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RESTRICTIVE COVENANT

This Restrictive Covenant is made this first day of March, 2004, by and between MARY A. BARNES, TRUSTEE under the Barnes Loving Trust dated 5/17/90 (the "Declarant"), and ROGUE AGGREGATES, INC., an Oregon corporation ("Rogue").

Declarant is the record owner of the real property described on the attached Exhibit "A" (the "Burdened Property"). Rogue is the lessee of the property identified on Exhibit "B" attached hereto and made a part hereof ("Benefited Property"). Declarant hereby declares that said Burdened Property shall be, from and after the date of this Covenant, subject to the following restriction:

Declarant acknowledges that Rogue uses the Benefited Property to mine, crush, process and stockpile cinders, rock, construction grade overburden, and all other rock byproducts (collectively the "Materials").

Declarant and its heirs, successors, legal representatives, assigns, purchasers and lessees are hereby prohibited from objecting to heavy machinery traffic, noise, dust, smoke and other types of visual, odor and noise pollutions which arise from Rogue's business and associated business uses relating to the mining, crushing, processing, manufacturing and stockpiling of Materials ("Rock Business"), provided that all such visual, odor and noise pollutions are in compliance with all federal, state and local laws, regulations and restrictions. Declarant and its heirs, successors, legal representatives, assigns, purchasers and lessees are further prohibited from objecting to zone changes and conditional use applications for the continuation of the Rock Business, on the Benefited Property and/or adjacent aggregate resource property acquired by Rogue on the basis that the proposed conditional use would have an adverse impact on any part of the Burdened Property.

This Restrictive Covenant shall continue in perpetuity and shall run with the land and is binding upon the Declarant and Rogue's successors, assigns, administrators, representatives and heirs.

Rogue and its successors and assigns shall have the right to enforce, by any proceeding at law or in equity, any or all of the restrictions set forth in this Restrictive Covenant. Failure by Rogue or its successors or assigns to enforce any restriction contained herein in one instance shall not be deemed as a waiver of the right to do so thereafter, or a waiver of the right to enforce other restrictions contained herein.

In the event any party files legal action in order to interpret or enforce the Restrictive Covenants contained herein, the prevailing party in said action shall be entitled, in addition to

State of Oregon, County of Klamath
Recorded 03/16/2004 8:56 A m
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Linda Smith, County Clerk
Fee \$ 412.00 # of Pgs 12

1 - Restrictive Covenant

96 ✓ Retto Foster Denman LLP 201 West Main St, Suite 400 P.O. Box 1667 Medford, OR 97501

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their reasonable costs and disbursements incurred therein, to an award for reasonable attorney fees at trial or upon any appeal or petition for review therefrom.

The undersigned Declarant hereby acknowledges receipt of adequate and sufficient consideration for this Covenant, and acknowledges that this Covenant provides a significant benefit to the Benefited Property, which if violated would reduce the economic value of the Benefited Property. The parties further acknowledge that Rogue would not have sold the Burdened Property without this Restrictive Covenant.

Dated: 3-2-04

Mary A. Barnes Trustee
Mary A. Barnes, Trustee under the Barnes
Loving Trust dated 5/17/90

"Declarant"

Reviewed and approved:

ROGUE AGGREGATES, INC.

By: William D. Leavens
William D. Leavens, President

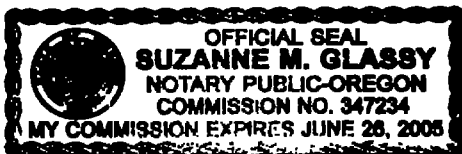
"Rogue"

STATE OF OREGON)
) ss.
County of Jackson)

On this 2nd day of March, 2004, personally appeared the above-named MARY A. BARNES, Trustee under the Barnes Loving Trust dated 5/17/90, and acknowledged that she executed this agreement as Trustee.

Before me:

Suzanne M. Glassy
Notary Public



STATE OF OREGON)

14706

) ss.

County of Jackson)

On this 1st day of March, 2004, personally appeared WILLIAM D. LEAVENS, and who, being by me duly sworn, deposes and says that he is the President of ROGUE AGGREGATES, INC., an Oregon corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and said WILLIAM D. LEAVENS acknowledged said instrument to be the free act and deed of said corporation.

Before me:

Suzanne M. Glassy
Notary Public for Oregon

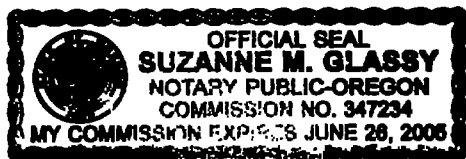


EXHIBIT "A"**DESCRIPTION OF BURDENED PROPERTY**

A portion of the SW 1/4 of Section 3, Township 41 South, Range 10 East of the Willamette Meridian in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwest corner of Section 3; thence North 1329.03 feet; thence N 89° 53' 18" E 334.94 feet to the true point of beginning; thence N 89° 53' 18" E 1009.00 feet; thence S 29° 07' 28" E 82.61 feet; thence N 00° 52' 32" E 338.31 feet; thence N 89° 53' 18" W 630.00 feet; thence N 59° 45' 54" W 151.76 feet; thence N 00° 06' 42" E 150.00 feet to the true point of beginning.

EXHIBIT "B"

14708

DESCRIPTION OF BENEFITED PROPERTY

LEGAL DESCRIPTION
OF
CINDER PIT LEASE

A TRACT OF LAND SITUATED IN PARCEL 1 OF "LAND PARTITION 56-94", BEING IN THE S1/2 OF SECTION 4, T41S, R10EWM, KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE E1/16 CORNER COMMON TO SECTION 9, T41S, R10EWM AND SAID SECTION 4; THENCE N87°57'05"W 1310.53 FEET TO THE 1/4 CORNER COMMON TO SAID SECTIONS 4 AND 9; THENCE N00°32'02"E 1303.16 FEET TO THE C-S1/16 CORNER; THENCE N89°31'06"W 150.00 FEET; THENCE N00°32'02"E 878.93 FEET; THENCE S89°31'06"E 150.00 FEET TO AT POINT ON THE N-S CENTER SECTION LINE OF SAID SECTION 4; THENCE N00°32'02"E 424.24 FEET TO THE C1/4 CORNER OF SAID SECTION 4; THENCE S44°23'24"E 930.91 FEET TO THE NW-SE1/64 CORNER; THENCE S00°36'04"W 654.84 FEET TO THE C-W-SE1/64 CORNER; THENCE S88°31'24"E 656.66 FEET TO THE SE1/16 CORNER; THENCE S00°40'03"W 1316.20 FEET TO THE POINT OF BEGINNING, CONTAINING 57.23 ACRES, MORE OR LESS, WITH BEARINGS BASED ON RECORD OF SURVEY 5673, ON FILE AT THE OFFICE OF THE KLAMATH COUNTY SURVEYOR.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Dennis A. Ensor.

OREGON
JULY 25, 1990
DENNIS A. ENSOR
2442

Dennis A. Ensor

DENNIS A. ENSOR

O.L.S. 2442

EXPIRES 12/31/05

CV4
8/5 PMH FM



Exhibit "B"