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Vol. 90 Page 20718

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COUNTY CLERK

THIS LEASE, entered into this 11th day of July, 1990,
 between PACIFICORP, doing business as PACIFIC POWER & LIGHT COMPANY, an
 Oregon corporation, hereinafter referred to as "Pacific," and KLAMATH COUNTY, a
 political subdivision of the State of Oregon, hereinafter referred to as
 "Lessee":

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W I T N E S S E T H:

by Board of Commissioners

WHEREAS, Pacific is the owner of approximately 346 acres more or less
 of real property which is not at present used or useful in Pacific's operations
 as a public utility, and

WHEREAS, Lessee is desirous of leasing said real property for park
 and recreational purposes;

NOW, THEREFORE, Pacific does hereby lease and demise unto Lessee, for
 park and recreational purposes only, the following described real property, all
 situated in Klamath County, State of Oregon, to wit:

A tract of land described as East Half of the Southwest
 Quarter, West Half of the Southeast Quarter, Northeast
 Quarter of the Southeast Quarter, and a portion of West
 Half of the Southwest Quarter of Section 29, Township 39
 South, Range 7 East, W.M., and portions of Lot 1, Lot 2,
 Northeast Quarter of the Northwest Quarter, North Half
 of the Northeast Quarter of Section 32, Township 39
 South, Range 7 East, W.M., more particularly described
 with yellow color on a sketch marked "Exhibit A",
 attached hereto and by this reference made a part
 hereof.

hereinafter referred to as the "Leased Premises," upon and subject to the
 following terms and conditions:

1. The term of this lease shall commence on the date of its
 execution and shall continue to and including October 17, 2006 (the expiration
 date of FERC License for Project No. 2082), unless sooner terminated as
 hereinafter provided. Upon expiration of said term, and if Lessee is not then
 in default in performance of any of the terms and conditions hereof, Lessee shall
 have the option to extend this lease for an additional period of 10 years, under
 the same terms and conditions hereof (including Pacific's right to adjust
 rentals); provided that

(i) Pacific has by then issued a renewal or extension of its License
 by the Federal Energy Regulatory Commission or its successor agency for FERC
 Licensed Project No. 2082, which will expire by its terms on October 17, 2006;
 and

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(ii) At that time Pacific has no plans to utilize the Leased Premises in the future in connection with its public utility operations. In the event that at the expiration of this Lease FERC has not issued a renewal of License No. 2082, this lease may be extended at the option of Lessee on a year to year basis coincident with any temporary extension of the License by FERC; and this lease (as so extended) shall terminate upon the issuance of a new license for Project No. 2082 to any party other than Pacific or a subsidiary or affiliate of Pacific.

2. Lessee will pay to Pacific as annual rental hereunder the sum of \$1,000 payable on or before January 1 of each year during the term of this lease. Rental for any portion of a year, either at the beginning or end of this lease shall be prorated. Effective with the beginning of each calendar year subsequent to the calendar year in which this lease first takes effect, the amount of such annual rental shall be adjusted and readjusted in accordance with the following subparagraphs.

(a) The initial annual rental provided for in this paragraph is based upon the cost of living for the month of June, 1982 as reflected in the Consumer's Price Index of the U.S. Department of Labor, Bureau of Labor Statistics, for all urban consumers, San Francisco-Oakland area average, the period 1967 equalling 100.

(b) It is agreed by the parties hereto that the annual rental for calendar year 1983, shall be adjusted in the following manner, but only if said Consumer's Price Index, all urban consumers, San Francisco-Oakland area average, for the month of December, 1982 exceeds that for the month of June, 1982: The annual rental for the calendar year commencing the 1st day of January, 1983, shall be increased to an amount arrived at by multiplying the initial annual rental otherwise payable, by said Index figure for the month of December, 1982, and by dividing such product by the said Index figure for the month of June, 1982.

It is further agreed that the annual rental shall again be adjusted as of the 1st day of January of each and every year thereafter during the term of this lease or any extension thereof, in the manner

provided above using the said Consumer's Price Index, all urban consumers, San Francisco-Oakland area average for December of the immediately preceding year, and the June, 1982 base; provided however, that the annual rental under this lease shall never be less than \$1,000 per year.

3. Lessee shall conform to and comply with all applicable federal, state and local laws, ordinances, or regulations relating to the use and occupancy of the Leased Premises, including without limitation all laws, ordinances and regulations with respect to building, zoning and use, environmental protection, preservation of archaeological and paleontological resources.

