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VIA ELECTRONIC FILING

August 6, 2021

Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84110

Attn: Mr. Gary Widerburg
Commission Administrator

Re: Courtesy Notice of Property Disposition regarding PacifiCorp's Klamath
Hydroelectric Generating Facilities

Dear Commissioners:

PacifiCorp, ("PacifiCorp or Company"), submits this letter to notify the Public Service Commission of Utah ("Commission") of an asset disposition governed by a Property Transfer Agreement ("Transfer Agreement") between the Company and the Klamath River Renewal Corporation ("Renewal Corporation"). The Transfer Agreement transfers to the Renewal Corporation the Lower Klamath Hydroelectric Project consisting of four hydroelectric dams, as well as real and personal property associated therewith.

Commission Rule R746-401-3(B) establishes a threshold for reporting requirements related to property dispositions that exceed ten million dollars or 5 percent of gross investment in utility plant devoted to Utah service. Based on PacifiCorp's level of gross investment in utility plant, the applicable threshold is ten million dollars. The investment allocated to Utah customers involved in the property disposition under the Transfer Agreement is \$6.9 million, which is under the reporting threshold. However, the Company submits this courtesy notification for informational purposes.

Background on the Klamath Hydroelectric Project and the Klamath Hydroelectric Settlement Agreement ("KHSA")

The Klamath Hydroelectric Project, located primarily on the Klamath River in Klamath County, Oregon and Siskiyou County, California, includes seven hydroelectric developments—East Side, West Side, Fall Creek, J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate—and one non-generating development, Keno ("Larger Klamath Project"). The Federal Energy Regulatory Commission ("FERC") originally licensed the Larger Klamath Project in 1954 as Project No. P-

2082. This original license expired in 2006.¹ Since that time, the Company has operated the project under annual licenses.²

On February 18, 2010, the KHSA was executed by 48 parties, including the Company; the states of Oregon and California (collectively, the “States”); the U.S. Department of the Interior (“Interior”); the U.S. Department of Commerce’s National Marine Fisheries Service (“NMFS”); several Native American tribes; and irrigation, conservation, and fishing groups. The KHSA provides a framework to decommission and remove the four mainstem hydroelectric developments comprising the Lower Klamath Project—J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate—and sets forth requirements related to their operation until removal. To facilitate dam removal, the KHSA and subsequent amendments requires the Company to transfer the Lower Klamath Project developments and associated real and personal property to the Renewal Corporation for decommissioning and removal.

More recently, on November 17, 2020, the Company entered into the attached Memorandum of Agreement (“MOA”) with certain parties to the KHSA to implement the KHSA and establish a pathway for FERC approvals. The MOA maintains the KHSA’s foundational license transfer structure (which provides significant liability protection benefits for PacifiCorp and its customers) while addressing FERC’s concerns regarding adequate assurances that the project is supported by appropriate entities and commitments. FERC approved a license transfer application anticipated by the MOA on June 17, 2021. An amended license surrender application, also anticipated by the MOA, is currently pending before FERC.

The KHSA provides \$450 million in public funds to cover the costs of dam removal. The Company would collect \$200 million from Oregon and California customers through dam removal surcharges, and California bond funding would supply the remaining \$250 million. Both the Oregon Public Utility Commission (“OPUC”) and the California Public Utilities Commission (“CPUC”) approved the surcharges contemplated by the KHSA, allowing the full \$200 million contribution towards dam removal to be collected from customers in those states. Since the OPUC and CPUC authorized the dam removal surcharges in 2010, the Company has collected surcharge funds and deposited these funds into four separate interest-bearing accounts, two for each state, each managed by a trustee appointed by either the CPUC or the OPUC.

The Company has now collected the authorized surcharges in both states. As of December 31, 2020, the four trust accounts contain a total of \$106,629,265.31, reflecting total customer surcharge collections of \$187,840,579.23, net earnings of \$15,772,649.08, and disbursements to the Renewal Corporation of \$96,983,963.00, which funded engineering and planning related to dam removal.

¹ *In the Matters of the California Oregon Power Co.*, 13 F.P.C. 1 (Jan. 28, 1954). On June 16, 1961, the license was transferred to Pacific Power and Light Company, *The California Oregon Power Co. and Pacific Power & Light Co.*, 25 F.P.C. 1154 (June 16, 1961), and then to PacifiCorp on November 23, 1988. *PacifiCorp, d.b.a. Pacific Power and Light Co. & PC/UP&L Merging Corp.*, 45 FERC ¶ 62,146 (Nov. 23, 1988).

² *Order Approving Partial Transfer of License, Lifting Stay of Order Amending License, and Denying Motion for Clarification and Motion to Dismiss*, 172 FERC ¶ 61,062, at ¶ 2 (July 16, 2020); *see also* 16 U.S.C. § 808(a)(1).

Under the MOA, PacifiCorp and the states of Oregon and California each make contingent financial pledges to be utilized only in the unlikely event the \$450 million (including \$50 million of which is contingency) available to the Renewal Corporation needs to be augmented to ensure completion of dam removal.

The Company's analysis has determined that the transfer of the Lower Klamath Project, under the terms of the KHSA, is lower cost than relicensing the dams based on its assessment of the likely mitigation requirements that would have been imposed had the Company continued to pursue relicensing. Moreover, the KHSA provides critical protections designed to shield customers from the potential for escalating costs and liabilities associated with dam removal.

The Transfer Agreement

The Transfer Agreement governs the conveyance of the Lower Klamath Project to the Renewal Corporation so that dam removal may begin. The Transfer Agreement provides for PacifiCorp's reservation of easements for all transmission, distribution, service, substation, and communications assets required to preserve the safe and reliable function of the utility system after the land upon which the assets are located is transferred to the Renewal Corporation. The Transmission Facility Easement Area is designed to aid vegetation management and fire prevention by establishing a 100-foot buffer from Company facilities including conductors. The Company may also remove trees outside the 100-foot buffer if those trees present a threat of contact with Company facilities. The reservation of easement interests includes access rights and other rights necessary for the Company PacifiCorp to protect and manage its reserved facilities and easement areas in perpetuity.

The Transfer Agreement also anticipates the grant of approximately 8,000 acres of land surrounding the dams, a Fall Creek Hatchery leasehold interest and other, immaterial grants including temporary construction easements over certain lands not conveyed to the Renewal Corporation.

PacifiCorp also agreed to address specified environmental conditions that currently exist on lands that will be conveyed to the Renewal Corporation, and for which PacifiCorp already has responsibility for addressing based on its status as the property owner. These pre-existing site conditions were identified during environmental site assessments conducted by the Renewal Corporation as part of its site due diligence. The Renewal Corporation's contractors estimate that the cost of mitigating the pre-existing environmental conditions ranges from \$4.2 million (low) to \$31.5 million (high). The risk associated with this obligation is mitigated partly by the establishment of a finite list of pre-existing environmental conditions identified on Exhibit C to the Transfer Agreement. This obligation is further mitigated by a "reasonable satisfaction" standard as reflected in Section 3.5 of the Transfer Agreement.

Property Disposition

The Lower Klamath Project is being transferred pursuant to the KHSA because it is lower cost and lower risk than pursuing a new FERC license or simply surrendering the license and removing the facilities without the customer protection benefits of the KHSA. Relicensing the Lower Klamath Project or surrendering the license and removing the dams would expose the

Company and customers to substantial costs, risks, and liabilities. As explained above, the KHSA provides a framework for removal of the Lower Klamath Project, while providing robust customer protections.

Utah's allocated share of Klamath relicensing costs are in a regulatory asset and amortized through December 31, 2022, in accordance with the Company's 2012 general rate case, Docket No. 11-035-200. Any changes in Utah-allocated costs will be addressed in a future general rate case.

On January 19, 2021, the Company filed required property disposition applications at the public service commissions in California, Oregon, Idaho, and Wyoming. Each of those applications have been approved.

The timing of closing on the Property Transfer Agreement is tied to FERC approval of the outstanding license surrender application. FERC has initiated the environmental review processes that will support a decision on the surrender application. It is currently anticipated that such environmental analysis will be complete, and FERC will act upon the surrender application in late 2022. Closing would occur shortly thereafter.

Please feel free to direct any further inquiries or questions regarding this matter to Jana Saba, at (801) 220-2823, or myself at the number indicated above.

Sincerely,



John Hutchings
Senior Attorney
Rocky Mountain Power

cc: Division of Public Utilities
Office of Consumer Services

Attachment A

PROPERTY TRANSFER AGREEMENT

Between

PACIFICORP, as Transferor

And

KLAMATH RIVER RENEWAL CORPORATION, as Transferee

Dated as of January 13, 2021

**Relating to the
Lower Klamath Project**

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PROPERTY TRANSFER AGREEMENT

THIS PROPERTY TRANSFER AGREEMENT (this “**Agreement**”) is entered into as of January 13, 2021 (the “**Effective Date**”) between PACIFICORP, an Oregon corporation (“**PacifiCorp**”) and KLAMATH RIVER RENEWAL CORPORATION, a California nonprofit corporation (“**KRRC**”).

RECITALS

A. KRRC and PacifiCorp are among the parties to the Klamath Hydroelectric Settlement Agreement, dated February 18, 2010, as amended on April 6, 2016 and as it may have thereafter been, or may hereafter be, amended (the “**KHSA**”). KRRC and PacifiCorp are also among the parties to the Memorandum of Agreement, dated November 16, 2020 (the “**MOA**”), under which certain of the KHSA signatories have clarified and supplemented certain of their commitments to implement the KHSA. The KHSA, as clarified by the MOA, contemplates certain property transactions between PacifiCorp and other parties, including KRRC, to carry out the purposes of the KHSA.

B. Among the property transfers contemplated by the KHSA is a transfer of certain properties to KRRC in connection with the transfer of the FERC License (as defined below) to KRRC and the States to facilitate KRRC’s removal, in whole or in part, of certain dams and related improvements from the Klamath River and to implement certain related projects, including dam removal mitigation measures.

C. The KHSA further contemplates that following dam removal KRRC will transfer the properties it receives from PacifiCorp to the State of California and the State of Oregon, as applicable (or to such other parties as the respective States may direct), for public interest purposes such as fish and wildlife habitat restoration and enhancement, public education, and public recreational access. KRRC intends to enter into separate agreements with each of the States to provide for such post-dam removal property transfers.

D. The PacifiCorp facilities currently subject to the FERC License include the Iron Gate fish hatchery which, under the KHSA, PacifiCorp is to transfer to the State of California, and which was expected to be modified as part of the work necessary to achieve certain dam removal mitigation objectives. PacifiCorp, KRRC and the State of California currently anticipate, however, that the Iron Gate fish hatchery will be removed and the currently inactive hatchery facilities at Fall Creek will be modified and re-activated instead.

E. To facilitate the removal of the Iron Gate fish hatchery and the creation of additional hatchery facilities at Fall Creek as provided for in the Definite Plan (as defined below), and to avoid the additional cost and administrative burden of severing the Iron Gate fish hatchery from the FERC License to permit PacifiCorp to transfer it directly to the State of California, KRRC, PacifiCorp and the State of California have agreed that the Iron Gate fish hatchery will initially be transferred to KRRC and that the Fall Creek Premises will initially be leased to KRRC, and that following completion of the necessary modifications, KRRC will

transfer title to the Iron Gate fish hatchery, and assign the Fall Creek lease, to the State of California.

F. KRRC and PacifiCorp now desire to memorialize the foregoing in furtherance of the KHSa.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the parties agree as follows:

SECTION 1. DEFINITIONS; CONSTRUCTION

Section 1.1. Definitions.

(a) Capitalized terms used but not defined in this Agreement shall have the respective meanings ascribed to such terms in the KHSa.

(b) For purposes of this Agreement, the following words and phrases shall have the respective meanings set forth below:

“Additional Property Interests” means such leases, licenses, easements, rights of way and other occupancy or access arrangements with Persons other than PacifiCorp, including the State of California, the State of Oregon, and the United States Bureau of Land Management, as are not part of the Real Property or Occupied Third-Party Premises but are reasonably necessary for KRRC’s implementation of the Definite Plan.

“Approval(s)” means, as applicable, any consent, approval or other authorization of a third party, including any Governmental Authority, required in connection with the referenced matter.

“Appurtenances” has the meaning set forth in Section 3.1(a)(iii).

“CDFW” means California Department of Fish and Wildlife.

“Claim(s)” has the meaning set forth in Section 10.3.

“Closing” has the meaning set forth in Section 4.1.

“Closing Conditions” means the conditions precedent to Closing set forth in Sections 4.2 and 4.3.

“Closing Date” has the meaning set forth in Section 4.1.

“CWA” has the meaning set forth in the definition of Environmental Laws.

“Decommissioned Property” means property to be removed from the Real Property in connection with Decommissioning under the KHSa and identified on Schedule 3.1(b)(i).

“Decommissioning” has the meaning ascribed to such term in the KHSA.

“Definite Plan” has the meaning ascribed to such term in the KHSA. References in this Agreement to the Definite Plan include reference to any modifications pursuant to any Removal Permits, the Surrender Order, or otherwise occurring.

“Effect” has the meaning set forth in the definition of Material Adverse Effect.

“Effective Date” means the date stated above, as of which the parties have entered into this Agreement.

“Encumbrance” means any lien, pledge, security interest, charge, claim, restriction, lease, license, easement, restriction, right of way or other encumbrance of any type whatsoever.

“Environmental Law(s)” means all Legal Requirements relating to pollution, the protection of the environment or drinking or domestic water supply, including but not limited to laws relating to safe drinking water, emissions, discharges, releases or threatened releases of Hazardous Materials into ambient air, surface water, ground water, drinking or domestic water supply, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, refinement, production, disposal, transport or handling of Hazardous Materials, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq. and otherwise (**“CERCLA”**); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901-6901, et seq. and otherwise (**“RCRA”**); the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq. (**“FWPCA”**); the Hazardous Materials Transportation Act, 49 U.S.C. § 5101; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. § 11001 et seq. (**“EPCRA”**); the Atomic Energy Act, 42 U.S.C. § 2014-2014, et seq.; the Endangered Species Act, 16 U.S.C. § 1531 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq. (**“FIFRA”**); the Clean Air Act, 42 U.S.C. § 7401-7401, et seq. (**“CAA”**); the Clean Water Act, 33 U.S.C. §§ 1251 et seq. (**“CWA”**); and their state analogs, state counterparts, and other state laws, regulations, statutes and common law relating to protection of human health and the environment.

“Equipment” has the meaning set forth in Section 3.1(a)(v).

“Excluded Property” has the meaning set forth in Section 3.1(b).

“Facilities Handover Procedure” has the meaning set forth in Section 6.1(g).

“Facilities Removal” has the meaning set forth in the KHSA.

“Facility” and **“Facilities”** have the meanings ascribed to such terms in the KHSA.

“Fall Creek Lease” means the lease of the Fall Creek Property substantially in the form attached as Exhibit D.

“Fall Creek Premises” means the land to be demised under the Fall Creek Lease and described in Exhibit E.

“Fall Creek Property” means the leasehold interest in the Fall Creek Premises, and any improvements, structures, equipment or appurtenances demised to KRRC or otherwise provided for under the Fall Creek Lease.

“FERC” means the Federal Energy Regulatory Commission.

“FERC License” means License No. P-14803 or such other license as may be issued by FERC relating to the Lower Klamath Project.

“FERC License Transfer Instruments” means such documents and instruments as are necessary to evidence KRRC’s acceptance of the FERC License.

“Governmental Authority” means any federal, state or local governmental entity, any subdivision thereof, or any Native American Tribe, exercising any executive, legislative, judicial, regulatory, administrative or other governmental function with respect to the Property or any Person, as applicable.

“Hatchery Operation Agreement” has the meaning set forth in Section 4.2(h).

“Hazardous Materials” means asbestos or any substance containing asbestos, polychlorinated biphenyls (“PCB”), PCB contaminated material, including, but not limited to, PCB contaminated electrical equipment as defined in 40 C.F.R. 761.3, lead, lead in the form of lead based paint materials or paint with lead (“LBP”), flammable explosives, radioactive materials, petroleum, petroleum fractions, petroleum constituents, petroleum distillates, chemicals known to cause cancer or reproductive toxicity or that pose a risk to human health or safety or the environment or that are regulated under Environmental Law, pollutants, effluents, residues, contaminants, emissions or related materials, natural gas liquids, and any items defined or regulated as “hazardous waste,” “hazardous materials,” “hazardous substances,” “toxic waste,” “toxic materials,” or “toxic substances” or words of similar import, all under any applicable Environmental Law. The term “Hazardous Materials” shall not include items that are “household hazardous waste” including chemicals, lubricants, refrigerants, household supplies, materials for common residential purposes, and other substances kept in amounts typical for, and used as, standard janitorial supplies, office supplies, and the like in connection with the routine maintenance and operation of facilities similar to the Premises, to the extent kept, used, and maintained in a manner consistent with their intended uses and in compliance with Environmental Law.

“**IGH**” has the meaning set forth in Section 2.1(c).

“**Improvements**” has the meaning set forth in Section 3.1(a)(iv).

“**Intangibles**” has the meaning set forth in Section 3.1(a)(vii).

“**Keno Land**” means the property described in Exhibit I.

“**KHSA**” has the meaning set forth in the Recitals.

“**KRRC Easement Properties**” has the meaning set forth in Section 11.5.

“**KRRC Temporary Construction Easements**” have the meaning set forth in Section 11.5.

“**Laws**” means laws (including common law), statutes, codes, treaties, orders, rules, regulations, ordinances, requirements, judgments, orders, decrees or determinations of any Governmental Authority, including the Americans with Disabilities Act of 1990, in each case as in effect at the time of reference.

