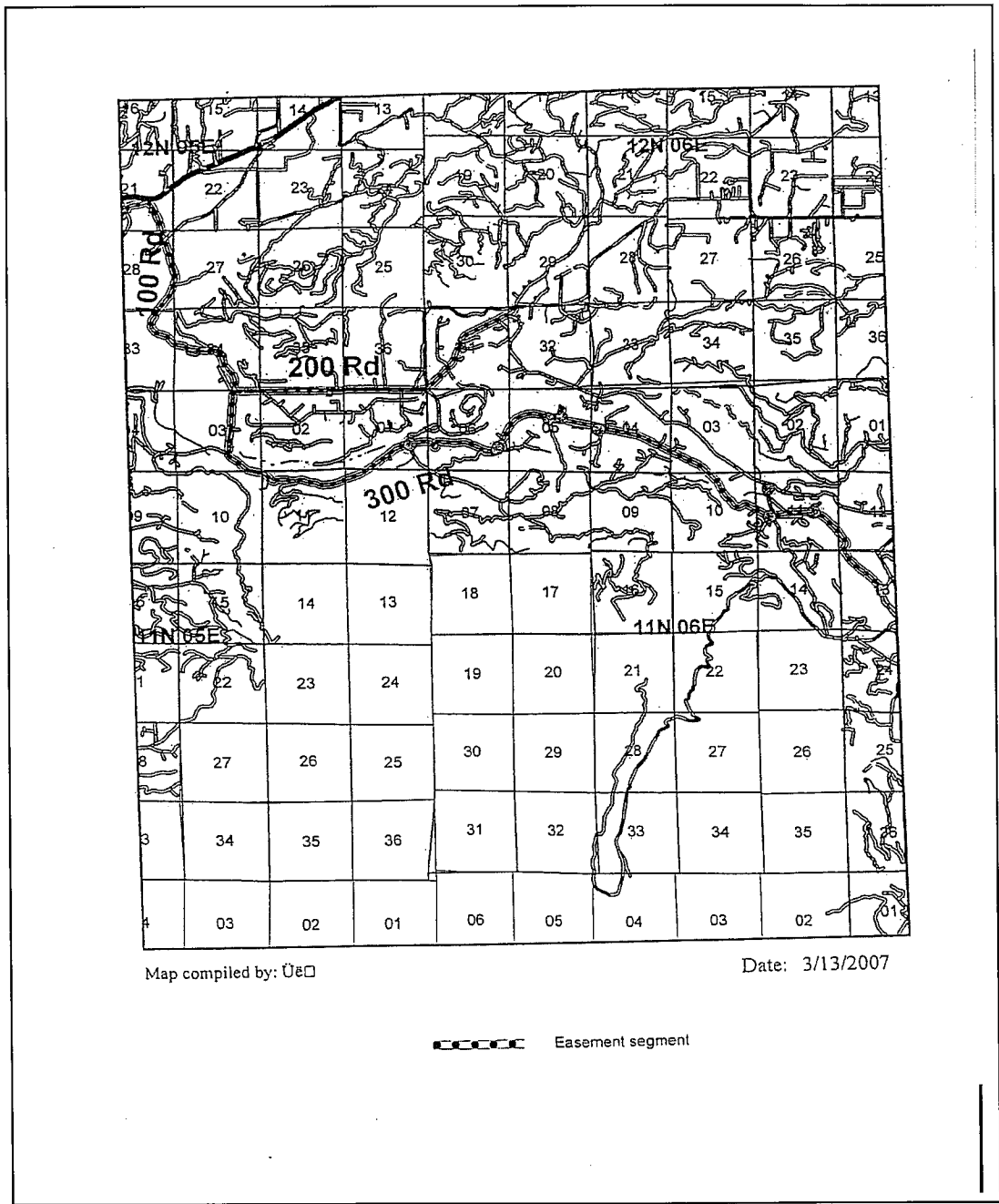


NOTARY PUBLIC in and for the State of Washington,
residing at Chehalis

My appointment expires 11-21-14

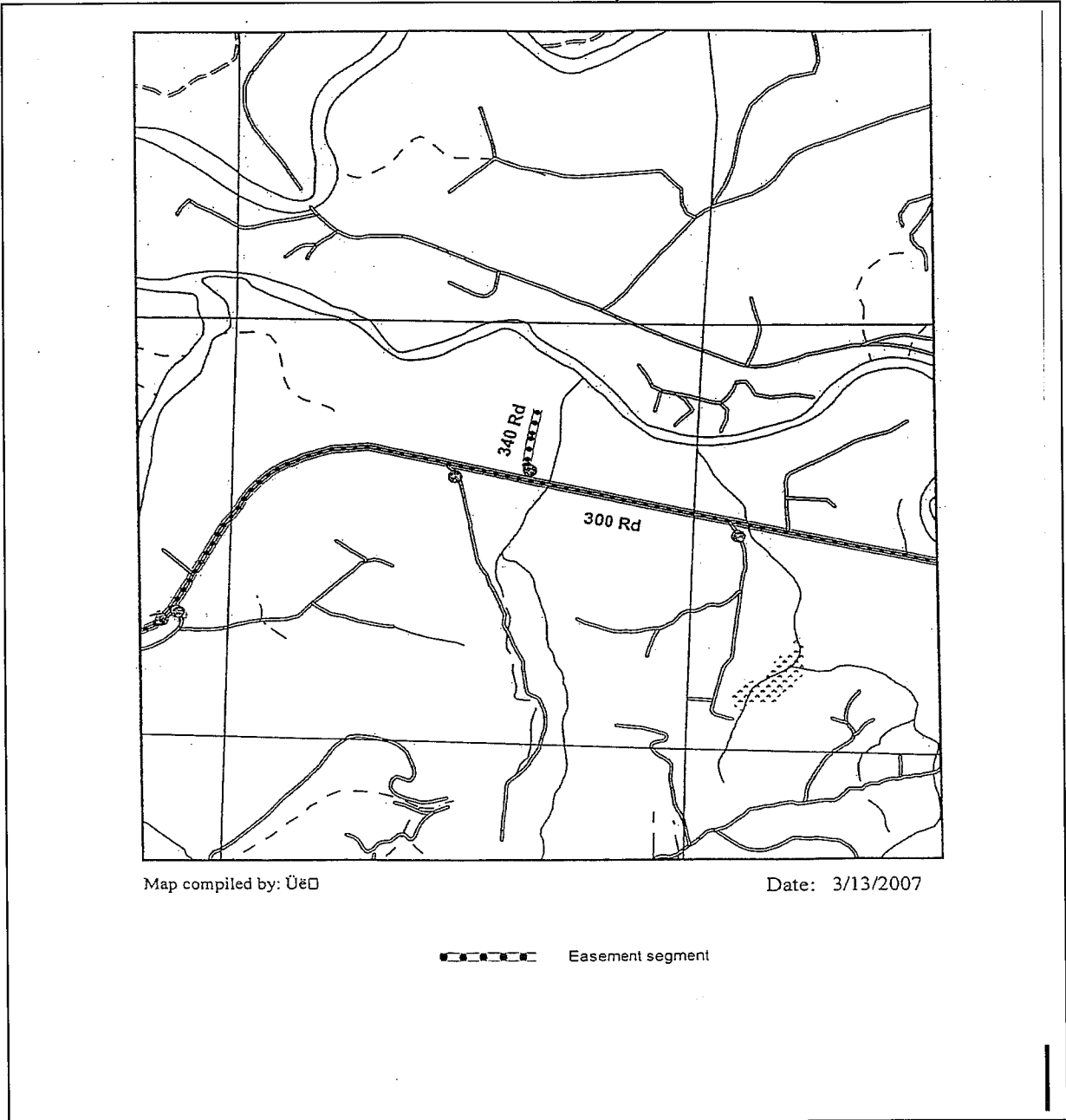
First Amendment
Easement For Cowlitz Falls Project Access
Port Blakely and Lewis County PUD
August 2012

EXHIBIT A
MAP SHOWING EASEMENT AREA AND GATES



First Amendment
Easement For Cowlitz Falls Project Access
Port Blakely and Lewis County PUD
August 2012

EXHIBIT B
MAP SHOWING DETAIL
SPUR ROAD TO THE PUD'S PROJECT BOUNDARY



First Amendment
Easement For Cowlitz Falls Project Access
Port Blakely and Lewis County PUD
August 2012

EXHIBIT C
CONTACTS

Port Blakely Tree Farms (Limited Partnership)

Duane Evens – All Concerns
Office: 360-596-9423
Email: devans@portblakely.com
Cell: 360-280-4381

Jerry Bailey – All concerns
Office: 360-596-9426
Email: jbailey@portblakely.com
Cell: 360-581-4953

Dave Roberts – Road maintenance
Office: 360-596-9432
Email: droberts@portblakely.com
Cell: 360-280-4386

Tom LaGraw; PB Patrol
Office: 360-497-5851
Cell: 360-496-1749

Lewis County Public Utility District

340 Road & Take-Out Use
Debbie Angwood, ROW Agent
Office: 360-740-2457
Email: debbie@lcpud.org
Cell: 360-520-4306

Contract Management & Billings
Steven J. Grega, Project Engineer
Office: 360-740-2453
Email: steve@lcpud.org
Cell: 360-520-0246

Dam Operation
Joe First, Project Superintendent
Office: 360-497-5351
Email: joef@lcpud.org
Cell: 360-520-7562

Roads & Land Maintenance
Gary Wedam, Resource Technician
Cell: 360-520-1874