

GROUND LEASE

Date: APRIL 10, 2006
 Lessor: Ghost Rock Ranch, LLC
 Lessee: Oregon Outback R.F.P.D.

M06-09078

Klamath County, Oregon
 05/08/2006 01:27:01 PM
 Pages 4 Fee: \$36.00

Lessor and Lessee agree as follows:

Lessor agrees to lease Lessee a .889 acre section of Lessor's property commonly known as 148800 Beal Rd., La Pine, OR 97739, and legally described as follows:

Township 23, Range E10, Section 22, Tract SW4, NW4, E2NW4.

The leased premises consists of that portion lying on the eastern side of the Burlington Northern Railroad right of way, area consisting of .889 acres, as depicted on the attached Exhibit A (the "Premises").

The terms of the lease shall be for Ninety-Nine (99) years. The consideration for this lease shall be \$1.00 per year. In addition, Lessor shall receive a tax exemption from Klamath County Assessor's office for the .889 acre leased section.

Lessee intends to construct a building and related improvements (collectively, the "Improvements") on, under, and over the Premises. Prior to construction of any Improvements, Lessee shall submit plans for the Improvements to Lessor for Lessor's approval, which shall not be unreasonably withheld or conditioned. Upon approval by Lessor, Lessee shall construct the Improvements at Lessee's sole cost and expense, including the cost of all permits and/or land use approvals required for the lawful construction of the Improvements, which permits and approvals shall be Lessee's sole responsibility to obtain. All Improvements shall be constructed: (i) in a thoroughly first class, professional and workmanlike manner, (ii) strictly in accordance with plans, specifications, and other matters approved or designated by Lessor in advance in writing, (iii) diligently to completion and so as to avoid any disturbance, disruption or inconvenience to Lessor or Lessor's use of its remaining property, and (iv) in compliance with all applicable laws, governmental regulations, permits and conditions of land use approval.

Nothing in this Lease shall be deemed to be, or be construed in any way as constituting, the consent or request of Lessor, express or implied, by inference or otherwise, to any person, firm, or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration, or repair of or to the Premises, or to the Improvements, or as giving Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that might in any way give rise to the right to file any lien against Lessor's interest in the Premises or against Lessor's interest, if any, in the Improvements. Lessee is not intended to be an agent of Lessor for the construction of Improvements on the Premises. Lessor shall have the right to post and keep posted at all reasonable times on the Premises and on the Improvements any notices, including notices of non-responsibility, that Lessor shall deem necessary for the protection of Lessor and of the Premises and of the

Improvements from any such lien. The foregoing shall not be construed to diminish or vitiate any rights of Lessee in this Lease to construct, alter, or add to the Improvements.

Lessee is and shall be in exclusive control of the Premises and of the Improvements, and Lessor shall not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in, or about the Premises or the Improvements or any injury or damage to the Premises or the Improvements or to any property, whether belonging to Lessee or to any other person, caused by any fire, breakage, leakage, defect, or bad condition in any part or portion of the Premises or of the Improvements, or from steam, gas, electricity, water, rain, or snow that may leak into, issue, or flow from any part of the Premises or the Improvements from the drains, pipes, or plumbing work of the same, or from the street, subsurface, or any place or quarter, or due to the use, misuse, or abuse of all or any of the Improvements or from any kind of injury that may arise from any other cause whatsoever on the Premises or in or on the Improvements, including defects in construction of the Improvements, latent or otherwise.

Lessee shall indemnify and defend Landlord from, and reimburse Lessor for, any cost, claim, loss, or liability suffered directly or from a third-party claim arising out of or related to any activity of Lessee on the Premises or any condition of the Premises in the possession or under the control of Lessee. Lessor shall have no liability to Lessee for any injury, loss, or damage caused by third parties, or by any condition of the Premises (except to the extent caused by Lessor's negligence).

Before going into possession of the Premises, Lessee shall procure and thereafter during the term of the lease shall continue to carry at Lessee's cost, commercial general liability insurance with a combined single limit of not less than \$1,000,000, under which Lessee is named as the insured and Lessor is named as an additional insured, and shall insure the performance by Lessee of Lessee's indemnification obligations under this Lease. Such insurance shall provide that it is primary insurance and that insurance, if any, maintained by Lessor is excess and noncontributing.

Option to Purchase

At the expiration of the Term (as the same may be extended), and provided that Lessee is not then in default under this Lease, Lessee shall have the option to acquire the Premises from Lessor for a total consideration of \$1.00. Lessee may exercise such option by giving Lessor written notice of Lessee's election to exercise the option no fewer than 180 days before the expiration of the Term as the same may be extended. The acquisition shall be closed on or before the Term expires. Conveyance shall be made by Lessor by means of a statutory warranty deed and shall convey title to the Premises free and clear of encumbrances except the encumbrances described above as presently existing and any lien or encumbrances Lessee may have caused, permitted, or suffered to attach to the Premises or to Lessee's interest in the Premises since the commencement date of this Lease.

This agreement shall be binding as against both parties heirs, successors, administrators, executors trustees and assigns.

This agreement is entered into knowingly, voluntarily and intelligently. Lessor has been told to review this agreement before signing and to contact an attorney with any questions.

If either party breaches any terms of this agreement, then the party who prevails in the enforcement of, or any collection activity under this agreement shall be entitled to reasonable attorney fees at arbitration, trial or on appeal.

LESSOR:

Ghost Rock Ranch, LLC

By: [Signature]
Cherie L. Appleby, Member

LESSEE:

By: [Signature]
David E. Egerton, Board Member / Chairman

By: [Signature]
W.F. Leech, Board Member

By: [Signature]
Janet L. Davis, Board Member

By: [Signature]
Carl Walker, Board Member

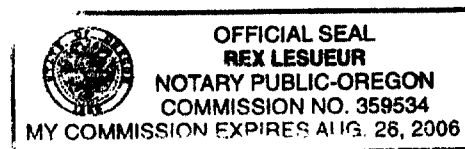
By: [Signature]
Dave C. Reid, Board Member

State of Oregon

County of Deschutes

Signed and Attested before my on
April 26, 2006 by David Reid and Carlton Walker

My Commission Expires 8/26/2006



State of Oregon

County of Deschutes

Signed and attested before me on April 10, 2006 By Cherie L. Appleby, David E. Egerton,
William F. Leach, Janet L. Davis.

[Signature]
my commission expires 8/26/06

