

Joseph G. Thompson, for Erin Leigh Thompson, and Stanley J. Pence, Jr., hereinafter called Lessor, does hereby lease to PACIFICORP, a corporation doing business as PACIFIC POWER & LIGHT COMPANY, hereinafter called Pacific, and Pacific does lease from Lessor the following:

An area of land approximately 100' X 100' in the North Half of Section 23, Township 40 South, Range 11 East, Klamath County, Oregon, and as more particularly described in the attached Exhibit "A" which by reference is made a part hereof.

SUBJECT TO AND UPON the following terms and conditions:

1. Pacific shall use the leased area for the construction, operation and maintenance of a communications site.

2. In addition to the communications site, lessor shall grant to Pacific a right-of-way easement for a power line to provide power to the site. The powerline shall be buried underground to be in conformance with the existing power line to the area.

3. The initial term of this lease shall be for twenty years, commencing December 1, 1991 and ending November 30, 2011.

4. Pacific shall pay rental in advance to Lessor during the term of this lease, as follows:

- a.) Two Thousand Five Hundred Dollars (\$2,500) annually for the period commencing December 1, 1991 and ending November 30, 1996.

b.) Two Thousand Six Hundred Dollars (\$2,600) annually for the period commencing December 1, 1996 and ending November 30, 2001.

c.) Two Thousand Seven Hundred Dollars (2,700) annually for the period commencing December 1, 2001 and ending November 30, 2006.

d.) Two Thousand Eight Hundred Dollars (2,800) annually for the period commencing December 1, 2006 and ending November 30, 2011.

5. Provided that Pacific is not in default hereunder and that this lease has not been terminated as provided herein, then Pacific shall have the right to extend this lease for an additional ten year term upon written notice of such extension given to Lessor given at least ninety (90) days prior to expiration of the initial term of this lease. Such extension shall be under the provisions contained herein, except a new rental fee shall be negotiated at the time of the extension. In the event the parties hereto cannot agree upon a rental amount, said rental shall be a fair market value as determined by real estate appraisers, to be selected as follows:

One independent real estate appraiser each, shall be selected by the Lessor and by Pacific to determine fair market rental for the lease area. If the selected appraisers cannot agree upon the fair market rental for said extension period, then they shall select a third independent real estate appraiser and fair market rental value shall then be determined by a majority of the three appraisers, whose decision shall be binding upon the parties hereto. If a majority of the three appraisers is unable to agree upon the fair market rental, said fair market rental shall be deemed to be the average of the two opinions of fair market rental nearest in value. The cost of the appraisers shall be borne equally by Lessor and Pacific.

6. During the term of this lease or any extension thereof, Pacific may terminate said lease or extension without cause, upon one year's written notice which shall be given to the Lessor.

7. Lessor acknowledges that following the execution of this lease, Pacific will be contacting the appropriate local governmental agencies for the purposes of obtaining all building permits and approvals, zoning changes, and/or permits and approvals necessary for the use of the leased area. Lessor agrees to fully cooperate with Pacific in obtaining the local permits and, without limiting the generality of the foregoing, to execute any applications, maps, certificates, or other documents that may be required in connection with local governmental agencies. Provided; however, that any actions hereunder shall not substantially impede Lessor's normal use of land not subject to this lease.

8. Pacific agrees to take at Pacific's expense all reasonable measures and precautions to render its equipment inaccessible to unauthorized persons. Lessor agrees that it will not knowingly allow or give access to Pacific's leased area and equipment to any unauthorized persons.

9. Lessor will at all times provide to Pacific reasonable ingress to and egress from the leased area over and across the property of the Lessor as shown on the attached Exhibit "A" and made a part hereof. Pacific acknowledges that Lessor may install gates or locking devices on or across the lands of Lessor. In such an event, Pacific shall have the right to install its own locking device on such gate. Said locking devices shall not impede ingress and egress of Lessor or Pacific.

10. Pacific shall not sublet the whole or any part of the leased area, nor assign this lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

11. Pacific shall indemnify and hold harmless Lessor against and from any damage to lessor's property and from claims, actions, suits, or demands for injury to any person or damage to any property caused by or arising out of Pacific's use of said leased area except such as may be caused by the negligence of Lessor.