“**Legal Requirement(s)**” means, (i) with reference to any Person (A) the articles of organization, operating agreement, certificate of incorporation and by-laws or partnership agreement, certificate of limited partnership or other organizational or governing documents of such Person, and (B) any Laws applicable to or binding upon such Person or its property (to the extent thereby affecting the Project Property); and (ii) with reference to the Project Property (A) any Laws applicable to or binding upon the Project Property, any appurtenance thereto, or the use or manner of use thereof, including without limitation (1) any applicable environmental, ecological, zoning, building, landmark, subdivision and land use Laws, (2) the requirements, terms or conditions of any Approvals of any Governmental Authority, and (3) the terms, conditions and requirements of any easement, restrictive declaration or other encumbrance upon the Project Property, and (B) the orders, rules and regulations of the Board of Fire Underwriters or any body now or hereafter performing similar functions. “Legal Requirements” shall not include any law, regulation or requirement that is inapplicable to any Person, the Project Property, its operation, or any activities relating to the Project Property or Facilities Removal as a result of pre-emption by FERC jurisdiction or otherwise.

“**Liabilities**” means liabilities or obligations of any type or nature, including any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, whether known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured.

“**Lower Klamath Project**” means the four hydroelectric generating developments (J.C. Boyle, Copco No. 1, Copco No. 2 and Iron Gate) and

associated lands to be transferred from PacifiCorp to KRRC under the KHSa, including lands referred to in the KHSa as Parcel B lands.

“Material Adverse Effect” means any state of facts, circumstance, condition, event, occurrence, result or effect (each, an **“Effect”**) that, individually or in combination with any other Effect, is or would reasonably be expected to become materially adverse to the ability of the applicable party to perform their obligations under this Agreement, applicable Laws, any Permit or the KHSa.

“NMFS-PacifiCorp Implementing Agreement” means the Implementing Agreement between PacifiCorp and the National Marine Fisheries Service, dated February 24, 2012.

“O&M Agreement” means the Operations and Maintenance Agreement, dated September 20, 2017, between KRRC and PacifiCorp.

“Occupied Third-Party Premises” has the meaning set forth in Section 3(a)(ii).

“Operating Permits” has the meaning set forth in Section 3.1(a)(vi).

“PacifiCorp Easement Properties” has the meaning set forth in Section 11.2(a).

“PacifiCorp Easements” has the meaning set forth in Section 11.1.

“Parcel B Land” has the meaning set forth in Section 3.1(a)(i).

“Permits” means the Removal Permits and the Operating Permits.

“Permitted Encumbrances” means the matters set forth on Exhibit B.

“Person” means natural persons, corporations, companies, partnerships, limited liability companies, trusts, associations, public bodies, joint ventures and similar entities, including Governmental Authorities.

“Personal Property” means all property to be transferred to KRRC under this Agreement that is not Real Property.

“Pole Attachment(s)” means a third party’s installation or maintenance of a pole or similar structure to support utility lines (including for telecommunications) and related equipment on the Real Property or a third party’s installation or maintenance of utility lines (including for telecommunications) and related equipment on poles or similar structures owned or maintained by PacifiCorp.

“Pole Attachment Agreement(s)” means an agreement with a third party that authorizes a Pole Attachment.

“Post-Closing Environmental Resolution Agreement” has the meaning set forth in Section 3.5(c).

“Pre-Existing Environmental Condition” means (a) means the conditions identified in Exhibit C, and (b) any condition or circumstance relating to Hazardous Materials arising after the effective date of Exhibit C and prior to the Closing Date that results in or could reasonably be expected to result in Liability to an owner of the Property unless caused by KRRC or its contractors or subcontractors of any tier.

“Project Property” has the meaning set forth in Section 3.1(a)(vii).

“Real Property” has the meaning set forth in Section 3.1(a)(iv).

“Records” has the meaning set forth in Section 3.1(a)(vii).

“Removal Permit(s)” means the federal, state or local approvals, consents, permits or licenses as may be required or appropriate to implement the Definite Plan. “Removal Permit” does not include reference to the Surrender Order.

“Retained Environmental Obligations” has the meaning set forth in Section 3.5

“Retained Facilities” has the meaning set forth in Section D.1 of Exhibit H-1.

“Service Contract(s)” means contracts, agreements and other arrangements between PacifiCorp and any third parties (including any Governmental Authorities) relating to services to be performed or goods or materials to be provided in connection with the Property, including construction contracts and subcontracts, maintenance contracts, consulting agreements, utility agreements, supply agreements, road maintenance agreements and other agreements that affect or relate to the Property, provided that Service Contracts shall not include any such contracts or agreements that relate solely to the PacifiCorp Easements.

“State(s)” means the State of California and/or the State of Oregon, as the context requires.

“Surrender Order” means an order authorizing the surrender of the FERC License on terms and conditions consistent with the KHSa, the Definite Plan and otherwise reasonably acceptable to KRRC.

“Termination Event” means the occurrence of any of the following:

- (i) FERC has denied in any material respect the joint application of KRRC, the States and PacifiCorp for the Transfer Order submitted pursuant to the MOA;
- (ii) FERC has denied in any material respect the amended application for the Surrender Order submitted by KRRC and PacifiCorp pursuant to the MOA;

- (iii) Any Removal Permit has been denied notwithstanding good faith efforts to obtain it, or has been issued on terms unacceptable to KRRC;
- (iv) The KHSA has been terminated;
- (v) KRRC has been delayed in its prosecution of Facilities Removal by any legally effective injunction, order, or stay, including a stay of any FERC order or Removal Permit, or by any other litigation rendering it impossible, as a legal matter, or impractical, applying commercially reasonable standards, for KRRC to proceed with and complete Facilities Removal in accordance with the Definite Plan;
- (vi) The occurrence or pendency of any proceedings under Section 8.6 or 8.7 of the KHSA or the occurrence of any event or circumstance described in Section 8.11 of the KHSA rendering it, in any such case, impossible or impractical, applying commercially reasonable standards, for KRRC to proceed with and complete Facilities Removal in accordance with the Definite Plan;
- (vii) The occurrence or pendency of any change in applicable Legal Requirements rendering it impossible or impractical, applying commercially reasonable standards, for KRRC to proceed with Facilities Removal in accordance with the Definite Plan;
- (viii) A lapse, reversion, expiration or termination of any material portion of KRRC's funding rendering it impossible or impractical, applying commercially reasonable standards, for KRRC to proceed with Facilities Removal in accordance with the Definite Plan;
- (ix) The O&M Agreement has terminated for any reason other than terminations provided for in Section 3.2 thereof;
- (x) PacifiCorp is in material default of its funding obligations under the KHSA;
- (xi) KRRC is unable to enter into a contract or contracts for Facilities Removal in accordance with the Definite Plan with qualified contractors at a cost that is within the funding available to KRRC for Facilities Removal;
- (xii) The occurrence of any other matter or circumstance rendering it impossible or impractical, applying commercially reasonable standards, for KRRC to proceed with Facilities Removal in accordance with the Definite Plan;

- (xiii) A casualty rendering it impossible or impractical, applying commercially reasonable standards, for KRRC to proceed with Facilities Removal in accordance with the Definite Plan;
- (xiv) Any public utility commission with jurisdiction over PacifiCorp has, by final and unappealable action, declined to issue an order that allows PacifiCorp to transfer the Property in accordance with this Agreement; or
- (xv) The failure of National Marine Fisheries Service to approve the modification, transfer, or assignment of the Property pursuant to the NMFS-PacifiCorp Implementing Agreement on terms satisfactory to both KRRC and PacifiCorp.

“Title Company” means Stewart Title Insurance Company or such other title insurance company selected by KRRC that is licensed in California or Oregon, as applicable.

“Title Objections” has the meaning set forth in Section 3.2(b).

“Title Searches” has the meaning set forth in Section 3.2(b).

“Transaction(s)” has the meaning set forth in Section 2.1(a).

“Transfer Order” means an order authorizing the transfer of the FERC License from PacifiCorp to KRRC and the States.

“Tribal Cultural Inventory” means the materials listed in Section 9 of Appendix L to the Definite Plan.

“Tribal Cultural Resources” has the meaning ascribed to such term under applicable Laws.

“Use and Possession Agreements” has the meaning set forth in Section 3.1(a)(ii).

Section 1.2. Construction. Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Agreement:

(a) Words importing the singular number include the plural number and vice versa.

(b) Words importing the feminine, masculine and neuter genders each include correlative words of the other genders.

(c) All references to particular articles or sections without reference to a specific document are references to articles or sections of this Agreement.

(d) The captions and headings in this Agreement are solely for convenience of reference and neither constitute a part of this Agreement nor affect its meaning, construction or effect.

(e) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement in its entirety and not the particular article or section of this Agreement in which they appear. The term “hereafter” means after, and the term “heretofore” means before, the date of this Agreement.

(f) The word “including” and words of similar import mean “including but not limited to.”

(g) Except where this Agreement expressly provides for a different standard, any approvals, consents and acceptances required to be given or made by any person or party hereunder may be granted or withheld in the sole and absolute discretion of the person or party whose approval, consent or acceptance is required. For purposes of the forgoing “acceptance” includes a party’s confirmation that a document required to be delivered to such party or a state of affairs required by such party to exist is acceptable to such party.

(h) All references in this Agreement to any Laws mean such Laws as they may be amended and in effect at the time of reference.

(i) All references in this Agreement to any other document, agreement or instrument mean such document, agreement or instrument as it may be amended, modified, supplemented or restated.

(j) All exhibits, attachments and appendices to this Agreement, including any amendments and supplements thereto, are hereby incorporated into and made a part of this Agreement.

SECTION 2. THE TRANSACTIONS; TERM OF AGREEMENT

Section 2.1. Purpose of Agreement.

(a) This Agreement establishes the procedures, terms and conditions under which the parties agree to implement the KHSa relating to PacifiCorp’s transfer of the Parcel B Land and other property to KRRC so that KRRC, along with the States, can accept the FERC License and KRRC can thereafter carry out Facilities Removal. The transfers will be effectuated through the transfer of the Parcel B Land and other Facilities-related property as described more particularly below (the “**Property Transfer**”). The parties also wish to memorialize certain agreements regarding IGH, the currently inactive hatchery facilities at Fall Creek, and the Keno Lands, including (i) the transfer of IGH to KRRC rather than the State of California, (ii) the leasing of the currently inactive hatchery facility at Fall Creek to KRRC in anticipation of its renovation by KRRC and assignment to the State of California for operation (the “**Fall Creek Transaction**”), and (iii) the exclusion of the Keno Land from the Property Transfer in anticipation of its transfer by PacifiCorp directly to the State of Oregon, all as described below. The Property Transfer and the Fall Creek Transaction are each referred to as a “**Transaction**” and are referred to collectively as the “**Transactions**”.

(b) The Property Transfer shall consist of the following matters, all as set forth more particularly in this Agreement:

(i) PacifiCorp will:

- (A) transfer to KRRC fee title to the Parcel B Land and all of its right, title and interests in all other Project Property, subject to a reservation of the PacifiCorp Easements;
- (B) deliver possession of the Project Property to KRRC in the condition required under this Agreement; and
- (C) grant to KRRC certain temporary easements over non-Parcel B Land to facilitate certain aspects of Facilities Removal.

(ii) KRRC will:

- (A) accept title to and possession of the Project Property, and
- (B) along with the State of California and the State of Oregon as provided in the MOA, accept the FERC License.

(c) The parties acknowledge that the Iron Gate Fish Hatchery (“**IGH**”) is subject to the FERC License and that hatchery operations will be necessary following Facilities Removal. The parties acknowledge further that Section 7.6.6 of the KHSA contemplates transfer of IGH to the State of California at the time the Parcel B Lands are transferred to KRRC, or at such other time as the parties may agree. As recited above, the parties also acknowledge that the State of California has agreed to a transfer of IGH to KRRC prior to its transfer to the State of California. Accordingly, the parties acknowledge that the transfer of the Parcel B Land will include all of PacifiCorp’s interests in IGH. Pursuant to the Hatchery Operation Agreement, CDFW will continue to operate IGH following the transfer of ownership of the IGH Property to KRRC. Notwithstanding the continuation of CDFW’s operations, however, KRRC shall not be liable to CDFW for any amounts incurred or matters arising prior to Closing, all of which shall remain PacifiCorp’s responsibility. In addition, the parties agree that PacifiCorp and KRRC will enter into the Fall Creek Lease and that PacifiCorp will deliver, and KRRC will accept, possession of the Fall Creek Premises in the condition required under this Agreement. Following completion of the improvements to the Fall Creek Premises provided for under the Fall Creek Lease, KRRC will assign the Fall Creek Lease to CDFW.

(d) The parties acknowledge that while the Keno Land is designated as part of the “Parcel B land” under the KHSA, it is not material to Facilities Removal. Accordingly, the parties have agreed to exclude it from the Property Transfer and have entered into a memorandum of understanding with the State of Oregon that contemplates a direct transfer of the Keno Land by PacifiCorp to the State of Oregon at a time expected to be not later than when the Keno Land would be transferred to the State of Oregon by KRRC if it were to take title to the Keno Land under this Agreement. KRRC shall have no obligations under this Agreement in connection with the transfer of the Keno Land to the State of Oregon.

Section 2.2. Agreement to Perform Transactions. PacifiCorp and KRRC each agrees to carry out the Transactions in accordance with and subject to the terms and conditions of this Agreement.

Section 2.3. Term of Agreement. This Agreement is effective as of the Effective Date and shall terminate upon the sooner to occur of:

- (a) the Closing; or
- (b) termination of this Agreement by either party following the occurrence of a Termination Event in accordance with Section 14.3.

SECTION 3. THE PROPERTY

Section 3.1. The Project Property.

(a) For purposes of this Agreement the “**Project Property**” consists of the following, subject to Subsection 3.1(b);

- (i) Fee simple title to the approximately 8,000 acres of real property located in Klamath County, Oregon and Siskiyou County, California, referred to as “Parcel B property” in Section 7.6.1 of the KHSa and more particularly described in Exhibit A, including IGH but not including the Keno Land (the “**Parcel B Land**”); and
- (ii) All leases, licenses or other rights of use or occupancy (“**Use and Possession Agreements**”) relating to any land owned by any Person other than PacifiCorp but leased to or otherwise occupied or used by PacifiCorp or any of its Affiliates in connection with the ownership or operation of the Facilities, including the following at the J.C. Boyle hydroelectric facility:
 - (A) property leased from the State of Oregon;
 - (B) submerged lands; and
 - (C) portions of the J.C. Boyle hydroelectric facility located on property owned by the United States of America (individually and collectively, as applicable, “**Occupied Third-Party Premises**”);
- (iii) All easements, rights of way, licenses, privileges, strips, gores, rights and interests of any kind (including water, timber and mineral rights) appurtenant to or otherwise relating to the Parcel B Land, any Occupied Third-Party Premises or any Facilities (the “**Appurtenances**”);

- (iv) All buildings, improvements, structures, utility infrastructure, and fixtures located on the Parcel B Land or, to the extent of PacifiCorp's interest, located on Occupied Third-Party Premises or on any Appurtenances (the "**Improvements**"; the Parcel B Land, Occupied Third-Party Premises, Appurtenances, and Improvements are referred to collectively as the "**Real Property**");
- (v) All equipment, machinery, building systems, trade fixtures and other personal property located on the Parcel B Land or, to the extent of PacifiCorp's interest, located on Occupied Third-Party Premises or any Appurtenances (the "**Equipment**");
- (vi) All licenses, certificates, authorizations, registrations, permits, consents and approvals called for by any Legal Requirement in connection with (i) the ownership, occupancy, use, maintenance or operation of any Real Property or Equipment as presently operated or as contemplated under the O&M Agreement or the KHSA (the "**Operating Permits**"), provided, however, that "Operating Permits" do not include the Removal Permits; and
- (vii) All books, records, data, manuals, plans, specifications, manuals, Service Contracts and similar materials relating to the use, operation or ownership of the Real Property or the Equipment (the "**Records**") required to be delivered pursuant to Section 4.4(bb), and any other personal or intangible property relating to the Real Property (the "**Intangibles**"; the Intangibles along with the Real Property, Equipment, Records and Operating Permits are referred to collectively as the "**Project Property**").

(b) Notwithstanding anything to the contrary in subsection 3.1(a), the Project Property does not include the following (the "**Excluded Property**"):

- (i) Decommissioned Property;
- (ii) Retained Facilities; and
- (iii) The easement interests in the Real Property reserved under the PacifiCorp Easements.

Section 3.2. Title Matters.

(a) At the Closing PacifiCorp must deliver, and KRRC must accept, such state of title to the Real Property as the Title Company is willing to insure without special premium pursuant to a standard extended coverage owner's title policy insuring that fee simple title to the Parcel B Land, along with the related rights to all Appurtenances and Improvements, is vested in KRRC free and clear of all Encumbrances except for Permitted Encumbrances.

(b) KRRC has engaged the Title Company and KPFF to conduct title searches and surveys of the Parcel B Land, the cost of which shall be shared equally by PacifiCorp and KRRC (the “**Title Searches**”) and has furnished copies of the Title Searches to PacifiCorp and the States. PacifiCorp acknowledges that all matters set forth in the Title Searches, including any updates thereof, that are not listed as Permitted Encumbrances (“**Title Objections**”) must be removed as encumbrances upon the Real Property at or prior to Closing or, if removal of any Title Objections is not possible using PacifiCorp’s best efforts, PacifiCorp shall cause such Title Objections to be bonded or otherwise addressed in a manner acceptable to KRRC. KRRC shall promptly deliver to PacifiCorp any Title Search updates along with a notice stating which, if any matters shown in such updates are Title Objections.

(c) PacifiCorp may, at its sole cost, purchase a joint protection title insurance policy to the extent available.

Section 3.3. Property Condition.

