

pk: After recording return to:  
PacifiCorp  
Attn: John Hooson  
825 NE Multnomah, Suite 1000  
Portland, Oregon 97232

### REAL PROPERTY PURCHASE OPTION AGREEMENT

This Real Property Purchase Option Agreement (the "Agreement") is made this 5 day of June, 2001, by and between Rodney R. Lyon and Marie M. Lyon, husband and wife residing in the County of Klamath, Oregon (the "Seller") and PacifiCorp, an Oregon corporation (the "Purchaser").

1. Purchase Option. For and in consideration of the sum \$2,000 and other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, the Seller hereby gives and grants to the Purchaser the exclusive option, right and privilege of purchasing ALL OF THAT CERTAIN PARCEL OF LAND situated in the County of Klamath, State of Oregon (the "Premises") described as follows and more particularly shown in Exhibit A along with easements necessary for access to property:

Section 35, Township 40 South, Range 12 East of the Willamette Meridian, in Klamath County, Oregon.

Except therefrom the NE  $\frac{1}{4}$  NE  $\frac{1}{4}$ , and the SW  $\frac{1}{4}$  SW  $\frac{1}{4}$ .

The final size and location of the subject parcel shall be determined by the final survey of property presented in Exhibit A. Road and transmission easements will be determined and included in the final sales agreements.

2. Sales Price. The purchase price for the Premises shall be \$200,000 less any amount paid by the Purchaser as consideration for the option to purchase the Premises hereunder.

3. Notice of Election to Purchase. Notice of election to purchase hereunder shall be given by the Purchaser to the Seller in writing no later than one hundred eighty days (180) days after the date of execution of this Agreement (the "Option Period"). The Purchaser may, at the Purchaser's sole option and discretion, purchase the Premises for the amount as outlined in article number 2 above at any time during the Option Period. Within ten (10) days after the date that the notice of election is sent by the Purchaser to the Seller, the Purchaser shall deliver the purchase price for Premises and title shall close and the deed to the Premises shall be transferred to the Purchaser not later than the close of business of the date that such payment is received by Seller, or at such time and upon such other date and at such other place as shall be mutually agreed upon by the Purchaser.

4. Access to the Premises. At all times during the Option Period, the Purchaser shall have the right to enter the Premises for the purpose of inspecting the Premises to determine its suitability for intended purposes, including surveying, environmental testing, soil testing, and any other purpose reasonably deemed necessary by the Purchaser.

5. Manner of Conveyance. The Seller shall convey the Premises to the Purchaser in fee simple, free and clear of all liens, or other encumbrances, except as may exist on the date of this Agreement, by good and sufficient deed of conveyance, the usual form of a warranty deed. Said conveyance shall also be made subject to all restrictions, easement, and conditions of record, if any, as the same exist on the date of this Agreement.

6. Delivery of Possession. The Purchaser is to be given complete and exclusive possession of the Premises on the date of transfer of title. The transfer is to include, without limitation or further consideration, all fixtures and appurtenances now at the Premises and all easements necessary for access to site as shown on Exhibit A.

7. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be given (a) by Federal Express (or other established express delivery service which maintains delivery records), (b) by hand delivery, or (c) by certified or registered mail, postage prepaid, return receipt requested, to the parties at the following addresses, or at such other address as the parties may designate by written notice in the above manner:

To the Seller: Mr. Rodney R. Lyon and Marie M. Lyon  
20302 Paygr Rd  
Malin, Oregon 97632

To the Purchaser: PacifiCorp  
Real Estate Management  
John Hooson  
825 NE Multnomah, Suite 1000  
Portland, Oregon 97232

With a copy to: R. Jeff Richards  
JONES, WALDO, HOLBROOK & McDONOUGH  
1500 First Interstate Plaza  
170 South Main Street  
P.O. Box 45444  
Salt Lake City, Utah 84145-0444  
Fax: (801) 328-0537

Such communications may also be given by facsimile transmission, provided any such communication is concurrently given by one of the above methods. Notices shall be deemed effective upon receipt, or upon attempted delivery thereof if delivery is refused by the intended recipient or if delivery is impossible because the intended recipient has failed to provide a reasonable means for accomplishing delivery.