4. Lessee, at its discretion, may charge the public admission, entrance, or user fees in such amounts as may from time to time be determined by Lessee. Lessee shall also have the right to establish regulations governing the use of the Leased Premises provided, however, that in the event of a conflict between this lease and the County's regulations, the provisions of this lease shall govern. PROVIDED, however, that an annual report shall be submitted by Lessee to Pacific, on or before February 1 of each year, with a general accounting of all of the aforesaid fees charged for the previous calendar year or portion thereof. Such annual report shall also contain data with respect to the number of persons who used the Leased Premises during the preceding calendar year.

5. Lessee agrees that all development and landscaping (including any earthwork, roads, burns or manmade changes, the cutting or removal of any timber, or the cutting and burning of any vegetation) will be done in accordance with plans submitted to and approved by Pacific in writing. However, normal maintenance, which is performed on a periodic basis, shall be excluded from the provisions of this paragraph.

6. Lessee shall pay Pacific for all timber cut and removed from the leased premises, on the basis of then prevailing stumpage rates and verified log scales, within 60 days after cutting and removal.

7. Lessee agrees that the development of the Leased Premises shall be accomplished in a business-like manner and that each phase of said development (heretofore approved by the parties hereto) must be accompanied by a performance bond in an amount and with a security acceptable to

Pacific, to insure Pacific that funding is available for the completion of each phase of development.

8. Pacific and Lessee acknowledge that Lessee contemplates entering into a sublease or operating agreement with Klamath Sportsman's Park Association (a non-governmental, non-profit corporation or association) or a similar entity for development and operation of the Leased Premises. Such entity shall hereinafter be referred to as "County's Sublessee." Lessee agrees to provide in its agreement or sublease with County's Sublessee that all improvements to the Leased Premises, including buildings, pumps and stationary equipment, are the property of the Lessee and may not be removed without written authorization from the Klamath County Commissioners or their designee. Lessee further agrees to provide in such agreement or sublease that all building improvements to be situated on the Leased Premises must comply with all applicable County codes, ordinances and regulations. Temporary buildings which will be used during construction will be subject to the provisions of the Klamath County Land Development Code. Such buildings shall not remain in place for a period to exceed three months unless Lessee grants an extension of time to Sublessee.

It is understood that Lessee intends to prepare development plan drawings with sufficient detail to permit on-site identification of major aspects of the plan. Pacific and Lessee will jointly identify, on-site, the intended location of major features of the plan and their relation to the existing terrain and vegetative cover; conflicts will be identified on draft plans. The revised information will be incorporated in the final plans, which plans will then become a part of this lease and will be attached hereto and incorporated herein as Exhibit "B".

9. Lessee acknowledges that the west, northwest and north boundaries (shown in red color on "Exhibit A") of the Leased Premises are coincident with the FERC Licensed Project No. 2082 Project Boundary, hereinafter referred to as "Project Boundary" and that lands within the Project Boundary are subject to certain regulations and conditions, as follows:

- A. All federal regulations applicable to Pacific as owner and operator of the J.C. Boyle Project No. 2082.

- B. No motor vehicle access to J.C. Boyle Reservoir or Klamath River from the Leased Premises shall be permitted.
- C. Lessee shall institute and enforce closure for all activities on areas inside the Project Boundary during wild(fowl) nesting seasons from February 1 through May 31. Pacific reserves the right to shorten or lengthen this season depending upon seasonal variations of precipitation or other factors; and in such event, Pacific shall notify Lessee in writing prior to January 1 of each year. Also Pacific may undertake to make other special seasonal or permanent closures, put in fencing and/or any other necessary actions to protect wildlife within the Project Boundary.
- D. In the event that vector control or other health and safety considerations may require the use of chemical and/or organic pesticides, herbicides, oil or other agents, special care must be exercised to control drift or waterbound migration thereof from the Leased Premises to riparian areas inside the Project Boundary.

10. Lessee shall require that the County's Sublessee and all other persons operating facilities on the Leased Premises agree to indemnify and hold harmless Pacific (and its agents, directors, officers and employees) from and against any and all actions, suits, costs, claims, demands, damages, expenses, loss and liability for injury to or death of any persons whomsoever, and for the loss of or damage to the property of any persons whomsoever, caused by or in any way arising out of activities under this lease, except as such injury or death, loss or damage may be caused by the sole negligence of Pacific.

Lessee further agrees to cause County's Sublessee to secure and continuously maintain a comprehensive general liability insurance policy to protect Pacific against all loss by reason of injury to any persons or damage to any property, including property of Pacific, arising out of

Lessee's and/or County's Sublessee's use of the Leased Premises. Such insurance shall include: provisions or endorsements naming Pacific, its directors, officers and employees as additional insured; provisions that such insurance is primary insurance with respect to the interest of Pacific and that any insurance maintained by Pacific is excess and not contributory insurance with the insurance required hereunder; cross-liability or severability of insurance interest clause; coverage for fire suppression and timber loss due to fire, and provisions that such policies shall not be cancelled or their limits of liability reduced without 30 days' prior written notice to Pacific and Lessee. A certificate in form satisfactory to Pacific certifying to the issuance of such insurance shall be furnished to Pacific. Limits of liability for all requirements contained herein shall be not less than \$1,000,000 single limit.