(a) The Project Property and the Fall Creek Premises shall be delivered to KRRC at Closing in safe condition and in compliance with applicable Legal Requirements, including the FERC License, and otherwise in substantially the same condition as on the Effective Date, subject to Section 3.5.

(b) The parties acknowledge that, pursuant to the KHSA, KRRC will undertake Facilities Removal and implement the Definite Plan, and that, subject to PacifiCorp’s compliance with its obligations under the O&M Agreement, KRRC will be responsible for all physical conditions at the Real Property covered by the Definite Plan. The parties further acknowledge, however, that Pre-Existing Environmental Conditions are not KRRC’s responsibility. Accordingly, PacifiCorp shall deliver the Project Property to KRRC free of any Pre-Existing Environmental Conditions except as expressly provided for in Section 3.5.

Section 3.4. Diligence/Inspections. PacifiCorp will cooperate with KRRC in conducting such further diligence regarding the Project Property and the Fall Creek Premises as KRRC may determine to be necessary, including continued reasonable access under mutually agreeable terms and consistent with current practices.

Section 3.5. Environmental Matters.

(a) PacifiCorp shall cause all Pre-Existing Environmental Conditions to be resolved, at its sole cost and expense, to the reasonable satisfaction of KRRC in consultation with the respective States. Such reasonable satisfaction shall be documented in a mutually agreeable form acceptable to the States.

(b) In discharging its obligations under this Section 3.5 and prior to commencing any activity to implement its proposed resolution of a condition, PacifiCorp shall provide to KRRC and the States, as to each Pre-Existing Environmental Condition, a written report containing a reasonably detailed description of:

(i) its efforts to assess the scope of the condition,

- (ii) the results of such efforts,
- (iii) its proposed approach to resolving the condition,
- (iv) the legal and regulatory requirements applicable to the condition and the compliance of the proposed approach with such requirements, including any regulatory approvals required to be obtained,
- (v) any obligations or limitations relating to such approach that would survive the proposed resolution, including monitoring or institutional controls, and any effect they would have on the design or implementation of the Definite Plan and on the prospective uses of the Real Property following Facilities Removal as anticipated by the KHSa, and
- (vi) PacifiCorp's proposed schedule for performing any work, making any required regulatory filings, and receiving any required regulatory approvals.

PacifiCorp shall update such reports from time to time so that they remain accurate, shall promptly notify KRRC and the States of any Pre-Existing Environmental Conditions arising subsequent to the effective date of Exhibit C, and shall generally keep the States and KRRC apprised of its progress. KRRC and the States shall have the right to observe and inspect any remediation work and to review any lab results. In the event KRRC or the States reasonably requests any additional information from time to time or notifies PacifiCorp of any objections or concerns regarding any report, including its completeness or the proposed resolution of a condition, PacifiCorp shall address such request, objection or concern to the reasonable satisfaction of KRRC and the States. No Pre-Existing Environmental Conditions shall be resolved in a way that would (i) impose any subsequent obligation or limitation on KRRC or that would materially adversely affect the design or implementation of the Definite Plan without the prior written consent of KRRC, or (ii) impose any subsequent obligation or limitation upon the States or the prospective uses of the Real Property following Facilities Removal as anticipated by the KHSa without the prior written consent of the States.

(c) Except as expressly provided in subsection (d) below, PacifiCorp shall cause all Pre-Existing Environmental Conditions to be resolved in accordance with this Section 3.5 prior to transfer of the FERC License. Not later than sixty (60) days prior to the scheduled transfer of the FERC License PacifiCorp shall provide KRRC and the States with a report on the status of its efforts to resolve the Pre-Existing Environmental Conditions. To the extent that any Pre-Existing Environmental Condition is not susceptible to resolution prior to transfer of the FERC License such report shall describe why it was not able to be cost-effectively resolved prior to transfer of the FERC License, what further actions must be taken or circumstances must occur in order to permit cost-effective resolution, and when PacifiCorp reasonably anticipates being able to cause its resolution to occur.

(d) At Closing PacifiCorp shall enter into an agreement with KRRC and the States in the form set forth in Exhibit F (the “**Post-Closing Environmental Resolution Agreement**”) with respect to all Pre-Existing Environmental Conditions not resolved in accordance with this Section 3.5 as of Closing (“**Retained Environmental Obligations**”).

SECTION 4. CLOSING

Section 4.1. The Closing

(a) The closing of the Transactions (the “**Closing**”) shall occur upon the satisfaction by the parties of their respective obligations under Sections 4.4 and 4.5, except for any such obligations that have been waived in writing by the other party.

(b) The Closing shall take place on or about the date that is thirty (30) days after the Closing Conditions have been satisfied or waived in writing, or such other date and time as shall be mutually satisfactory to the parties. The date of the Closing is referred to as the “**Closing Date**.”

(c) The Closing shall be administered in escrow by the Title Company through its offices, or those of its affiliate, in Portland, Oregon. The parties shall share equally the cost of such escrow services, if any.

(d) If the Title Company is unable or unwilling to provide escrow closing services, or if the parties agree not to close in escrow, then the Closing shall take place at 10:00 am on the Closing Date at the offices of Hawkins Delafield & Wood LLP in Portland, Oregon or such other location as the parties may agree.

Section 4.2. Conditions Precedent to KRRC’s Closing Obligations. KRRC’s obligations under this Agreement in respect of the Closing are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent, any of which may be waived by KRRC in its sole and absolute discretion:

(a) All representations and warranties of PacifiCorp under this Agreement are true, complete and correct in all material respects as if made on the Closing Date.

(b) PacifiCorp has performed and complied with all agreements and conditions required by this Agreement to be performed or complied with prior to or at the Closing and KRRC has been furnished with a certificate or certificates of PacifiCorp dated the Closing Date, signed by an officer of PacifiCorp acceptable to KRRC certifying, in such detail as KRRC may reasonably request, to the fulfillment of the foregoing condition.

(c) The KHSa is in full force and effect and no proceeding under Section 8.6 or 8.7 thereof is pending, nor has any event described in Section 8.11 thereof, or that could otherwise result in a termination of the KHSa, occurred and be continuing uncured or unwaived.

(d) FERC has issued a Transfer Order and a Surrender Order and (i) the Surrender Order has not been rejected in accordance with Section 3(c) of the MOA within thirty

(30) days of its issuance, and (ii) the Transfer Order and the Surrender Order are final and non-appealable.

(e) The conditions set forth in the MOA implementing Sections 7.1.4 of the KHSA have been satisfied;

(f) The O&M Agreement is in full force and effect.

(g) No Termination Event has occurred and is continuing.

(h) KRRC has entered into an agreement with CDFW providing for the operation of the Fall Creek Property and/or such other hatchery operations as may be required under the FERC License, Transfer Order, Surrender Order or any Removal Permit (the **“Hatchery Operation Agreement”**).

(i) KRRC has entered into one or more contracts for Facilities Removal with a fixed price, guaranteed maximum price or other definitive pricing in amounts consistent with the Definite Plan and within the funding available to KRRC.

(j) PacifiCorp has delivered such surveys, maps and other materials as may be required under Section 11.4 of this Agreement.

(k) PacifiCorp has obtained and delivered to KRRC copies of such instruments, agreements, consents and approvals (including any approvals from any Governmental Authorities) as may be required to transfer its interest in any Project Property, or to lease the Fall Creek Premises, to KRRC, such that following the Closing all property rights and rights of access necessary to own and operate the Facilities, implement the Definite Plan and otherwise comply with the KHSA, the Transfer Order, the Surrender Order and the Removal Permits have been documented to KRRC’s reasonable satisfaction;

(l) KRRC has acquired such Additional Property Interests as it has determined to be necessary or convenient for implementing the Definite Plan and complying with the Transfer Order, the Surrender Order and the Removal Permits.

(m) PacifiCorp and the Project Property are in compliance with the terms of the FERC License.

(n) KRRC has entered into agreements with the State of California and the State of Oregon with respect to post-Facilities Removal transfers of the Property.

(o) NMFS has approved the transfer of the Property under the NMFS-PacifiCorp Implementing Agreement on terms acceptable to KRRC.

(p) PacifiCorp has delivered to KRRC copies of its notice to each counterparty under a Pole Attachment Agreement informing them of the transfer of the Real Property and of the need to seek permission for access from KRRC as of the Closing Date.

Section 4.3. Conditions Precedent to PacifiCorp's Closing Obligations. PacifiCorp's obligations under this Agreement in respect of the Closing are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent, any of which may be waived by PacifiCorp in its sole and absolute discretion:

(a) All representations and warranties of KRRC under this Agreement shall be true, complete and correct in all material respects as if made on the Closing Date.

(b) KRRC has performed and complied with all agreements and conditions required by this Agreement to be performed or complied with prior to or at the Closing and PacifiCorp has been furnished with a certificate or certificates of KRRC, dated the Closing Date, signed by the Chief Executive Officer or Chief Operating Officer of KRRC, certifying, in such detail as PacifiCorp may reasonably request, to the fulfillment of the foregoing condition.

(c) The KHSa is in full force and effect and there shall not be pending any proceeding under Section 8.6 or 8.7 thereof, nor shall any event described in Section 8.11 thereof, or that could otherwise result in a termination of the KHSa, have occurred and be continuing uncured or unwaived.

(d) FERC has issued a Transfer Order and a Surrender Order and (i) the Surrender Order has not been rejected in accordance with Section 3(c) of the MOA within thirty (30) days of its issuance, and (ii) the Transfer Order and the Surrender Order are final and non-appealable.

(e) PacifiCorp has received such approvals of the Transactions, if any, as are legally required from the Oregon Public Utility Commission, the California Public Utilities Commission, the Wyoming Public Service Commission, the Idaho Public Service Commission and such other public utility commissions and Governmental Authorities as have jurisdiction over PacifiCorp or the Property, provided that any conditions to the effectiveness of each such approval are acceptable to PacifiCorp.

(f) PacifiCorp has concurred, pursuant to Section 7.4.2 of the KHSa, that the conditions stated therein have been fulfilled.

(g) NMFS has approved the transfer of the Property under the NMFS-PacifiCorp Implementing Agreement on terms acceptable to PacifiCorp.

Section 4.4. PacifiCorp's Closing Deliveries. At the Closing, subject to the terms and conditions contained in this Agreement, PacifiCorp will deliver to KRRC the following:

(a) Evidence acceptable to KRRC that PacifiCorp has taken such corporate measures as are necessary to authorize the execution and delivery of the deeds to the Parcel B Land, the assignment of the Use and Possession Agreements, the execution and delivery of the Fall Creek Lease and the execution and delivery of all other agreements, instruments, and other documents to be executed and delivered by PacifiCorp at the Closing pursuant to this Agreement;

(b) One or more fully executed grant deeds to the Parcel B Land located in California, with the PacifiCorp Easements reserved, in recordable form and otherwise acceptable to KRRC;

(c) One or more fully executed KRRC Temporary Construction Easements covering the KRRC Easement Properties in the State of California, in recordable form and otherwise acceptable to KRRC;

(d) Such accompanying executed reports, returns, affidavits and other documents as are necessary to record the deeds and KRRC Temporary Construction Easements in California;

(e) One or more fully executed bargain and sale deeds to the Parcel B Land located in Oregon, with the PacifiCorp Easements reserved, in recordable form and otherwise acceptable to KRRC;

(f) One or more fully executed KRRC Temporary Construction Easements covering the KRRC Easement Properties in the State of Oregon, in recordable form and otherwise acceptable to KRRC;

(g) Such accompanying executed reports, returns, affidavits and other documents as are necessary to record the deeds and KRRC Temporary Construction Easements in Oregon;

(h) An executed assignment of all Use and Possession Agreements and Appurtenances in the form attached as Exhibit G, along with evidence of any required consent to such assignments;

(i) Such accompanying executed reports, returns, affidavits and other documents as are necessary to record the assignment in California;

(j) Such accompanying executed reports, returns, affidavits and other documents as are necessary to record the assignment in Oregon;

(k) Such other executed instruments, documents, affidavits, and certificates necessary for the Title Company to issue to KRRC title insurance policies for the Real Property with extended coverage except for Permitted Encumbrances and sufficient to eliminate any exceptions to coverage for mechanics liens;

(l) An executed bill of sale for all Personal Property;

(m) An executed assignment and assumption of any of any Service Contracts KRRC elects to accept in a form acceptable to KRRC;

(n) An executed FIRPTA Affidavit;

(o) To the extent not already provided to KRRC, Operating Permits, keys, security codes and other items necessary to afford KRRC full access to the Project Property and the Fall Creek Premises,

(p) To the extent required under Article 11, maps, diagrams and other materials, including surveys that have been stamped and certified to KRRC, the State of California, the State of Oregon and the Title Company by a duly licensed surveyor and that is otherwise acceptable to KRRC;

(q) Two (2) original executed counterparts of the Fall Creek Lease that have been executed by PacifiCorp;

(r) Three (3) original executed counterparts of the Post-Closing Environmental Resolution Agreement that have been executed by PacifiCorp;

(s) Possession of the Project Property and the Fall Creek Premises, vacant and free of any occupants or rights of occupancy or possession, except as permitted under this Agreement or the O&M Agreement, and in the condition required under this Agreement;

(t) A written statement certifying that the O&M Agreement is in full force and effect and that neither PacifiCorp nor KRRC is in default thereunder nor has any event, condition or circumstance occurred that, with the giving of notice and/or the passage of time, would constitute a default thereunder.

(u) Such other executed instruments, documents or certificates required under the terms of this Agreement or otherwise necessary to effectuate the terms of this Agreement relating to the Closing;

(v) Any net amount due to KRRC in respect of apportionments pursuant to Section 4.7 below;

(w) Payment of any transfer taxes, tax withholdings or other amounts payable by a seller pursuant to law or local custom;

(x) Payment of all recording charges (including the Title Company service fee) for recording each of the deeds;

(y) Payment of all other amounts then due to KRRC under this Agreement;

(z) The Certificate required under Section 7.3;

(aa) Evidence of the insurance required under the O&M Agreement; and

(bb) Such Records as KRRC and the States are obligated to have under the FERC License or as they reasonably request, provided that PacifiCorp shall have the right to retain such copies as it reasonably requires to comply with all Legal Requirements relating to records retention.

Section 4.5. KRRC's Closing Deliveries. At the Closing, subject to the terms and conditions contained in this Agreement, KRRC shall deliver to PacifiCorp the following:

(a) A resolution of the board of directors of KRRC, certified by the secretary of KRRC, authorizing the execution and delivery of the Fall Creek Lease and all other agreements, instruments, and other documents to be executed and delivered at the Closing by KRRC;

(b) One or more fully executed KRRC Temporary Construction Easements covering the KRRC Easement Properties in the State of California, in recordable form and otherwise acceptable to KRRC;

(c) One or more fully executed KRRC Temporary Construction Easements covering the KRRC Easement Properties in the State of Oregon, in recordable form and otherwise acceptable to KRRC;

(d) An executed acceptance of PacifiCorp's assignment of all Use and Possession Agreements and all Appurtenances in the form attached as Exhibit G;

(e) An executed assignment and assumption of any of the Service Contracts that KRRC elects to accept in a form acceptable to KRRC;

(f) Two (2) original counterparts of the Fall Creek Lease that have been executed by KRRC;

(g) Three (3) original executed counterparts of the Post-Closing Environmental Resolution Agreement that have been executed by KRRC and each of the States;

(h) Such other executed instruments, documents or certificates required under the terms of this Agreement or otherwise necessary to effectuate the terms of this Agreement relating to the Closing;

(i) Payment of any transfer taxes, tax withholdings or other amounts payable by a purchaser pursuant to law or local custom;

(j) Any net amount due to PacifiCorp in respect of apportionments pursuant to Section 4.7 below;

(k) Two (2) original executed sets of the FERC License Transfer Instruments, executed by KRRC; and

(l) The Certificate required under Section 7.5.

Section 4.6. Violations. All notes or notices of violations of Legal Requirements noted or issued prior to the Closing by any Governmental Authority having jurisdiction over the Property, and all Encumbrances resulting from any such violations, shall be removed or complied with by PacifiCorp and any fines or penalties resulting from such violations shall be paid by PacifiCorp, in each instance prior to Closing.

Section 4.7. Apportionments.

(a) Subject to PacifiCorp's obligations for certain expenses under the O&M Agreement, the following costs relating to the Property will be apportioned between PacifiCorp and KRRC at the Closing as of 11:59 p.m. on the day immediately preceding the Closing Date:

- (i) Ad valorem taxes, school taxes, assessments (general and special) and other such amounts imposed in respect of the Project Property;
- (ii) Water, sewer and other third party utility charges; and
- (iii) Other items customarily prorated at real estate closings.

(b) Any errors in computations reported within six (6) months after the Closing will be corrected. After that the apportionments made shall be final.

(c) Notwithstanding any other provision of this Agreement, KRRC shall not be responsible for apportioning any costs or expenses that are PacifiCorp's responsibility under the O&M Agreement.

Section 4.8. Further Assurances. PacifiCorp, from time to time after the Closing, at KRRC's request, will execute, acknowledge and deliver to KRRC such other instruments of conveyance and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as KRRC may reasonably request in order to vest more effectively in KRRC, or to put KRRC more fully in possession of, any of the Project Property.

SECTION 5. POST-CLOSING MATTERS

Section 5.1. Acknowledgement of Post-Closing Requirements of the KHSA. The parties acknowledge that the transfers provided for under this Agreement are being made in contemplation of certain further actions by the parties pursuant to the KHSA, including:

(a) the transfer of IGH and the Fall Creek Lease by KRRC to CDFW or such other agency or department as the State of California may direct;

(b) the transfer of the Parcel B Land, and certain related property to the State of California and the State of Oregon, as applicable, acting through such departments or agencies as they may respectively direct, or to such other parties as either such State may direct, all as provided for in Section 7.6.4 of the KHSA;

(c) the termination, reversion, lapse or abandonment of certain Use and Possession Agreements and Appurtenances following the completion of Facilities Removal; and

(d) the assignment, abandonment, surrender or revocation of certain water rights pursuant to Section 7.6.5 of the KHSA.