12. Pacific shall pay all of any increase of real estate taxes affecting the premises as the result of improvements constructed thereon by Pacific.

13. Pacific agrees that from the date of the lease, all correspondence, records, and reference to or concerning the lease site shall be referred to as Beth's Butte, Malin.

14. Pacific agrees to permanently affix to a major structure, on site, a plaque of significant size bearing the below inscription:

**BETH'S BUTTE, MALIN**

15. Pacific agrees that it will abide by a "good neighbor" policy and not knowingly encroach upon or interfere with existing or future lessees of Beth's Butte and will seek an amiable resolution to any problems that may arise to the satisfaction of the parties involved.

16. Wherever in this lease, notice is provided or required to be given by one party to another, such notice shall be given in writing and transmitted by United States mail or personal delivery to Pacific at its offices at 920 S.W. Sixth Avenue, Portland, Oregon 97204, Attention: Right-of-Way/Permit Section, or to Lessor at P.O. Box 160, Merrill, Oregon 97633, as the case may be, or such other address or any party hereto may, from time to time, designate for that purpose.

17. Failure or delay on the part of the Lessor or Pacific to exercise any right, power, or privilege hereunder shall not operate as a waiver thereof.

18. Upon expiration or termination of this lease, for whatever reason, Pacific agrees to restore the said leased area of land to, as near to its original condition, prior to leasing, as reasonably possible. Restoration shall be limited to the removal of Pacific's personal property and shall have a period of one hundred eighty (180) days to complete said restoration.

19. Lessor hereby warrants to Pacific that he has the legal authority to execute and grant Pacific a lease for the purposes herein described.

20. All provisions of this lease shall be binding, extend to, and inure to the benefit of the successors and assigns of the parties hereto.

26120

21. This lease constitutes the entire agreement of the parties hereto and shall supersede all prior offers, negotiations and agreements.

IN WITNESS WHEREOF, the parties hereto have executed this lease the day and year first hereinafter written.

DATED this 25th day of November, 1991.

LESSOR

66 Thompson  
For Erin L. Thompson  
Joseph G. Thompson for  
Erin Leigh Thompson

Stanley J. Pence, Jr.  
Stanley J. Pence, Jr.

LESSEE

PacifiCorp, doing business as  
PACIFIC POWER & LIGHT COMPANY

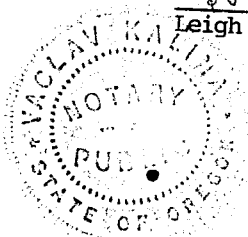
By Alfred Williams  
Title: VICE PRESIDENT

Return: Gillespie, Prudhon & Assoc.  
15648 SE 114th St. #205  
Clackamas, Or. 97015

SEAL

STATE OF OREGON       )  
                               )  
 County of Klamath     )   ss.

The foregoing instrument was acknowledged before me this  
25th day of November, 1991, by Joseph G. Thompson, for Erin  
 Leigh Thompson, and Stanley J. Pence, Jr.

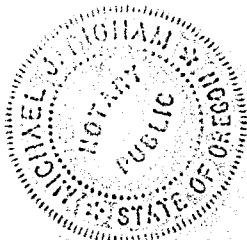


Vaclav Kalina  
 Notary Public for Oregon  
 My commission expires: June 1st 1994

SEAL

STATE OF OREGON       )  
                               )  
 County of Multnomah   )   ss.

The foregoing instrument was acknowledged before me this  
5th day of December, 1991, by Lee D. Wesley,  
 a Vice President of PACIFICORP, a corporation doing business as  
 PACIFIC POWER & LIGHT COMPANY, on behalf of the corporation.