8. Termination. This Agreement shall terminate upon the earlier of, (a) the exercise by the Purchaser of the purchase option granted hereby, (b) one hundred eighty (180) days after the execution of this Agreement, or (d) the receipt by the Seller of a notice from the Purchaser expressly stating that the Purchaser is declining to exercise the purchase option.

9. Recording Costs. The Purchaser shall pay the recording costs of this Agreement.

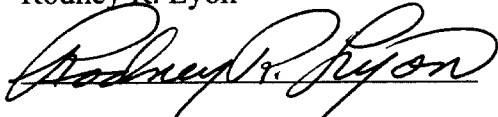
10. Miscellaneous. The Purchaser agrees to grant grazing rights to the Seller at no cost for two years from the date the option is exercised. This agreement would be documented in a Grazing Lease Agreement. After the two-year period at the Purchaser's option a new grazing lease would be negotiated on an extended basis with fees based on current market value at that time.

The terms, covenants and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors, transferees and assigns of the parties. Either party may assign this Agreement and their respective rights hereunder without the consent of the other party. This Agreement constitutes the entire agreement between the parties with respect to the specific subject matter hereof and may only be modified by a subsequent writing duly executed by both parties. Time is expressly made of the essence of each and every provision of this Agreement. This Agreement shall be interpreted and construed only by the contents hereof, and there shall be no presumption or standard of construction in favor of or against either the Purchaser or the Seller. This Agreement shall be construed and enforced in accordance with, and governed by, the law of the State of Oregon. If any term or provision of this Agreement or the application of it to any person, entity or circumstance shall to any extent be invalid and unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law. Except as specifically provided otherwise herein, the rights and remedies of each party set forth herein shall not be deemed as exclusive of any other right or remedy of such party, but shall be construed as cumulative and shall be in addition to every other right or remedy now or hereafter available at law, in equity or by statute.

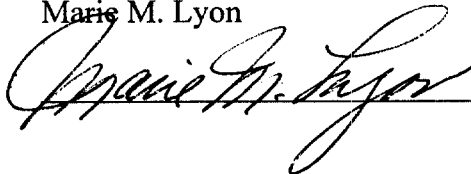
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**SELLER**

Rodney R. Lyon



Marie M. Lyon

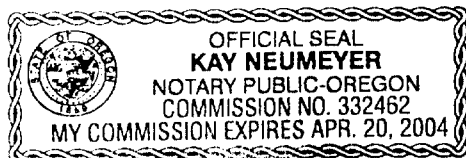


STATE OF OREGON )

) ss.

County of Klamath )

On this 5<sup>th</sup> day of June, 2001, before me personally appeared Rodney R. and Marie M. Lyon, husband and wife, whose identity was proven to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to this instrument and acknowledged that they executed the same.



Kay Neumeyer  
Notary Public

Residing at April 20, 2004 Marie Lyon  
My commission expires April 20, 2004

**PURCHASER**

PacifiCorp, an Oregon Corporation

By Sue Berndt

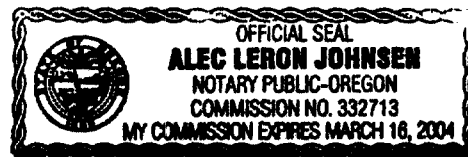
Sue Berndt, Managing Director  
Real Estate Management

STATE OF OREGON )

) ss.

County of Multnomah )

On this 4<sup>th</sup> day of June, 2001, before me personally appeared Sue Berndt, Managing Director, Real Estate Management, of **PACIFICORP**, an Oregon Corporation, on behalf of the Corporation, whose identity was proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to this instrument and acknowledged that they executed the same.



Alec Leron Johnsen  
Notary Public

Residing at Multnomah County  
My commission expires March 16, 2004

State of Oregon, County of Klamath  
Recorded 06/13/01, at 10:17a. m.  
In Vol. M01 Page 27998  
*Linda Smith,*  
County Clerk Fee\$ 41<sup>00</sup>