Section 5.2. Cooperation. The parties agree to cooperate in effectuating the post-Closing matters referenced in Section 5.1 above or otherwise relating to the Project Property and provided for in the KHSA.

Section 5.3. Compliance With Certain Agreements. Notwithstanding any assignment to, or assumption by, KRRC of the NMFS-PacifiCorp Implementation Agreement and any other agreement relating to the use or operation of the Project Property, PacifiCorp shall continue to comply with such agreements for so long as the O&M Agreement is in effect.

Section 5.4. Tax Lot Adjustments. PacifiCorp will cooperate with KRRC in timely effectuating any tax lot adjustments necessary to assure that all of the Parcel B Land is within tax lots that do not include any land that is not Parcel B Land. In the event that at Closing any Parcel B Lands are within the same tax lot as any land owned by PacifiCorp then until separate tax lots are established, and subject to PacifiCorp's responsibilities in respect of taxes under the O&M Agreement, each party shall timely pay its proportionate share of the taxes identified in clause (i) of Section 4.7(a), which shall be determined with reference to the respective acreage within such tax lot owned by each party.

Section 5.5. Coordination at Copco 2 115KV Substation. The parties acknowledge that the potential for altered river flows at the current 115 KV substation at Copco 2 following Facilities Removal will be appropriately addressed as part of implementing the Definite Plan. To the extent not resolved prior to Closing, each party agrees to timely cooperate with the other to develop a mutually acceptable plan to accomplish the foregoing so that the reliability of PacifiCorp's Retained Facilities at the substation is preserved and the implementation of the Definite Plan is supported.

SECTION 6. COVENANTS

Section 6.1. PacifiCorp Covenants.

(a) **Maintain the Property.** Prior to the Closing Date PacifiCorp will maintain the Project Property and the Fall Creek Premises substantially in their current condition and will not make any changes to the Facilities or their operation that would have a Material Adverse Effect on KRRC's implementation of the Definite Plan.

(b) **Service Contracts.** PacifiCorp shall not enter into any new Service Contracts without KRRC's prior written approval except for Service Contracts that are terminable upon not less than thirty (30) days' notice. PacifiCorp shall terminate, prior to the completion of Decommissioning, such Service Contracts as may be identified to PacifiCorp in writing by KRRC prior to Decommissioning.

(c) **Copies of Notices.** PacifiCorp shall promptly furnish to KRRC a copy of:

- (i) each notice received from any Governmental Authority relating to the Project Property or the Fall Creek Premises; and
- (ii) any notice or correspondence from any third party asserting any claim relating to the Project Property or the Fall Creek Premises,

including any claim relating to a Use and Occupancy Agreement, an Appurtenance, a Service Contract or a Pole Attachment Agreement.

(d) **Payment For Title Searches.** PacifiCorp shall promptly pay to KRRC upon demand PacifiCorp's share of the costs of the Title Searches.

(e) **Approvals.** PacifiCorp will diligently seek all Approvals not yet obtained and as may be required to authorize its transfer of the Project Property to KRRC, including Approvals from the grantor or landlord under any Use and Possession Agreements or Appurtenances, the issuer of any Operating Permits, and any other Approval set forth in Schedule 7.1(c). PacifiCorp will endeavor to obtain all such Approvals no later than one hundred eighty (180) days after the Effective Date, will keep KRRC regularly apprised of its progress, and will report on its efforts not less frequently than every ninety (90) days. In seeking the Approvals PacifiCorp shall use reasonable best efforts at its sole cost and expense. In the event that KRRC has not received all such instruments (other than approvals from any public utility commissions) within two hundred and seventy (270) days after the Effective Date, then KRRC may, but has no obligation to, seek to obtain directly such Approvals as KRRC reasonably determines are necessary to avoid any Material Adverse Effect on KRRC, in which event PacifiCorp shall reimburse KRRC for all of its costs and expenses in obtaining such Approvals, including reasonable attorneys' fees and expenses, provided that the foregoing shall not be construed as authorizing KRRC to seek any approvals from any public utility commission on PacifiCorp's behalf.

(f) **Additional Property Interests.** PacifiCorp will, upon request, provide commercially reasonable assistance to KRRC in obtaining any Additional Property Interests to the extent that such assistance does not generate a material cost to PacifiCorp and does not have a Material Adverse Effect on PacifiCorp's interest in the Retained Transmission Facilities.

(g) **Decommissioning and Facilities Handover.** PacifiCorp will timely conduct any Decommissioning in a manner that will not have a Material Adverse Effect on KRRC's ability to comply with the terms of the Surrender Order, the Removal Permits or to otherwise carry out Facilities Removal in accordance with the Definite Plan. In addition, PacifiCorp will reasonably and timely cooperate with KRRC and its contractors and subcontractors in developing handover procedures to assure a safe and efficient transfer of possession of the Project Property in anticipation of Facilities Removal (the "**Facilities Handover Procedures**"). Such procedures shall address the topics set forth on Exhibit J and such additional topics as either PacifiCorp or KRRC may reasonably require. Upon completing the Decommissioning of a Facility PacifiCorp will comply with the Facilities Handover Procedure for such Facility and will timely deliver the Facility to KRRC in a safe condition consistent with the condition contemplated by the Definite Plan and will pay all third parties that participated in Decommissioning that might otherwise have the ability to impose an Encumbrance upon the Property.

(h) **Documentation of Use and Possession Agreements and Appurtenances.** PacifiCorp shall cooperate with and provide reasonable assistance to KRRC in obtaining written instruments documenting any Use and Possession Agreements and Appurtenances for which

documentation has not been provided to KRRC as of the Effective Date, except for such Appurtenances as are inherent as a matter of law in the ownership of the benefitted real property interest or are not material to implementation of the Definite Plan, compliance with any Legal Requirements or the general use and occupancy of the Real Property.

(i) **No Further Encumbrances.** PacifiCorp shall not enter into, permit or suffer any further Encumbrance of the Project Property or the Fall Creek Premises except for Permitted Encumbrances. Without limiting the foregoing PacifiCorp acknowledges that any existing Encumbrances that terminate or expire prior to the Closing Date, including grazing leases, shall not be extended, renewed or replaced without the prior written consent of KRRC.

(j) **IGH Operation Costs.** PacifiCorp shall timely discharge its obligation to pay any costs relating to the operation of IGH that arise prior to the Closing.

(k) **Pole Attachments.** PacifiCorp shall give to each counterparty under an existing Pole Attachment Agreement the notice provided for in Section A.4 of Exhibit H-1 and shall not enter into any new Pole Attachment Agreement without KRRC's prior written approval except in compliance with Section A.4 of Exhibit H-1. In the event either party identifies a Pole Attachment that is not subject to a written Pole Attachment Agreement, it shall notify the other party and PacifiCorp shall promptly, at its sole cost and expense, either cause such Pole Attachment to be removed, or enter into a Pole Attachment Agreement with respect to such Pole Attachment and shall give to each counterparty under such new Pole Attachment Agreement the notice provided for in Section A.4 of Exhibit H-1. PacifiCorp acknowledges that KRRC will not be assuming any obligations under any Pole Attachment Agreement and agrees to comply with its obligations under each Pole Attachment Agreement such that KRRC shall not become subject to any claim or liability thereunder. Any amendment to a Pole Attachment Agreement shall be consistent with the foregoing requirements. PacifiCorp shall relocate Pole Attachments as necessary under the provisions of Section 11.3 of this Agreement.

Section 6.2. KRRC Covenants.

(a) **No Pre-Closing Modification of the Property.** Prior to the Closing KRRC will not take any action to materially alter the physical condition of the Property, except for due diligence investigations or pre-removal preparations, in each case as contemplated in the KHSa or the Definite Plan and provided that any such work does adversely affect the Facilities or violate any Legal Requirements, provided further that all such work shall be subject the PacifiCorp's review and approval which shall not be unreasonably withheld, delayed or conditioned.

(b) **Copies of Notices.** Until Decommissioning has been completed, KRRC will promptly furnish to PacifiCorp a copy of:

- (i) each notice received from any Governmental Authority relating to the Project Property; and
- (ii) any notice or correspondence from any third party asserting any claim relating to the Project Property.

(c) **Additional Property Interests.** KRRC will use commercially reasonable efforts to timely obtain all such Additional Property Interests as it determines to be necessary.

(d) **Hatchery Operation Agreement.** KRRC will use commercially reasonable efforts to timely enter into the Hatchery Operation Agreement with CDFW.

SECTION 7. REPRESENTATIONS AND WARRANTIES

Section 7.1. PacifiCorp Transactional Representations and Warranties. PacifiCorp represents, warrants and covenants to KRRC as of the date of this Agreement as follows:

(a) **Organization.** PacifiCorp is a corporation, duly formed, validly existing and in good standing under the laws of the State of Oregon and qualified to do business in the State of California.

(b) **Authorization.** PacifiCorp has full power and authority to execute and deliver this Agreement and all other instruments, agreements, certificates and documents contemplated to be executed and delivered by PacifiCorp and to consummate the Transactions. PacifiCorp has taken all action required by its organizational documents to authorize the execution and delivery of this Agreement and all other instruments, agreements, certificates and documents contemplated to be executed and delivered by PacifiCorp and to authorize the consummation of the Transactions. The President and CEO, Pacific Power, is authorized to execute and deliver this Agreement on behalf of PacifiCorp and to thereby bind PacifiCorp to its terms. This Agreement and all other instruments, agreements, certificates and documents contemplated to be executed and delivered by PacifiCorp have been duly and validly executed and delivered by PacifiCorp and constitute legal, valid and binding obligations of PacifiCorp, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, creditors' rights generally or other equitable principles.

(c) **No Conflicts or Violations; No Consents or Approvals Required.** Neither the execution and delivery of this Agreement nor the consummation of the Transactions will (i) conflict with or violate any provision of the organizational documents of PacifiCorp, (ii) conflict with or violate any statute, law, rule, regulation, ordinance, order, writ, injunction, judgment or decree applicable to PacifiCorp, or (iii) conflict with or result in any breach of or constitute a default (or an event that with notice or lapse of time or both would constitute a default) under, or give rise to any Encumbrance on the Property pursuant to, any agreement or other instrument to which PacifiCorp is a party or to which any of the Property is subject. Except for such Approvals as may be required from any public utility commission, no notice, declaration, report or other filing or registration with, and no Approval of any Governmental Authority or any other Person, is required to be made or obtained by PacifiCorp in connection with the execution and delivery of this Agreement by PacifiCorp or, except as set forth in Schedule 7.1(c), the consummation by PacifiCorp of the Transactions.

(d) **Litigation.** No claim, action, suit, proceeding or, to PacifiCorp's knowledge, investigation is pending or, to PacifiCorp's knowledge, threatened before any

arbitrator or Governmental Authority with respect to the Property or that would have a Material Adverse Effect on PacifiCorp, except for matters set forth in Schedule 7.1(d).

(e) **Taxes**. PacifiCorp has filed all material and necessary foreign, federal, state and local tax returns and notices and has paid all taxes of any nature which have become due (including all income, unemployment compensation, social security, payroll, sales and use, excise, privilege, property, ad valorem, franchise, license, school and any other tax under the laws of the United States or any state or municipal or political subdivision thereof or any special district) and are disclosed on such returns, for the periods ending through the end of PacifiCorp's last fiscal year and has paid or covenants to pay such taxes subsequently accrued up to the Closing Date. There are no pending or, to PacifiCorp's knowledge, threatened Federal or State tax audits involving PacifiCorp. PacifiCorp shall indemnify KRRC from any and all tax liability arising in connection with the Property prior to the Closing Date.

(f) **Not Insolvent**. PacifiCorp is not insolvent nor will the execution and delivery of this Agreement or the performance of its obligations hereunder render it insolvent.

(g) **Bankruptcy**. PacifiCorp has not filed any petition seeking or acquiescing in any arrangement, composition, dissolution, liquidation, readjustment, reorganization or similar relief under any Laws on bankruptcy or insolvency, nor has any such petition been filed against it. No general assignment of its property has been made for the benefit of its creditors. No liquidator, master, receiver or trustee has been appointed for it or the Property.

(h) **FIRPTA**. PacifiCorp is not a "foreign person" under the Foreign Investment in Real Property Act.

(i) **Permitted Counterparty**. PacifiCorp is a Person with whom a United States citizen, entity organized under any United States or State Laws, or Person having its principal place of business within the United States may legally transact business.

Section 7.2. PacifiCorp Property Representations and Warranties. PacifiCorp represents, warrants and covenants to KRRC as of the date of this Agreement as follows:

(a) **Title to Property**. PacifiCorp is, and will at Closing be, the sole owner of the Real Property (except for the Occupied Third-Party Premises as to which it is the sole owner of the leasehold or other interest provided for in the applicable Use and Possession Agreement), and the Fall Creek Premises, free and clear of any Encumbrances other than Permitted Encumbrances. PacifiCorp is the sole owner of all Personal Property and has, and will at Closing have, good title to such property, free and clear of any Encumbrances other than Permitted Encumbrances. None of the Project Property nor the Fall Creek Premises are owned by an affiliate of PacifiCorp.

(b) **Facilities**. All Facilities and related structures, improvements fixtures and equipment are located on Parcel B Land, Occupied Third-Party Premises or Appurtenances. To the best of its knowledge after reasonable inquiry, upon Closing in accordance with this Agreement, KRRC will own all material rights or interests necessary for access to and ownership of the Property, and operation of the Facilities.

(c) **Occupied Third Party Premises and Use and Possession Agreements.**

Set forth on Schedule 7.2(c) is a list of all Occupied Third Party Premises and the corresponding Use and Possession Agreements. PacifiCorp has furnished to KRRC, a complete and correct copy of each Use and Possession Agreement. Each Use and Possession Agreement is in full force and effect and, to the best of PacifiCorp's knowledge after reasonable inquiry, neither PacifiCorp nor the respective counterparties thereunder are in default nor is there any condition, occurrence or circumstance that with the giving of notice and/or the passage of time would result in a default thereunder. No Use and Possession Agreement requires payment of any fee or other amount, now or in the future, for its continued validity except as set forth in Schedule 7.2(c). Each Use and Possession Agreement may be assigned to KRRC without any Approval from the landlord or grantor thereunder except as noted in Schedule 7.2(c).

(d) **Certain Appurtenances.** Schedule 7.2(d) sets forth certain Appurtenances

relating to principal access routes to the Parcel B Lands and to Occupied Third Party Premises that are utilized by PacifiCorp in the ordinary course of operating and maintaining the Project Property and are not public roads, as well as all water rights appurtenant to the Project Property that are not inherent in ownership of the Project Property. Each listed Appurtenance is in full force and effect and, to the best of PacifiCorp's knowledge after reasonable inquiry, neither PacifiCorp nor PacifiCorp's respective counterparties thereunder are in default nor is there any condition, occurrence or circumstance that with the giving of notice and/or the passage of time would result in a default thereunder. No listed Appurtenance requires payment of any fee or other amount, now or in the future, for its continued validity. Each listed Appurtenance may be assigned to KRRC without any Approval from the counterparty thereunder except as noted in Schedule 7.2(c).

(e) **Operating Permits.** PacifiCorp is duly licensed to own and operate the

Project Property as now owned and operated. A list of PacifiCorp's Operating Permits is attached as part of Schedule 7.2(e). To the best of its knowledge after reasonable inquiry, neither PacifiCorp nor the Property is in violation of any such Operating Permits or any other Legal Requirements in any material respect. To PacifiCorp's knowledge, no other Permits or Approvals are required to own and operate the Project Property as presently owned and operated.

(f) **Service Contracts.** Schedule 7.2(f) sets forth all of the material Service

Contracts for the Project Property. Neither party is in default nor is there any condition that with the giving of notice or passage of time would constitute a default under any Service Contract. Except as noted on Schedule 7.2(f), PacifiCorp is not bound by any Service Contract that is not terminable upon thirty (30) days' notice.

(g) **No Options or Other Agreements.** There are no existing agreements,

options, commitments or rights with, to or in any Person (other than this Agreement) to acquire any of the Project Property or the Fall Creek Premises.

(h) **Consents.** Except as set forth on Schedule 7.1(c), no Approvals are

required to transfer any of the Project Property or the Fall Creek Property to KRRC in accordance with this Agreement.

(i) **Labor Agreements.** PacifiCorp is not a party to any (a) contract with any guild or labor union, (b) pension, profit sharing, retirement, bonus, insurance or similar plan in effect with respect to its employees or others, or (c) other similar contract, agreement or understanding, in each such case affecting or relating to the Project Property or under which KRRC would have any Liabilities following transfer of the Project Property.

(j) **Pre-Existing Environmental Conditions.** To the best of its knowledge after reasonable inquiry, the Project Property is not subject to any conditions relating to Hazardous Materials that could reasonably be expected to result in a material Liability to an owner of the Property except as set forth in Exhibit C.

(k) **Tribal Cultural Resources.** To the best of its knowledge after reasonable inquiry, there are no Tribal Cultural Resources located on the Project Property except as set forth in the Tribal Cultural Inventory previously delivered to KRRC.

(l) **No Underground Retained Transmission Facilities.** To the best of its knowledge after reasonable inquiry, the Retained Transmission Facilities do not include any subsurface facilities or equipment that are not marked so as to be clearly visible based on a physical inspection.