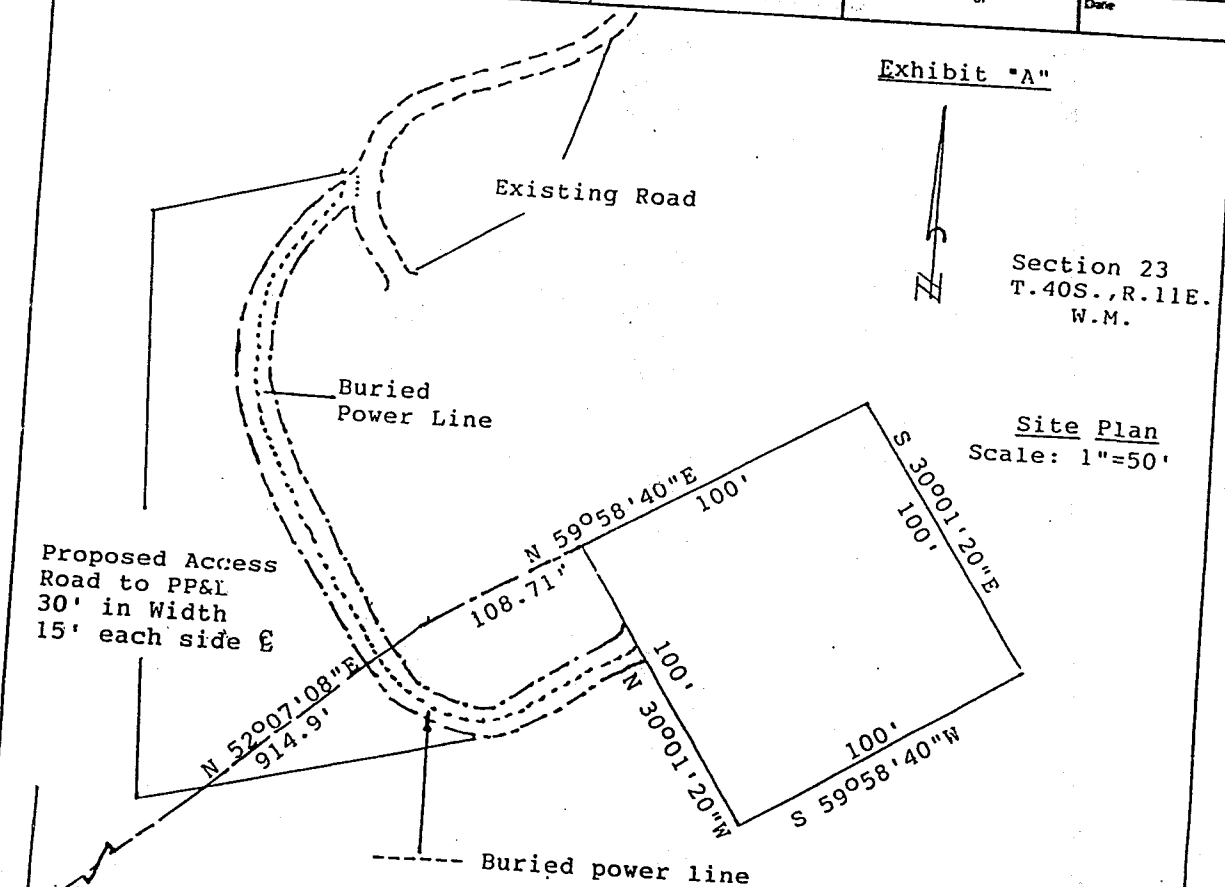
Michael J. Bighan  
 Notary Public for Oregon  
 My commission expires: 7-23-93

# GILLESPIE, PRUDHON & ASSOCIATES, INC.

26122

## General Purpose Worksheet

Subject	Beth's Butte Communication Site	Engineer	
File/Project	Pacific Power & Light Company	Page	of
		Date	



W. 1/4 Cor., Sec. 23

An area of land approximately 100' X 100' in the SW1/4NW1/4, Section 23, Township 40 South, Range 11 East, Klamath County, Oregon, as more particularly described as follows:

Beginning at the West 1/4 Corner of Section 23; thence N 52°07'08"E 914.9 feet; thence N 59°58'40"E 108.71 feet to a point, said point being the TRUE POINT OF BEGINNING; thence N 59°58'40"E 100 feet; thence S 30°01'20"E 100 feet; thence S 59°58'40"W 100 feet; thence N 30°01'20"W 100 feet to the True Point of Beginning.

The above described area encompasses approximately 0.23 acres, more or less.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Gillespie, Prudhon & Assoc. the 16th day of Dec. A.D., 19 91 at 10:23 o'clock A.M., and duly recorded in Vol. M91 of Deeds on Page 26117.

FEE \$53.00

Evelyn Biehn, County Clerk  
By Debbie Mulender