11. Pacific reserves the right for itself and its officers, agents and employees to enter upon the Leased Premises to construct, operate and maintain electric power transmission or distribution lines and all necessary appurtenances thereto upon, over, under and across the Leased Premises, or to make any other use of the Leased Premises as Pacific may deem necessary in connection with its utility activities and the construction and generation of its hydroelectric facilities, to the extent that such activities do not unreasonably interfere with Lessee's use and enjoyment of the improvements on the Leased Premises.

12. This lease is subject to all easements, encumbrances, reservations and restrictions of record, and to all easements or rights hereafter exercised or granted by Pacific for purposes consistent with its duties and obligations as a public utility company.

13. None of Lessee's rights under this lease shall be assignable, nor shall its duties be delegable without prior written approval of Pacific, provided however, that Lessee shall not enter into any sublease or operating agreement with respect to the Leased Premises without first giving Pacific an opportunity to review and approve such sublease or operating agreement. The foregoing paragraph does not apply to any Lease, Sublease, or other agreement with the entity described in paragraph 8 hereof.

14. Lessee shall not discriminate against any person or persons because of race, creed, color, sex, or national origin in the conduct of its management and operations hereunder.

15. This lease may be terminated by Lessee at any time by giving to Pacific at least 30 days prior notice in writing. Pacific may terminate this lease immediately for cause if Lessee violates any of the terms and conditions of this lease and has not cured or commenced the diligent pursuit of a cure of such violation within a period of 30 days after written notice is given by Pacific to Lessee specifying the nature of such violation. On or before the date of expiration of this lease, or its relinquishment by Lessee, Lessee shall vacate the Leased Premises and leave the same in a condition satisfactory to Pacific, ordinary wear and tear excepted. If, however, this lease is terminated by Pacific for cause, Lessee shall vacate the Leased Premises and restore the Leased Premises to a condition satisfactory to Pacific, ordinary wear and tear excepted, within a reasonable time but in no event to exceed 90 days. In either event, if Lessee shall fail or neglect to remove its improvements and facilities thereon and restore the Leased Premises within such period of time, then such improvements and facilities shall become the property of Pacific without compensation therefor and no claim for damage against Pacific or its officers or agents shall be created or made on account thereof.

16. If either party named herein brings an action to enforce the terms hereof, or to interpret the terms hereof, or to declare any rights hereunder, the prevailing party in any such action, on trial, or appeal or petition for review, shall be entitled to its reasonable attorney fees to be paid by the losing party as fixed by the Court or Courts hearing such matter.

17. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof provided that the overall intent of this lease may still be implemented in the absence of such invalid provision.

18. All notices required by or desirable under this lease shall be in writing and shall be delivered in person or by registered or certified United States mail, return receipt requested. Any such notice shall be deemed to be delivered upon the expiration of 24 hours after deposit thereof in a proper United States mail depository, postage prepaid to the address of the Lessee or Pacific as set forth below, unless and until written notice of change of address is received by the Lessee or Pacific in the same fashion.

LESSOR: Klamath County Board of Commissioners
Courthouse Annex
305 Main Street
Klamath Falls, Oregon 97601

PACIFIC: Pacific Power & Light Company
920 S.W. Sixth Avenue
Portland, Oregon 97204

In the event Land and Water Conservation Funds or any other Federal or State funds are used in connection with development of the Leased Premises, notifications pursuant to this lease shall also be sent to the appropriate funding agencies at addresses established by those agencies. The agency utilizing such funds shall be responsible for initial notification to all affected parties.

19. This lease is subject to any and all mortgages or deeds of trust which may heretofore or hereafter attach to the Leased Premises, executed by Pacific and now or hereafter of record in said Klamath County.

20. This agreement supersedes all prior agreements and understandings as related to this lease and sets forth the entire understanding of the parties and may not be changed or terminated orally, and no attempted change, termination or waiver of the provisions hereof shall be binding unless in writing and signed by all the parties hereto.

EXECUTED in duplicate this 11th day of July, 1990.