(m) **Governmental Authority Agreements.** Except for the NMFS-PacifiCorp Implementation Agreement, the Operating Permits or as expressly identified in one of the schedules to this Agreement, there are no agreements between PacifiCorp and any Governmental Authority that apply to a transferee of the Property.

(n) **Pole Attachments.** Schedule 7.2(n) sets forth a complete list of all Pole Attachment Agreements. A complete and correct copy of each such agreement has been delivered to KRRC. Neither party is in default in any material respect, nor to the best of PacifiCorp's knowledge after reasonable inquiry, is there any condition that with the giving of notice or passage of time would constitute a default, under any Pole Attachment Agreement. To the best of PacifiCorp's knowledge after reasonable inquiry, the map and schedule appended to Schedule 7.2(n) accurately indicate the approximate location of each pole subject to such agreements. To the best of PacifiCorp's knowledge after reasonable inquiry, there are no Pole Attachments on the Real Property other than those identified in the above-referenced map. The Pole Attachment Agreements are not Encumbrances and are not binding on successors to PacifiCorp as owners of the Parcel B Land.

Section 7.3. PacifiCorp Representations and Warranties True at Closing. The representations and warranties of PacifiCorp set forth in this Agreement shall be true in all material respects on and as of the Closing Date as though such representations and warranties were made on and as of such date. PacifiCorp shall deliver to KRRC at Closing a certificate confirming the foregoing.

Section 7.4. KRRC Transactional Representations and Warranties. KRRC represents, warrants and covenants to PacifiCorp as of the date of this Agreement as follows:

(a) **Organization.** KRRC is a nonprofit corporation, duly formed, validly existing and in good standing under the laws of the State of California and authorized to do business in the State of Oregon.

(b) **Authorization.** KRRC has full power and authority to execute and deliver this Agreement and all other instruments, agreements, certificates and documents contemplated to be executed and delivered by KRRC and to consummate the Transactions. KRRC has taken all action required by its organizational documents to authorize the execution and delivery of this Agreement and all other instruments, agreements, certificates and documents contemplated to be executed and delivered by KRRC and to authorize the consummation of the Transactions. This Agreement and all other instruments, agreements, certificates and documents contemplated to be executed and delivered by KRRC have been duly and validly executed and delivered by KRRC and constitute legal, valid and binding obligations of KRRC, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, creditors' rights generally or other equitable principles.

(c) **No Conflicts or Violations; No Consents or Approvals Required.** Neither the execution and delivery of this Agreement nor the consummation of the Transaction will (i) conflict with or violate any provision of the organizational documents of KRRC, (ii) to KRRC's knowledge, conflict with or violate any statute, law, rule, regulation, ordinance, order, writ, injunction, judgment or decree applicable to KRRC, or (iii) conflict with or result in any breach of or constitute a default (or an event that with notice or lapse of time or both would constitute a default) under, or give rise to any Encumbrance on the Property pursuant to, any agreement or other instrument to which KRRC is a party or to which any of the Property is subject. To KRRC's knowledge, no notice, declaration, report or other filing or registration with, and no waiver, consent, approval or authorization of, any Governmental Authority or any other Person is required to be made or obtained by KRRC in connection with the execution and delivery of this Agreement by KRRC or the consummation by KRRC of the Transaction, except the Transfer Order, the Removal Permits and the Surrender Order.

(d) **Litigation.** No claim, action, suit, proceeding or, to KRRC's knowledge, investigation is pending or, to KRRC's knowledge, threatened before any arbitrator or Governmental Authority with respect to KRRC except for the pending applications for the Removal Permits, the Transfer Order and the Surrender Order.

(e) **Not Insolvent.** KRRC is not insolvent nor will the execution and delivery of this Agreement or the performance of its obligations hereunder render it insolvent.

(f) **Bankruptcy.** KRRC has not filed any petition seeking or acquiescing in any arrangement, composition, dissolution, liquidation, readjustment, reorganization or similar relief under any Laws on bankruptcy or insolvency, nor has any such petition been filed against it. No general assignment of its property has been made for the benefit of its creditors. No liquidator, master, receiver or trustee has been appointed for it or its property.

(g) **Permitted Counterparty.** KRRC is a Person with whom a United States citizen, entity organized under any United States or State Laws, or Person having its principal place of business within the United States may legally transact business.

Section 7.5. KRRC Representations and Warranties True at Closing. The representations and warranties of KRRC set forth in this Agreement shall be true in all material respects on and as of the Closing Date as though such representations and warranties were made on and as of such date. KRRC shall deliver to PacifiCorp at Closing a certificate confirming the foregoing.

Section 7.6. Reliance. Notwithstanding any investigation or audit conducted before or after the Closing Date or the decision of any party to complete the Closing, each party will be entitled to rely upon the representations, warranties, covenants and agreements set forth in this Agreement.

Section 7.7. Survival of Representations and Warranties. The representations and warranties set forth in Sections 7.1, 7.2, and 7.4 will not merge into the deed or deeds delivered at Closing. The representations set forth in Section 7.1 and 7.2 will survive the Closing for the period ending one year after Facilities Removal has been completed, and the representations and warranties set forth in Section 7.4 will survive the Closing for the period ending one year after transfer of the FERC License, provided in all instances that no claim may be made based on any alleged inaccuracy of any such representations or warranties unless (i) such inaccuracy has a Material Adverse Effect, and (ii) the party that made such representation or warranty has had a reasonable opportunity to cure such Material Adverse Effect. For purposes of this Section 7.7, any additional cost in excess of \$50,000 shall be deemed to be a Material Adverse Effect. The provisions of this Section 7.7 are subject to Section 18.11.

SECTION 8. [RESERVED].

SECTION 9. CASUALTY AND CONDEMNATION

Section 9.1. Notice of Casualty or Condemnation. PacifiCorp will promptly notify KRRC if, before the Closing, any Facility or any other portion of the Property suffers material damage by fire or other casualty or becomes the subject of a condemnation or similar proceeding.

Section 9.2. Restoration. Subject to any termination of this Agreement in accordance with Section 14.3, within forty-five (45) days after KRRC's receipt of notice of any casualty or condemnation that would materially affect KRRC's implementation of the Definite Plan, the parties must confer and attempt in good faith to determine a mutually agreeable response to such casualty or condemnation that is consistent with the KHSA, the Definite Plan and, to the extent applicable, the terms of the FERC License and the Removal Permits.

SECTION 10. INDEMNITIES

Section 10.1. Indemnification by PacifiCorp. PacifiCorp will indemnify KRRC, its directors, officers, employees, agents, contractors and representatives from Liabilities in respect of the Project Property and the Fall Creek Premises arising prior to the Closing Date, including Encumbrances, Pole Attachment Agreements, Service Contracts, Pre-Existing Environmental Conditions, Retained Environmental Obligations, and costs or liabilities incurred in connection with the operation and maintenance of IGH, but excluding matters for which KRRC or its

contractors or consultants are responsible under their respective access agreements with PacifiCorp or any other applicable written agreements.

Section 10.2. Indemnification by KRRC. KRRC will indemnify PacifiCorp, its directors, officers, employees, agents, contractors and representatives from Liabilities in respect of the Project Property arising after the Closing Date except for any matter or for which PacifiCorp is responsible under the O&M Agreement or Section 10.1 above. The foregoing indemnity obligation shall be in addition to KRRC's obligation under Section 7.1.3 of the KHSA.

Section 10.3. Procedure.

(a) Notice must be given within a reasonable time after discovery of any fact or circumstance on which a party could claim indemnification (“**Claim**” or “**Claims**”). The notice must describe the nature of the Claim, the amount of the Claim, if determinable or, if not determinable, an estimate of the amount of the Claim. If the party, in order to fulfill its obligations to the other party must take legal action or if the party is involved in legal action, the outcome of which could give rise to its seeking indemnification, one party must consult with the other party with respect to such legal action and allow it to participate therein.

(b) No Claim for which indemnification is asserted may be settled or compromised without the written consent of the indemnified party; provided, however, if an indemnified party does not consent to a bona fide settlement proposed by the other, the other party will be liable for indemnification only to the lesser of the final judgment or the amount that had been proposed to be paid in settlement.

(c) For a period of thirty (30) days following the giving of the notice of such Claim, PacifiCorp and KRRC will attempt to resolve any differences they may have with respect to such Claim. If a resolution is not reached within the thirty (30) day period (unless the parties agree to extend the period), the matter may be submitted to a court of competent jurisdiction.

(d) Notwithstanding any provision of Section 10.1 or 10.2 to the contrary, no party is obligated to indemnify any Person against negligent or wrongful acts or omissions by such Person or by Persons acting on its behalf.

Section 10.4. Defense Obligation. Whenever any provision of this Agreement requires one party to indemnify any other party, the party on whom the indemnification obligation is imposed is obligated to defend, indemnify and hold the other party harmless from and against any and all claims, demands, losses, damages, liens, Liabilities, injuries, deaths, penalties, fines, lawsuits and other proceedings, judgments and awards, costs and expenses, including, but not limited to, reasonable attorneys' fees, arising directly or indirectly, in whole or in part, out of the act, omission, event, occurrence or condition for which the indemnification is sought, whether such act, omission, event, occurrence or condition is caused by the indemnifying party or its agents, employees or contractors, or by any third party or any natural cause, foreseen or unforeseen.

SECTION 11. EASEMENTS.

Section 11.1. Reservation of PacifiCorp Easements. Notwithstanding its conveyance of the Project Property to KRRRC, PacifiCorp shall retain easements necessary for its continued operation, maintenance, access to and replacement of the Retained Facilities. Such easements shall be reserved in the deeds to be delivered by PacifiCorp under Section 4.4, which reservations shall be in the form set forth as Exhibit H -1 (the “**PacifiCorp Easements**”).

Section 11.2. Identification of PacifiCorp Easement Property and Access Routes.

(a) The portions of the Project Property to be encumbered by the PacifiCorp Easements (the “**PacifiCorp Easement Properties**”) will be defined as the location of the presently existing Retained Facilities and One Hundred (100) feet on any side, except as otherwise provided for in Exhibit H-1. A general orienting map of the Reserved Transmission Facilities is included in Schedule 3.1(b)(ii) and will be made a part of the PacifiCorp Easements. In the event of discrepancies between the actual location of any Retained Transmission Facility and its depiction or lack of depiction in Schedule 3.1(b)(ii) , the actual current location shall control. The Retained Transmission Facilities shall not include any subsurface facilities or equipment that is not marked so as to be clearly visible based on a physical inspection.

(b) Primary Access to the PacifiCorp Easement Properties shall be by way of primary routes identified in Exhibit B to the PacifiCorp Easements.

Section 11.3. Modification, Permit Upon and Locating of PacifiCorp Easement Property Boundaries. If, prior to Closing, either party reasonably determines that modifications to any portion of the description of PacifiCorp Easement Properties as reflected in Exhibit H-1 are necessary it will provide to the other party and to the States a description and depiction of the proposed modification in reasonable detail. Neither party will unreasonably withhold its approval of any requested modification, provided that (a) in the case of KRRRC, it will not adversely affect in any material respect Facilities Removal and the implementation of the Definite Plan, including the cost or timing thereof, (b) in the case of PacifiCorp it will not in any material respect pose a threat to the reliability or safety of any Retained Facilities or to the efficiency of PacifiCorp’s operations, and (c) in all instances, it is acceptable to the States. Any modifications following Closing shall be in accordance with the terms and conditions of the PacifiCorp Easements as recorded.

Section 11.4. Locating/Surveys. If, prior to Closing, KRRRC anticipates that the proximity of a PacifiCorp Easement to Facilities Removal activity or mitigation activity may generate conflict then KRRRC may request and PacifiCorp shall order the boundary of such Easement in the area of the potential conflict to be located and marked by a surveyor. If an actual conflict arises with regard to the boundary of a PacifiCorp Easement due to its proximity to Facilities Removal activity or KRRRC mitigation activity then KRRRC may request that PacifiCorp conduct a survey and metes and bounds description of such property, certified by a licensed surveyor and in form sufficient for recording.

Section 11.5. KRRRC Temporary Construction Easements.

(a) To facilitate Facilities Removal, at Closing PacifiCorp will grant to KRRC temporary construction easements on PacifiCorp-owned property that is not part of the Parcel B Lands, which easements shall be in the form set forth in Exhibit H-2 (the “**KRRC Temporary Construction Easements**”). The properties encumbered by the KRRC Temporary Construction Easements are identified in Exhibit H-2 (the “**KRRC Easement Properties**”).

(b) If KRRC reasonably determines that modifications to the KRRC Easement Properties boundaries are necessary it will provide to PacifiCorp a description and depiction of the proposed modification in reasonable detail. PacifiCorp will not unreasonably withhold its approval of any requested modification, provided that it will not adversely affect in any material respect PacifiCorp’s operation of the Retained Transmission Facilities.

(c) If, following Closing, KRRC reasonably determines that additional KRRC Temporary Construction Easements are necessary to facilitate Facilities Removal, then the parties shall cooperate to establish such additional temporary easements on mutually agreeable terms.

SECTION 12. TRANSFERS AND ASSIGNMENTS

Section 12.1. Prohibition on Transfers and Assignments. Except as provided under Section 12.2, neither party may assign or otherwise transfer its interest in or rights under this Agreement, directly or indirectly, without the prior written consent of the other party. Purported transfer or assignment in violation of the preceding sentence will be null and void.

Section 12.2. Permitted Assignments. Notwithstanding Section 12.1, the following transfers are permitted upon notice to, but without the consent of, either party:

(a) Transfers that are the result of corporate mergers, acquisitions or reorganizations undertaken for a bona fide business reason (as opposed to circumvention of this prohibition on transfers and assignments) where substantially all of the assets of the transferring party are being transferred and where the transferee:

- (i) Is the surviving or successor entity;
- (ii) Expressly assumes the transferring party’s obligations under the Agreement and all other agreements then existing between the transferring party and the other party to this Agreement, including but not limited to all access agreements;
- (iii) Becomes a party to the KHSA; and
- (iv) Executes and delivers a confidentiality agreement and a common defense agreement substantially in the form of the existing agreements between the parties.

SECTION 13. DISPUTES

Section 13.1. General. The parties acknowledge their mutual interest in resolving any disputes relating to the Transactions in an efficient and expeditious manner, consistent with the timely implementation of the KHSA. Each party covenants to work toward promptly resolving any disputes through good faith discussions and negotiation.

Section 13.2. Dispute Procedures. In the event of any disputes or disagreements under this Agreement the parties shall follow the following procedures prior to initiating litigation or arbitration:

(a) In the event that the parties have not been able to resolve a dispute or disagreement under this Agreement in a mutually acceptable manner notwithstanding informal discussions among their respective staff and consultants charged with implementing this Agreement, then:

- (i) Either party may issue to the other a notice (x) identifying in reasonable detail the subject of the dispute or disagreement, (y) describing the resolution that such party proposes and the basis therefor, including the specific provisions of this Agreement that such party believes are applicable, and (z) the impact, if any, that the pendency of such dispute or disagreement is having or is expected to have on the progress of the Transactions (a “**Notice of Dispute**”).
- (ii) The party receiving a Notice of Dispute shall provide a written response within fourteen (14) days after receipt thereof, which response shall set forth in reasonable detail (x) the extent to which such party disagrees with any statements in the Notice of Dispute, which shall include an explanation of the basis for such disagreements, (y) a description of any additional subjects as to which the receiving party believes there is a dispute or disagreement, including the specific provisions of this Agreement that such party believes are applicable, and (z) the receiving party’s proposed resolution of all identified disputes and disagreements (a “**Response to Notice of Dispute**”). A failure to timely and fully respond to a Notice of Dispute shall be deemed to be the receiving party’s acceptance of the proposed resolutions set forth in the Notice of Dispute.

(b) Within fourteen (14) days after issuance of a Response to Notice of Dispute the senior staff of each party charged with implementing the Transactions shall meet, in person to the extent practicable, to discuss the matters identified in the Notice of Dispute and the Response to Notice of Dispute (collectively, the “**Dispute Notices**”) and to work in good faith toward a mutually acceptable resolution. In the event that within forty-five (45) days after the issuance of a Response to Notice of Dispute the parties have not resolved all disputes and disagreements to their mutual satisfaction then each party shall promptly so notify its senior

management and the States, which notifications shall include a good faith description in reasonable detail of the matters in dispute, the resolution proposed by each party, and the reasonable objections to the resolution proposed by the other party.

(c) Within seventy-five (75) days after the issuance of a Response to Notice of Dispute members of the senior management of each party, along with representatives of the States if they elect to participate, shall meet, in person to the extent practicable, to discuss in good faith mutually acceptable resolution to all disputed matters. In the event that within one hundred and five (105) days after the issuance of a Response to Notice of Dispute any disputes or disagreements have not been resolved, then either party may seek such other remedies as are available under this Agreement, including litigation or arbitration as permitted hereunder, provided that any claims in such proceedings shall be limited to matters set forth in the Dispute Notices.

Section 13.3. Effect of Disputes Resolution Procedures Under the KHSA.

(a) The parties intend for this Agreement to implement the provisions of the KHSA relating to transfer of the Facilities and the Parcel B Lands, and for the terms and conditions of this Agreement to reflect the more particularized understanding and agreement of the parties as to such matters. Accordingly, to the greatest extent possible the parties agree to handle any disputes under this Agreement without invoking Section 8.6 or 8.7 of the KHSA.

(b) In the event either party determines in good faith that a dispute under this Agreement cannot be resolved without invoking Section 8.6 or 8.7 of the KHSA due to policy issues not addressed in this Agreement, it shall notify the other party and the States, which notice shall include an explanation of the basis for such determination. In such event, unless the party seeking to invoke Section 8.6 or 8.7 of the KHSA withdraws its notice within ten (10) business days thereafter, the dispute resolution procedures in Section 13.2 shall be tolled pending the resolution of proceedings under the KHSA.

(c) In the event any disputes not originating under this Agreement but being addressed under Section 8.6 or 8.7 of the KHSA result in disputes under this Agreement, the resulting dispute hereunder shall be tolled until resolution of the KHSA dispute

SECTION 14. DEFAULTS AND REMEDIES

Section 14.1. Events of Default.

(a) For purposes of this Section 14 a party whose act or omission gives rise to an Event of Default is referred to as the “**Defaulting Party**”; the other party is referred to as the “**Non-Defaulting Party**.”

(b) The occurrence and continuance of one or more of the following events shall constitute an “**Event of Default**” under this Agreement:

- (i) If either party defaults in the performance or observance of any covenant, condition or agreement that it is obligated to observe or perform under this Agreement and the default has continued for

more than 60 days after the Non-Defaulting Party provided notice to the Defaulting Party identifying the default; or

- (ii) Any representation or warranty of a party contained in this Agreement, or in any document, agreement or instrument furnished in compliance with this Agreement, is untrue or misleading in any material respect when made.

Section 14.2. Remedies. Upon the occurrence of an Event of Default and subject to Section 13.1, the Non-Defaulting Party has such rights and remedies as may be available under this Agreement, at law or in equity, including the right to seek damages, provided, however, that both parties waive any right to seek consequential, punitive, special or indirect damages.

Section 14.3. Termination. Notwithstanding any other provision of this Agreement or applicable Laws, neither party has the right to terminate this Agreement as a result of an Event of Default unless a Termination Event has occurred. If a Termination Event has occurred and is continuing then either party may, upon ninety (90) days' written notice, terminate this Agreement, provided that in the event that during such ninety (90) day period the applicable Termination Event has been cured or mitigated to the satisfaction of the terminating party then the termination notice shall be null and void, and provided further that, in the case of a Termination Event arising as a result of a proceeding under Section 8.6 or 8.7 of the KHSA, any termination shall be tolled until the conclusion of the applicable proceeding.

Section 14.4. Remedies Cumulative. Each right or remedy of the parties provided for in this Agreement shall be cumulative and shall be in addition to (and not exclusive of) every other right, remedy or means of redress provided for in this Agreement or now or hereafter existing at law or in equity. The exercise or the beginning of the exercise by a party of any one or more of the rights or remedies shall not preclude the simultaneous or later exercise by such party of any or all other rights or remedies.

Section 14.5. Injunctions. In addition to the other remedies in this Agreement, the parties shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, terms, agreements, provisions or limitations of this Agreement as though any other remedies were not provided for in this Agreement.

SECTION 15. NOTICES

Section 15.1. Notices. Any notice, request, demand, statement, authorization, approval or consent made hereunder must be in writing and shall be hand delivered or sent by Federal Express, or other reputable courier service, or by postage pre-paid registered or certified mail, return receipt requested. Notice under this section will be deemed given (i) when received at the following addresses if hand delivered or sent by Federal Express, or other reputable courier service, and (ii) three (3) business days after being postmarked and addressed as follows if sent by registered or certified mail, return receipt requested:

to PacifiCorp at:

PacifiCorp
825 Northeast Multnomah Street
Suite 2000
Portland, Oregon 97232
Attention President or Chief Executive Officer

with a copy (which shall not constitute notice) to:

PacifiCorp
825 Northeast Multnomah Street
Suite 2000
Portland, Oregon 97232
Attention: Dustin Till

to KRRC at:

Klamath River Renewal Corporation
2001 Addison Street
Suite 300, Office 317
Attention: Chief Executive Officer

with a copies (which shall not constitute notice) to:

Water and Power Law Group PC
2140 Shattuck Avenue, Ste. 801
Berkeley, CA 94704-1229
Attention: Richard Roos-Collins

And:

Hawkins Delafield & Wood LLP
7 World Trade Center, 41st Floor
250 Greenwich Street
New York, New York 10007
Attention: Lloyd S. Lowy

Section 15.2. Change of Notice Addresses. Either party may from time to time designate by notice in writing, given in the manner specified in Section 15.1, a new or other address to which such notice or demand must be given or made.

SECTION 16. SURVIVAL

Section 16.1. Certain Provisions to Survive Closing. Notwithstanding anything to the contrary in this Agreement, the following provisions will survive Closing: Subsection 2.1(c), Subsection 3.2(b) Section 3.5 (Environmental Matters), Section 4.6 (Violations), Section 4.7 (Apportionments), Section 4.8 (Further Assurances), Section 5 (Post-Closing Matters), Section 6.1 (Covenants), Subsection 7.1(e) (Taxes), Section 7.7 (Survival of Representations and Warranties), Section 10 (Indemnities), Section 11.5(c), Section 13 (Disputes), Section 14

(Defaults and Remedies), Section 15 (Notices), Section 16 (Survival), Section 17 (Confidentiality), and Section 18.11 (Third Party Beneficiaries).

Section 16.2. Certain Provisions to Survive A Termination Prior to Closing. Notwithstanding anything to the contrary in this Agreement, the following provisions will survive a termination of this Agreement prior to Closing: Section 13 (Disputes), Section 14 (Defaults and Remedies), Section 15 (Notices), Section 16 (Survival), Section 17 (Confidentiality). Any claim arising under this Agreement prior to termination shall survive such termination as part of Section 14.

SECTION 17. CONFIDENTIALITY

Section 17.1. Common Interest Defense Agreement. The parties acknowledge and agree that to the extent that this Agreement or any information shared pursuant to this Agreement is confidential or privileged it is the intent of the parties that such information is protected from disclosure by any confidentiality and common interest defense agreements that the parties have entered into in connection with the KHSa.

SECTION 18. MISCELLANEOUS

Section 18.1. State Specific Clauses.

(a) The parties intend that this Agreement shall include all provisions required to be included in an arms-length commercial contract for that transfer or real property under the Laws of the State of Oregon and the State of California, including the following as to the State of Oregon:

- (i) THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A

LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

- (ii) THE PROPERTY DESCRIBED IN THIS INSTRUMENT IS SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505.

(b) Any other legally required provisions not recited herein is deemed incorporated by reference. For purposes of this Section 18.1 any provision the inclusion of which may be waived or excluded are hereby waived and excluded.

Section 18.2. Integration of Agreement. In accordance with Section 2.1, this Agreement contains all the promises, agreements, conditions and understandings between the parties relative to the Transactions and, except as provided in the KHSa or any other agreement expressly referenced in this Agreement there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, relating thereto between them relating to the Transactions other than as set forth in this Agreement.

Section 18.3. Waivers and Amendments Must Be In Writing. No failure by either party to insist upon the strict performance of any term, covenant, agreement, provision, condition or limitation of this Agreement or to exercise any right or remedy hereunder, and no acceptance by either party of full or partial performance by the other party during the continuance of any such breach, will constitute a waiver of any such breach or of such term, covenant, agreement, provision, condition or limitation. No term, covenant, agreement, provision, condition or limitation of this Agreement to be kept, observed or performed by either party, and no breach thereof, may be waived, altered or modified except by a written instrument executed and acknowledged by and delivered to PacifiCorp and KRRC. No waiver of any breach will affect or alter this Agreement, but each and every term, covenant, agreement, provision, condition and limitation of this Agreement will continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 18.4. Captions For Convenience Only. The captions of this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

Section 18.5. Table of Contents For Convenience Only. The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as a part of the Agreement or supplemental thereto or amendatory thereof.

Section 18.6. Negotiated Document. The provisions of this Agreement were fully negotiated by PacifiCorp and KRRRC, each of whom was represented by competent counsel, and this Agreement will not be construed for or against either party, but will be interpreted in accordance with the general tenor of the language in an effort to reach the intended result.

Section 18.7. Severability of Provisions. If any term or provision of this Agreement, or portion thereof, or the application thereof to any person or circumstance is, to any extent, invalid or 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, will not be affected thereby and each term and provision of this Agreement will remain valid and enforceable to the fullest extent permitted by law.

Section 18.8. Successors and Assigns; Assumption of Obligations. The covenants, conditions and agreements of this Agreement, will bind and inure to the benefit of PacifiCorp and KRRRC and their respective permitted successors and assigns, each of whom will be deemed to have assumed this Agreement and the applicable party's respective obligations hereunder, as the case may be, without any further act or the delivery of any further instruments by either party. Without impairing the self-operative nature of the foregoing, any such successor or assign will, if requested by the other party, promptly execute and deliver to the requesting party a written instrument in recordable form confirming its assumption of this Agreement and of the terms, conditions and obligations hereunder.

Section 18.9. Governing Law. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by California law (without giving effect to California conflict of law principles), except that matters inherently relating to property located in Oregon, such as determination of whether an instrument is in recordable form, as opposed to matters of general contractual interpretation, shall be governed by Oregon law.

Section 18.10. Waiver of Jury Trial; Arbitration in California. To the fullest extent permitted by law each of the parties waives any right it may have to trial by jury in respect of litigation directly or indirectly arising out of, under, or in connection with this Agreement. Each party further waives any right to consolidate, or to request consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. To the extent that a dispute arises in California, or is to be heard in a California court of general jurisdiction, and the foregoing jury waiver is not enforceable then the dispute shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Section 18.11. Third Party Beneficiaries. The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto and, in the case of Section 10 hereof, the other indemnified parties, and their heirs, administrators, legal representatives, successors and assigns, and they shall not be construed as conferring any rights on any other persons, provided that the States shall be third party beneficiaries of, and entitled to rely upon, Sections 3.5 and 7.2 as if they were parties to this Agreement, which right to rely shall survive the Closing until the date that is one year after the Parcel B Land has been conveyed to the respective States.

Section 18.12. Expenses. Except as expressly provided otherwise in Section 3.2(b) or elsewhere in this Agreement, each party shall pay its own expenses incidental to the preparation of this Agreement and any related documents, instruments or agreements, carrying out the provisions of this Agreement and any activities contemplated by this Agreement, and the consummation of the Transactions.

Section 18.13. Counterparts; PDFs. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. An executed counterpart signature page delivered in Portable Document Format (PDF) or by telecopier shall be as effective as an original signature page.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have hereunto caused their respective duly authorized representatives to execute and deliver this Agreement as of the Effective Date.

PACIFICORP

By: 
Name: Stefan Bird
Title: President and CEO, Pacific Power

**KLAMATH RIVER RENEWAL
CORPORATION**

By: _____
Name: Mark Bransom
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have hereunto caused their respective duly authorized representatives to execute and deliver this Agreement as of the Effective Date.

PACIFICORP

By: _____
Name: Stefan Bird
Title: President and CEO, Pacific Power

**KLAMATH RIVER RENEWAL
CORPORATION**

By: Mark T Bransom
Name: Mark Bransom
Title: Chief Executive Officer

EXHIBITS AND SCHEDULES

EXHIBIT A

LEGAL DESCRIPTION OF THE PARCEL B LAND

[More particular legal descriptions will be added to this Exhibit following finalization of title commitments and review and approval by KRRC, KPFF and PacifiCorp]

A. PARCEL B PROPERTY LOCATED IN OREGON

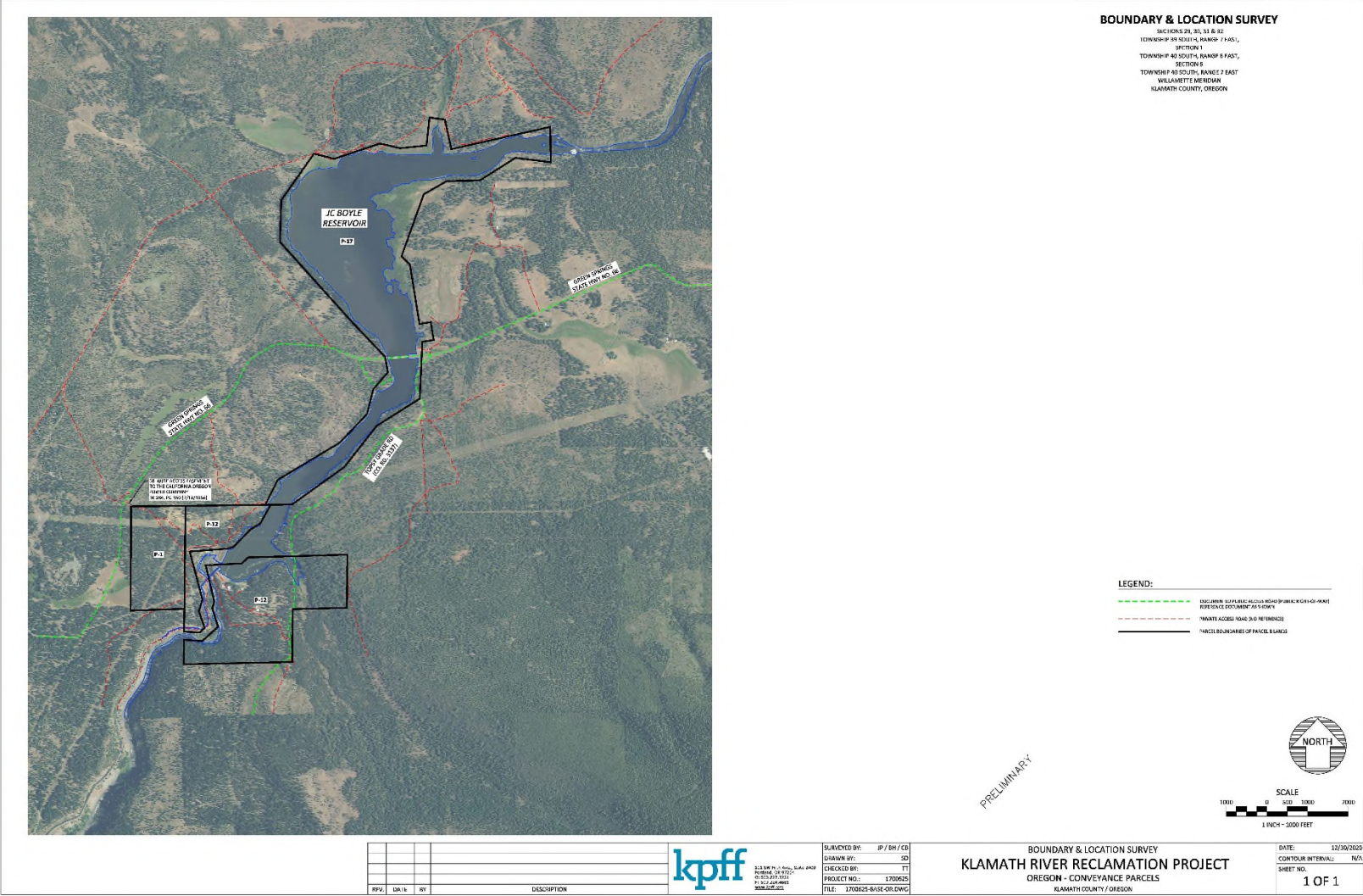
Those pieces and parcels of land located in Klamath County, Oregon more particularly described as follows:

Parcel 1:

Parcel 12:

Parcel 17:

[SEE ATTACHED MAP]



B. PARCEL B PROPERTY LOCATED IN CALIFORNIA

Those pieces and parcels of land located in Siskiyou County, California more particularly described as follows

Parcel 1

Parcel 2

Parcel 3

Parcel 4

Parcel 5

Parcel 6

Parcel 7

Parcel 8

Parcel 9

Parcel 10

Parcel 11

Parcel 13

Parcel 14

Parcel 15

Parcel 16

Parcel 17

Parcel 18

Parcel 19

Parcel 20

Parcel 21

[SEE ATTACHED MAP]

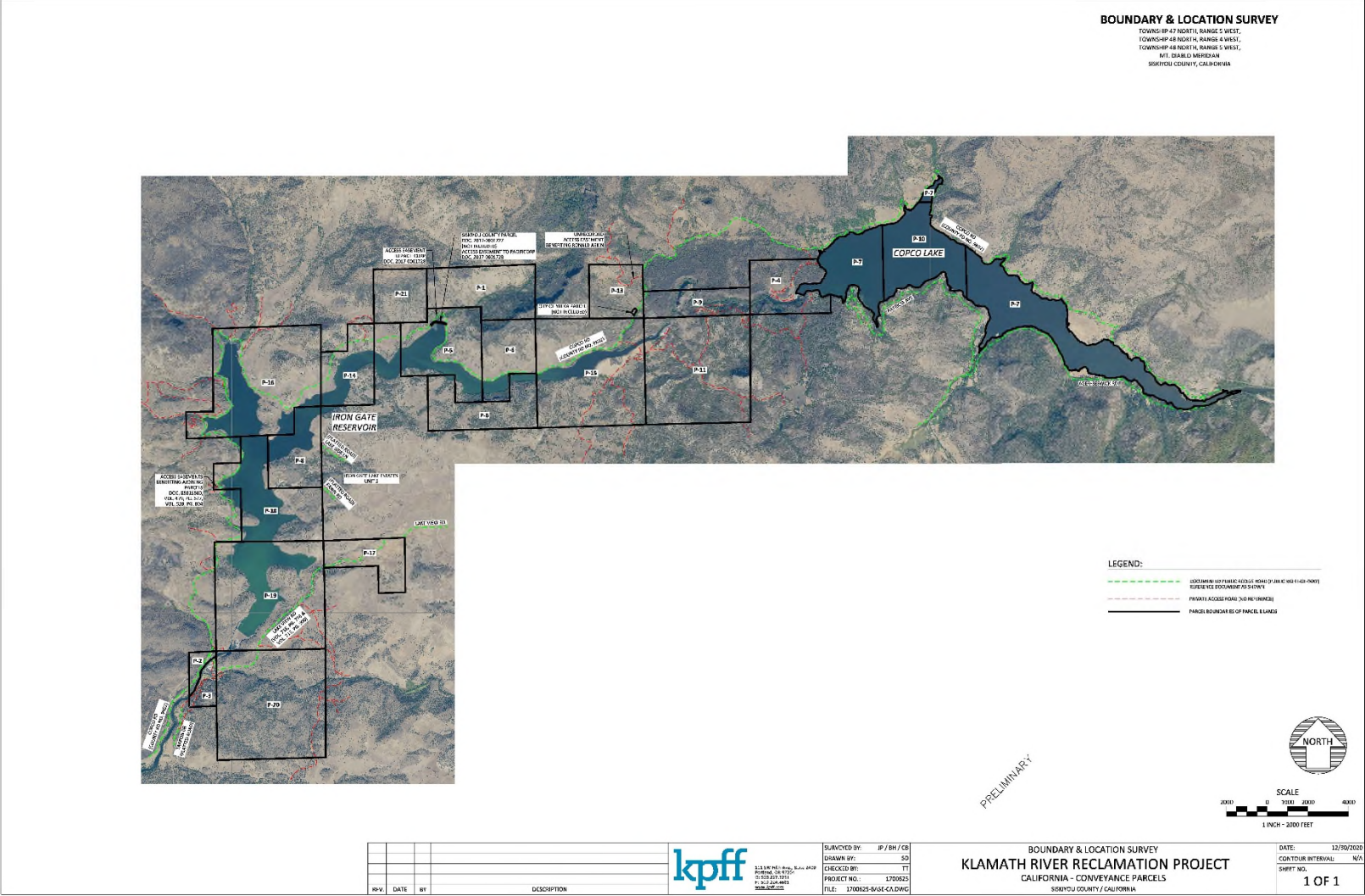


EXHIBIT B
PERMITTED ENCUMBRANCES

A. PARCEL B LANDS LOCATED IN OREGON

1. Real Property Taxes not yet due and payable.
2. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways. (as to all Parcels)
3. Rights of the public and of governmental bodies in and to that portion of the premises described herein, now or at any time lying below the high water mark of the Klamath River, including any ownership rights which may be claimed by the State of Oregon, in and to any portion of the premises now or at any time lying below the ordinary high water mark thereof. (as to All Parcels EXCEPT Parcel 1)

5 Any adverse claim based upon the assertion that

- A. A. Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the Klamath River or has been formed by accretion to any such portion.
- B. Some portion of said property has been created by deposit of artificial fill.