PACIFICORP, doing business as
PACIFIC POWER & LIGHT COMPANY -

By [Signature]
Vice President

Attest: [Signature]
County Clerk (Secretary)

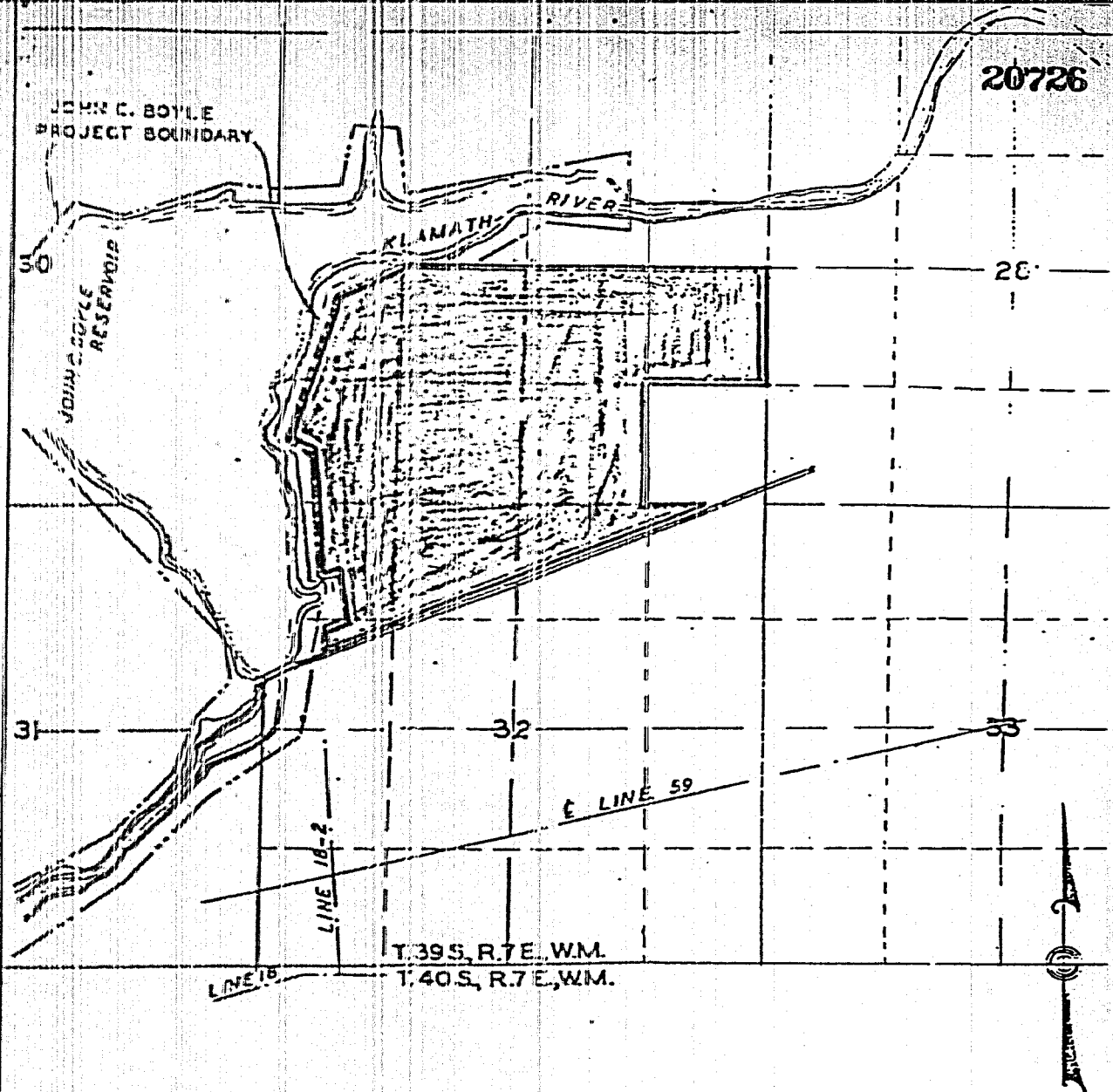
KLAMATH COUNTY
BOARD OF COMMISSIONERS




By [Signature] Chairman 07-11-90

By [Signature] Commissioner 07-11-90

By [Signature] Commissioner 07-11-90

APPROPRIATE TO FORM



 Proposed Sportsmans Park (Yellow Color)
 Project Boundary (Green Color)
 Proposed Fencing (Blue Color)

DRAWN BY LVL
 CHECKED BY LFC
 APPROVED BY LFC
 SCALE: 1"=1600'

KLAMATH RIVER LANDS KLAMATH SPORTSMANS PARK

DATE: 5-25-92

PACIFIC POWER & LIGHT COMPANY

Exhibit A

STATE OF OREGON: COUNTY OF KLAMATH ss.

Filed for record at request of Klamath County the 12th day
 of Oct. A.D. 19 90 at 4:18 o'clock P.M., and duly recorded in Vol. M90,
 of Deeds on Page 20718.

FEE \$none

Evelyn Biehn County Clerk

By Caroline Mueland

Return: Commissioners Journal