And Excepting:

- C. The rights of the public and governmental bodies for fishing, navigation and commerce in and to any portion of the premises herein described, lying below the high/low water line of the Klamath River.
- D. The right, title and interest of the State of Oregon in and to any portion lying below the high/low water line of Klamath River.

(As to All Parcels EXCEPT Parcel 1)

6. Easement granted to The California Oregon Power Company for ingress and egress, dated July 18, 1956, recorded September 17, 1956 in Book 286, Page 550. (as to Parcel 1)
7. Reservation to International Paper Company, its successors and assigns the right to plant and grow thereon and to cut and remove therefrom trees and forest products and to administer the same as forest lands, recorded October 28, 1960, in Volume 325, Page 74. (Affects portions of Parcel 17 included within Lots One (1), Two (2), Three (3), Six (6), and Seven (7) of Section Twenty-nine (29), Township Thirty-nine (39) South, Range

Seven (7) East. Lots One (1), Two (2), Three (3), Four (4), and Five (5) of Section Thirty-one (31), Township Thirty-nine (39) South, Range Seven (7) East. All Willamette Meridian.)

8. Reservation of an undivided one-half interest in and to minerals and right of entry made by The Long-Bell Lumber Company, recorded July 14, 1959, in Volume 314, Page 190. (Affects portions of Parcel 17 included within the NW 1/4 of the NW 1/4 of Section 29 and Lots 2, 1, 3, and 4 of Section 30, Township Thirty-nine (39) South, Range Seven (7) East, Willamette Meridian.)
9. PacifiCorp Easements reserved in the deeds from PacifiCorp to KRRC.

B. PARCEL B LANDS LOCATED IN CALIFORNIA

1. Real Property Taxes not yet due and payable.
2. Any titles or rights asserted by anyone including but not limited to, persons, corporations, governments or other entities, to tide lands, or lands comprising the shores or bottoms of navigable rivers, lakes, bays, oceans or gulf, or lands beyond the line of the harbor or bulkhead lines as established or changed by the United States Government or water rights, if any.
3. An Easement granted to The Pacific Telephone and Telegraph Company, a corporation, recorded August 17, 1955 in Book 354. Page 448. (as to Parcel 1)
4. Easement in favor of George Pettee and Lillian Pettee, husband and wife, recorded August 27, 1962 in Book 479 at Page 677. (as to Parcel 18)
5. Road Easement in favor of H.J. Rhodes, recorded July 9, 1964 in Book 505 at Page 193. (as to Parcel 14)
6. PacifiCorp Easements reserved in the deeds from PacifiCorp to KRRC

C. FALL CREEK PROPERTY

1. Such matters as do not impose any liability, restriction or expense on KRRC or any successor as lessee or on the development and operation of a fish hatchery as contemplated by the Definite Plan.

D. GENERAL

1. Such other matters as have been disclosed to and approved by KRRC, which approval shall not be unreasonably withheld as to any matter that does not render title uninsurable or, either singly or in the aggregate, impose any material liability, restriction or expense on KRRC's use or occupancy of the Property for purposes of implementing the Definite Plan or upon any successor owner's use of the Property as contemplated under the KHSA.

EXHIBIT C

PRE-EXISTING ENVIRONMENTAL CONDITIONS

As of June 4, 2020

	Condition	Brief Description	Additional Notes
1.	Iron Gate Shooting Range (Parcel B REC 9)	Active non-permitted shooting range within the Iron Gate upland disposal site being considered (See Parcel B Phase I ESA). This is located within the proposed disposal site for the Iron Gate development. (Current design (60%) shows stockpile in this area and proposes to strip and stockpile topsoil.)	
2.	Copco No. 2 Burn Pit (Parcel B REC 6)	Burn pit (See Parcel B Phase I ESA)	
3.	Wood-Stave Penstock	Wood and soil contamination (See Wood-Stave Phase II ESA)	
4.	Copco No. 1 Dynamite Cave	Potential unexploded ordinances (See KRRC Facility Phase I ESA)	
5.	Undiscovered Impacted Soil and Groundwater at the four Powerhouses	Potential to discover impacted soil and groundwater during the demolition process of the 4 Facilities (See KRRC Facility Phase I ESA)	
6.	Underground Storage Tanks (USTs)	Three (3) USTs identified but specific locations unknown (See KRRC Facility Phase I ESA)	
7.	Copco No. 2 Former Mobile Oil Containment Building	A Mobile Oil Containment Building was noted at the location of the current Maintenance Building which may have leaked oil (See KRRC Facility Phase I ESA)	
8.	High voltage switchyards	High voltage switch yards viewed from exterior fence lines (See Parcel B Phase 1 ESA)	

9.	Undiscovered Impacted Soil and Groundwater at the 4 Dam Developments	Contingency for potential to discover impacted soil and groundwater during the demolition process of the 4 Dams	
10.	J.C. Boyle Dispersed Recreation Area - 2 (Parcel B REC 1)	Recently used burn pit (See Parcel B Phase I ESA)	
11.	Copco No. 1 Debris Piles/Scrap Yard (Parcel B REC 4)	Burn pit, scrap metal, household materials, soil pile (See Parcel B Phase I ESA)	
12.	Copco No. 2 Wood Pile (Parcel B REC 7)	Wood pile (See Parcel B Phase I ESA)	
13.	Iron Gate Fish Hatchery Burn Pit	Burn Pit (See KRRC Facility Phase I ESA and the Burn Pit Investigation Report)	
14.	Iron Gate Fish Hatchery Settling Ponds	Potential pollutants including certain metals and fish fecal matter at the bottom or dredge materials from the 2 settling ponds (See KRRC Facility Phase I ESA)	
15.	Inaccessible areas	Areas were identified in aerial photographs as locations of potential interest that were inaccessible for field reconnaissance due to either unsafe road conditions or locked gates (See Parcel B Phase 1 ESA)	
16.	Retained easement areas	Any conditions in retained easement areas relating to the presence or operation of retained transmission facilities	
17.	Undiscovered Impacted Soil and Groundwater outside the removal work zone	Contingency for potential to discover impacted soil and groundwater outside the demolition process of the four Dam Developments	

EXHIBIT D
FORM OF FALL CREEK LEASE

LEASE AGREEMENT

BETWEEN

PACIFICORP, as Landlord,

AND

KLAMATH RIVER RENEWAL CORPORATION, as Tenant

Dated as of _____, 20__

**Relating to the Following Premises Located in
Siskiyou County, State of California:**

Portions of the following parcels:

APN 004-370-010-000

APN 004-050-010-000

APN 004-370-030-000

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Lease**”), dated as of _____, 20__, by and between **PACIFICORP**, an Oregon corporation, having an office at 825 NE Multnomah Street, Portland, Oregon 97232 (“**Landlord**”) and **KLAMATH RIVER RENEWAL CORPORATION**, a California nonprofit corporation, having an office at 2001 Addison Street, Suite 300, Berkeley, California 94704 (“**Tenant**”).

RECITALS

A. Landlord is the owner of certain property in Siskiyou County, California, known as Fall Creek and more particularly described in Exhibit A (the “**Land**”); and

B. Landlord and Tenant are parties to the Klamath Hydroelectric Settlement Agreement, dated February 18, 2010, as amended (the “**KHSA**”); and

C. Under the KHSA, upon receipt of certain Approvals (as defined below) from certain Governmental Authorities (as defined below), Tenant will remove certain hydroelectric facilities, including the facility known as Iron Gate dam, and will be responsible for providing fish hatchery facilities and operations in order to comply with the Approvals relating to the removal of Iron Gate dam; and

D. The parties have agreed to enter into this Lease to allow Tenant to comply with its fish hatchery obligations under the Approvals; and

E. After Tenant constructs the fish hatchery facilities, the parties anticipate Tenant assigning the Lease to CDFW (as defined below) to operate and maintain the fish hatchery facilities;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant, intending to legally bind themselves and their respective successors and assigns, hereby covenant and agree as follows:

ARTICLE 1

Definitions; Construction

Section 1.1. Definitions. For all purposes of this Lease, the following words and phrases shall have the respective meanings set forth below.

“**Additional Rent**” means any and all amounts payable by Tenant hereunder, other than Basic Rent.

“**Approval(s)**” means all licenses, certificates, authorizations, registrations, permits, consents and approvals called for by any Legal Requirement in connection with (i) the occupancy or ownership of a leasehold interest in the Premises, (ii) the construction, operation or maintenance of any Improvements, (iii) the operation of the Premises for the purposes permitted under this Lease, or (iv) any other activity to be conducted by or on behalf of Tenant on the Premises.

“**Basic Rent**” has the meaning set forth in Section 4.1.

“**CDFW**” means California Department of Fish and Wildlife and any Governmental Authority succeeding to its role as operator of the Premises.

“**Definite Plan**” has the meaning ascribed to such term in the KHSA. References in this Agreement to the Definite Plan include reference to any modifications pursuant to any Approvals, including any Approvals relating to Facilities Removal, or otherwise occurring.

“**Environmental Law(s)**” means all Legal Requirements relating to pollution, the protection of the environment or drinking or domestic water supply, including but not limited to laws relating to safe drinking water, emissions, discharges, releases or threatened releases of Hazardous Materials into ambient air, surface water, ground water, drinking or domestic water supply, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, refinement, production, disposal, transport or handling of Hazardous Materials, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq. (“CERCLA”); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901-6901, et seq. (“RCRA”); the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq. (“FWPCA”); the Hazardous Materials Transportation Act, 49 U.S.C. § 5101; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. § 11001 et seq. (“EPCRA”); the Atomic Energy Act, 42 U.S.C. § 2014-2014, et seq.; the Endangered Species Act, 16 U.S.C. § 1531 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq. (“FIFRA”); the Clean Air Act, 42 U.S.C. § 7401-7401, et seq.; and their state analogs, state counterparts, and other state laws, regulations, statutes and common law relating to protection of human health and the environment.

“**Event of Default**” has the meaning set forth in Section 18.1.

“**Facility**” and “**Facilities**” have the meanings ascribed to those terms in the KHSA.

“**Facilities Removal**” has the meaning ascribed to that term in the KHSA.

“**Governmental Authority**” means any federal, state or local governmental entity, or any subdivision thereof, exercising any executive, legislative, judicial, regulatory, administrative or other governmental function with respect to the Premises or any Person, as applicable.

“**Hatchery Design**” means the design set forth in Exhibit D.

“**Hatchery Facilities**” means the fish hatchery facilities and related improvements required to comply with FERC License No. P-14803 and any other Approval relating to Facilities Removal.

“**Hatchery Funding Agreement**” means the Hatchery Funding Agreement between and among Landlord, Tenant and CDFW, dated [[_____, 202__]].

“**Hatchery Imposition**” has the meaning set forth in Section 7.1.

“**Hazardous Materials**” means asbestos or any substance containing asbestos, polychlorinated biphenyls (“PCB”), PCB contaminated material, including, but not limited to, PCB contaminated electrical equipment as defined in 40 C.F.R. 761.3, lead, lead in the form of lead based paint materials or paint with lead (“LBP”), flammable explosives, radioactive materials, petroleum,

petroleum fractions, petroleum constituents, petroleum distillates, chemicals known to cause cancer or reproductive toxicity or that pose a risk to human health or safety or the environment or that are regulated under Environmental Law, pollutants, effluents, residues, contaminants, emissions or related materials, natural gas liquids, and any items defined or regulated as “hazardous waste,” “hazardous materials,” “hazardous substances,” “toxic waste,” “toxic materials,” or “toxic substances” or words of similar import, all under any applicable Environmental Law. The term “Hazardous Materials” shall not include items that are “household hazardous waste” including chemicals, lubricants, refrigerants, household supplies, materials for common residential purposes, and other substances kept in amounts typical for, and used as, standard janitorial supplies, office supplies, and the like in connection with the routine maintenance and operation of facilities similar to the Premises, to the extent kept, used, and maintained in a manner consistent with their intended uses and in compliance with Environmental Law.

“**Impositions**” has the meaning set forth in Article 7.

“**Improvements**” means all structures, improvements, fixtures, equipment and other appurtenances now or hereafter located on, above or under the surface of, or otherwise appurtenant to, the Land, including all Alterations and any replacements of, additions to, and substitutions for any Improvements, but excluding Landlord’s Facilities.

“**Iron Gate Completion Date**” means the date on which removal of Iron Gate dam is substantially complete under any Federal Energy Regulatory Commission order authorizing Facilities Removal.

“**KHSA**” has the meaning set forth in Recital B.

“**Land**” has the meaning ascribed to such term in Recital A above.

“**Landlord**” means PacifiCorp and its permitted successors and assigns.

“**Landlord’s Facilities**” means the overhead transmission line identified on Exhibit C and its supporting structures and equipment.

“**Landlord Indemnified Parties**” means Landlord, its shareholders, members, partners, equity holders, directors, officers, trustees and employees.

“**Laws**” means laws (including common law), statutes, codes, treaties, orders, rules, regulations, ordinances, requirements, judgments, orders, decrees or determinations of any Governmental Authority, including the Americans with Disabilities Act of 1990.

“**Legal Requirement(s)**” means, (i) with reference to any Person (A) the articles of organization, operating agreement, certificate of incorporation and by-laws or partnership agreement, certificate of limited partnership or other organizational or governing documents of such Person, and (B) any Laws applicable to or binding upon such Person or its property (to the extent thereby affecting the Premises); and (ii) with reference to the Premises (A) any Laws applicable to or binding upon the Premises, any appurtenance thereto, or the use or manner of use thereof, including without limitation (1) any applicable environmental, ecological, zoning, building, landmark, subdivision and land use Laws, (2) the requirements, terms or conditions of any Approvals of any Governmental Authority, and (3) the terms, conditions and requirements of any easement, restrictive declaration or other encumbrance upon the Premises, and (B) the orders, rules and regulations of the Board of Fire Underwriters or any body now or hereafter performing similar functions.

“Patriot Act” means the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) and all other statutes and all orders, rules and regulations of the United States government and its various executive departments, agencies and offices related to the subject matter of the Patriot Act, including Executive Order 3224 effective September 24, 2001.

“Permitted Encumbrances” means the matters set forth in Exhibit B.

“Person” means natural persons, corporations, companies, partnerships, limited liability companies, trusts, associations, public bodies, joint ventures and similar entities.

“Pre-Existing Condition” means any condition or circumstance relating to Hazardous Materials affecting the Premises as of the date of this Lease.

“Premises” has the meaning set forth in Section 2.1

“Rent” means Basic Rent and Additional Rent.

“Tenant” means Klamath River Renewal Corporation, a California nonprofit corporation and its permitted successors and assigns.

“Tenant Indemnified Parties” means Tenant, its members, directors, officers and employees

“Term” has the meaning set forth in Section 3.1.

“Term Commencement Date” has the meaning set forth in Section 3.1.

“Terminate”, “Terminated”, and “Termination” of this Lease shall refer to the expiration of the Term of this Lease or any sooner termination pursuant to any of the provisions of this Lease or of applicable law.

“Transfer” whether in the noun or verb form, means any transaction or series of transactions in which a Person’s direct or indirect interest in the Premises, this Lease or the leasehold estate hereby granted is transferred, voluntarily or by operation of law or any other involuntary means, or in which any interest, however remote, in the Person (including Tenant or Landlord) shall be transferred.

“Utility Services” has the meaning ascribed to such term in Section 5.3.

Section 1.2. Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Lease:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the feminine, masculine and neuter genders shall each include correlative words of the other genders.

(c) All references herein to particular articles or sections without reference to a specific document are references to articles or sections of this Lease.

(d) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this Lease nor shall they affect its meaning, construction or effect.

(e) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Lease, refer to this Lease in its entirety and not the particular article or section of this Lease in which they appear, and the term “hereafter” means after, and the term “heretofore” means before, the date of this Lease.

(f) The word “including” and words of similar import mean “including but not limited to.”

(g) Except where this Lease expressly provides for a different standard, any approvals, consents and acceptances required to be given or made by any person or party hereunder shall not be unreasonably withheld, delayed or conditioned by the person or party whose approval, consent or acceptance is required. Acceptance for this purpose shall include a party’s confirmation that a document required to be delivered to such party or a state of affairs required by such party to exist is acceptable to such party.

(h) All references herein to any other document, agreement or instrument shall mean such document, agreement or instrument as it may be amended, modified, supplemented or restated.

(i) All exhibits and appendices to this Lease, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Lease.

(j) Requirements in this Lease that Tenant take any action at its own expense, or at no expense to Landlord, shall not be construed as limiting any funding obligation Landlord may have under the KHSa or the Hatchery Funding Agreement, or as prohibiting Tenant from utilizing any such funding for the stated purpose. The parties intend that any limitation on the use of any such funding shall be as set forth in the applicable agreement. In no event shall Tenant be deemed to be in default of any payment obligation under this Lease if Landlord has not provided any of the funding required under the Hatchery Funding Agreement.

ARTICLE 2

Premises

Section 2.1. Demise of the Premises. Landlord for and in consideration of the rents, covenants and agreements herein contained, hereby leases to Tenant, and Tenant hereby leases from Landlord, subject to Permitted Encumbrances and the terms, covenants, conditions, and agreements hereinafter expressed, the Land and the Improvements; together with all the rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in any way appertaining, including by way of illustration the water rights provided for in Statement 12966 and any other appurtenant water rights and the right to use driveways, service roads and such other appurtenances as may be necessary for the purpose of ingress and egress, as these appurtenances exist on the Term Commencement Date, or as they may thereafter exist (hereafter referred to collectively as the “**Premises**”).

Section 2.2. Ownership of Improvements. During the Term, Tenant shall be deemed to be the owner, and is hereby granted ownership, of the Improvements including any Alterations. Upon any reversion of possession of the Land to Landlord in connection with a Termination of this Lease, all right, title and interest in and to the Improvements shall automatically vest in Landlord without any further act or compensation on the part of either Party, and Tenant shall promptly execute and deliver such bills of sale, deeds and other instruments, affidavits and returns as may be requested by Landlord in confirmation thereof.

ARTICLE 3

Term

Section 3.1. Term.

(a) *Commencement and Expiration.* The “**Term**” of this Lease, during which Tenant shall be entitled to possess, use and occupy the Premises, shall commence on the date this Lease was entered into as written above (the “**Term Commencement Date**”) and shall expire at midnight on the day that is eight (8) years after the Iron Gate Completion Date, unless this Lease is Terminated sooner in accordance with the terms of this Lease, in which case the Term (and all of the rights and obligations of Landlord and Tenant hereunder) shall end on the date of such earlier Termination.

(b) *Confirmation of Iron Gate Completion Date.* Upon request by either party following the Iron Gate Completion Date the parties shall execute an instrument confirming the date on which the Iron Gate Completion Date occurred.

ARTICLE 4

Rent

Section 4.1. Basic Rent.

(a) Throughout the Term of this Lease, Tenant shall pay to Landlord, over and above any additional payments provided for in this Lease, an absolutely net rent (“**Basic Rent**”) of One Dollar (\$1.00) for the entire Term, receipt of which Landlord hereby acknowledges.

Section 4.2. Additional Rent. Any sums that may become payable to Landlord by Tenant under this Lease shall be deemed Additional Rent and shall be payable at Landlord’s address as provided above. Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment of Additional Rent as Landlord has in the case of default by Tenant in the payment of Basic Rent. Additional Rent shall be due and payable thirty (30) days after Landlord shall have sent Tenant written notice of the amount due accompanied by a statement in reasonable detail of the basis therefor..

ARTICLE 5

Construction of Hatchery Facilities

Section 5.1. Construction of the Hatchery Facilities. Tenant shall develop, construct, and equip the Hatchery Facilities upon the Premises substantially in accordance with the Hatchery Design and the terms and conditions of this Lease.

Section 5.2. Approvals.

(a) Tenant, at its own expense, shall be responsible for timely obtaining all licenses, certificates, authorizations, permits, consents and approvals called for by any Legal Requirement relating to the Hatchery Facilities. Tenant shall keep each Approval obtained in full force and effect for as long as necessary under any Legal Requirement,

(b) Landlord shall reasonably cooperate with Tenant in the filing of applications and documents necessary to obtain the Approvals, provided that the foregoing shall not expand Landlord's obligations regarding Approvals for Facilities Removal beyond Landlord's obligations under the KHSa. To the extent requested by Tenant, Landlord's cooperation shall include, without limitation, the execution by Landlord of applications for Approvals, provided that any application the execution of which Tenant desires shall have been completed in a manner reasonably acceptable to Landlord and furnished to Landlord not less than thirty (30) days prior to the date on which Tenant intends to file such application, and provided further that execution by Landlord of any such application shall be solely for the purpose of evidencing its acquiescence thereto but shall not constitute Landlord's approval thereof or in any way relieve Tenant of sole responsibility for determining the appropriateness of making any such application or the contents thereof.

Section 5.3. Utilities.

(a) The Tenant shall make (or shall cause to be made) application for, obtain, and be solely responsible for providing all utilities required, used, or consumed at the Premises, including, but not limited to gas, water (including water for domestic uses and for fire protection), telephone, electricity, internet connection, sewer service, or any similar service (collectively referred to as "**Utility Services**").

(b) Landlord shall, at Tenant's sole cost and expense, cooperate with Tenant in the filing of applications and documents necessary to obtain Utility Services. To the extent requested by Tenant, Landlord's cooperation shall include, without limitation, the execution by Landlord of applications for Utility Services, provided that any application the execution of which Tenant desires shall have been completed in a manner reasonably acceptable to Landlord and furnished to Landlord not less than thirty (30) days prior to the date on which Tenant intends to file such application, and provided further that execution by Landlord of any such application shall be solely for the purpose of evidencing its acquiescence thereto but shall not constitute Landlord's approval thereof or in any way relieve Tenant of sole responsibility for determining the appropriateness of making any such application or the contents thereof. Nothing in this Lease shall require Landlord to prosecute or participate in the prosecution of any application or other procedure relating to any Utility Services.

Section 5.4. Commencement and Prosecution of Work.

(a) Prior to mobilization at the Premises by Tenant's contractor, Tenant shall deliver, or shall cause its contractor to deliver, to Landlord:

(i) evidence that all Approvals necessary for the work have been obtained and are in full force and effect except for such Approvals as are not yet required for that stage of the work; and

(ii) evidence that all insurance required under this Lease is in place.

(b) Once Tenant has commenced construction of the Hatchery Facilities, including excavation or demolition in contemplation thereof, it shall complete construction of the Hatchery Facilities with commercially reasonable diligence.

(c) The Hatchery Facilities shall be constructed in a good and workmanlike manner, in compliance with applicable Legal Requirements, and without materially affecting any Landlord's Facilities except as provided for in the Hatchery Design;

(d) The cost of constructing the Hatchery Facilities shall be timely paid by Tenant so that the Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Premises, excepting liens the collection of which has been indemnified or insured against by a bonding or title insurance company; and

(e) Landlord shall in all cases have the right to enter upon the Premises at reasonable times and on reasonable notice to monitor and inspect the work and its progress and to post such notices of non-responsibility as may be permitted under applicable Law.

Section 5.5. Tenant's Contractors. Tenant's contractors, subcontractors of any tier, suppliers, and consultants shall have such access to the Premises as Tenant determines to be necessary to carry out any work relating to construction, equipping and commissioning of the Hatchery Facilities, including the right to store supplies and materials at the Premises. Tenant shall require such parties to comply with all applicable terms of this Lease and Tenant shall be responsible to Landlord for the acts and omissions of such parties on or about the Premises in connection with the construction, equipping and commissioning of the Hatchery Facilities.

ARTICLE 6

Use and Operation of Premises

Section 6.1. Permitted Uses. The Premises shall be utilized during the Term of this Lease for the operation of a fish hatchery and for purposes ancillary to or supportive of such use, including any use necessary to comply with Tenant's Approvals for Facilities Removal.

Section 6.2. Nuisance Prohibited. Tenant shall not use or allow the Premises or any part thereof to be used, occupied or operated in any manner or for any purpose that shall constitute a public or private nuisance, or void, or make voidable, any insurance then in force with respect to the Premises.

Section 6.3. Responsibility for Maintenance and Operation. Tenant shall have sole responsibility for the condition, operation, maintenance, management, restoration and repair of the Premises and shall exercise such responsibility at its sole cost and expense and in its sole discretion, subject only to the express terms of this Lease and all Legal Requirements.

Section 6.4. Operator. Landlord acknowledges that prior to Tenant's Transfer of this Lease pursuant to Section 17.2 any operation of the Premises will be carried out by CDFW or such other party or successor as Tenant may designate in accordance with Legal Requirements. Landlord will accept performance by such operator as if it were rendered by Tenant, provided that operation by a third party shall not relieve Tenant of its obligations under this Lease and Tenant shall require any such third party to comply with the applicable terms of this Lease.

Section 6.5. Contractors. Landlord acknowledges that Tenant and its operators may provide access to the Premises to contractors, subcontractors, consultants, vendors and such other Persons as Tenant or its operator determines to be necessary or convenient for the operation, maintenance and repair of the Premises and the conduct of Tenant's activities under this Lease. Tenant shall require such parties to comply with all applicable terms of this Lease and Tenant shall be responsible to Landlord for the acts and omissions of such parties on or about the Premises in connection with the operation, maintenance and repair of the Hatchery Facilities.

Section 6.6. Signage. Tenant shall have the right to install, remove and otherwise maintain from time to time such signage in and about the Premises as is permitted by Legal Requirements, whether or not visible from outside the Premises.

ARTICLE 7

Impositions

Section 7.1. Impositions.

(a) For purposes of this Lease the following are referred to collectively as “**Impositions**”: all taxes, assessments, water and sewer rents and charges, and other charges, together with all interest and penalties thereon, which are assessed, levied, confirmed, or otherwise imposed by any Governmental Authority or provider of Utility Services upon or against the Premises or the value of the Premises or the making of Improvements thereon, or the possession of any interest hereunder, in each instance payable with respect to the Term of this Lease, or any portion thereof.

(b) Landlord covenants and agrees to pay when due (subject to the remaining provisions of this Article), all Impositions payable in respect of the Premises except for Impositions imposed specifically on or because of the Hatchery Facilities or the leasehold under this Lease (a “**Hatchery Imposition**”), which must be timely paid by Tenant. Landlord shall promptly forward to Tenant any bill for Impositions payable by Tenant. Hatchery Impositions for the fiscal period of the taxing authority in which the commencement or Termination of this Lease occurs will be prorated between Landlord and Tenant.

Section 7.2. Right to Contest. Tenant shall have the right to contest the amount or validity, in whole or in part, of any Hatchery Imposition by appropriate proceedings and may postpone or defer payment of any contested Hatchery Imposition, provided that no such deferral or postponement shall be allowed to generate an enforcement action against Landlord’s interest in the Premises. In the event Landlord receives any refund or credit of Hatchery Impositions paid by Tenant Landlord shall promptly forward to Tenant a payment in the amount of such refund or credit. Landlord and Tenant shall reasonably cooperate with each other, if requested, in any application or petition for exemption from Impositions.

Section 7.3. Survival. The provisions of this Article 7 shall survive the Termination of this Lease.

ARTICLE 8

Insurance

Section 8.1. General Insurance Requirements. Tenant shall maintain, or cause to be maintained, insurance covering the risks enumerated below. The policies procured hereunder shall provide that such insurance shall not be modified, altered or cancelled without ten (10) days’ written notice to the Landlord, and that the insurance required under subsections (c), (d) and (f) of Section 8.2 shall name Landlord as an additional insured. The insurance policies purchased by Tenant, or provided on behalf of Tenant, must be issued by a company authorized to conduct business in the State of California and which has a rating of A-VII or better by the latest Best Insurance Report (or a substantially equivalent publicly available rating if A. M. Best has ceased publication of insurance ratings).

Section 8.2. Required Coverages. During the Term Tenant shall obtain and maintain, the following coverages:

(a) *Property/Casualty* – fire and casualty insurance insuring the Premises against loss and damage by fire and other hazards covered by a standard extended coverage, “all risk” insurance policy, in amounts equal to the full replacement cost of the Premises, including Improvements and business personal property, and the cost of debris removal;

(b) *Commercial General Liability* - commercial general liability insurance covering both on-site and off-site events and activities sponsored or supervised by Tenant on an occurrence basis, covering all claims for bodily injury and property damage, including loss of use thereof, including independent contractor liability, products/completed operations liability, watercraft operations, personal and advertising injury and contractual liability coverage in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the aggregate, with deductible provisions not to exceed a commercially reasonable amount per occurrence;

(c) *Automobile* - comprehensive automobile insurance (with deductible provisions not to exceed a commercially reasonable amount per occurrence) with liability limits of not less than One Million Dollars (\$1,000,000.00) combined single limit covering liability arising out of the use of any Tenant vehicle, or such vehicles used in conjunction with the business of Tenant, whether owned, non-owned or hired;

(d) *Statutory Employees’ Insurance* - workers’ compensation and disability insurance and such other forms of insurance required by law to provide covering loss resulting from injury, death, sickness, disability or death of the employees of Tenant, or any contractor or subcontractor performing work with respect to the Premises; and

(e) *Excess Umbrella* - additional excess and/or umbrella liability coverage in an amount of Ten Million Dollars (\$10,000,000) in the aggregate, which shall include all insured coverages required by subsections (c), (d) and (e) of this Section 8.2.

Section 8.3. Policy Loss Payable; Other Policy Requirements.

(a) Tenant shall be the loss payee under all insurance provided for in this Article 8 except with respect to Landlord’s interest as an additional insured under any liability insurance.

(b) All insurance policies and endorsements required pursuant to this Article 8 shall be fully paid for and nonassessable, shall contain such provisions and expiration dates and be in such form and amounts as indicated above. Without limiting the foregoing, each policy shall specifically provide that no act or thing done by Tenant shall invalidate the policy as against Landlord.

(c) Tenant and, to the extent it maintains separate insurance, Landlord, shall each procure and maintain a clause or endorsement to their respective insurance policies pursuant to which their respective insurers waive subrogation. Provided its rights of recovery under the insurance policy that it maintains is not adversely affected, Landlord and Tenant each releases the other from any claim under this Lease for any loss or damage to the extent covered by its own insurance.

(d) Tenant’s insurance shall be and shall include provisions stating that it is primary with respect to Landlord’s interest in the Premises to the extent of Tenant’s negligent acts or omissions, and shall state that any other insurance or self-insurance maintained by Landlord is excess and not

contributory with the insurance required hereunder. Tenant's insurance shall include a cross-liability or severability of interest clause or endorsement.

Section 8.4. Delivery of Evidence of Insurance. Upon the commencement of this Lease and annually thereafter, Tenant shall furnish to Landlord evidence of all insurance required to be carried by Tenant in accordance with this Lease. Such insurance evidence must document that the liability insurance coverage purchased by or maintained on behalf of Tenant includes contractual liability coverage.

Section 8.5. Notice Prior to Change or Cancellation. Tenant shall notify Landlord as soon as possible in the event that any policies become subject to cancellation and must provide to Landlord proof of replacement coverage prior to the cancellation effective date or as soon as practicable thereafter.

Section 8.6. Separate Insurance.

(a) Tenant shall not carry separate insurance concurrent in coverage with any insurance required to be furnished by Tenant under the provisions of this Lease unless Landlord shall be included as a named insured or additional insured, as the case may require, with loss payable as hereinabove provided. Tenant shall promptly notify Landlord of the issuance of any such separate insurance and shall cause certified copies of such policies to be delivered to Landlord as provided in this Article.

(b) Tenant shall, at all times, observe and comply with the requirements of all policies of insurance in effect with respect to the Premises.

Section 8.7. CDFW as Tenant. Landlord acknowledges that CDFW is self-insured and that upon CDFW's assumption of this Lease following its assignment pursuant to Article 17 the foregoing requirements to maintain insurance shall not apply.

ARTICLE 9

Covenants Against Waste and to Repair and Maintain the Premises

Section 9.1. No Waste. Tenant shall not intentionally or negligently cause or permit any physical waste on the Premises, provided that nothing in this Lease shall prohibit Tenant from removing any Improvements or otherwise modifying the Premises or any portion thereof except as expressly prohibited by this Lease.

Section 9.2. Maintenance of Premises. Tenant shall cause the Premises to be maintained in good order and condition, and shall make such repairs and replacements (including structural repairs), foreseen and unforeseen, ordinary and extraordinary, necessary to maintain the Premises in good working order, provided that nothing in this Lease shall prohibit Tenant from maintaining the Premises or any portion of the Premises in an unimproved or rustic condition.

Section 9.3. Maintenance of Personal Property. Tenant shall keep and maintain all Improvements and related personal property in a safe condition throughout the Term of this Lease, subject to Section 9.4 below.

Section 9.4. Right to Modify or Remove Certain Property. Tenant shall be entitled to modify or remove and dispose of Improvements and moveable or immovable property located on the Land in its sole discretion, without payment of any compensation to Landlord in respect thereof, provided

only that such modification or removal is in furtherance of Tenant's permitted operations under this Lease.

Section 9.5. Landlord's Facilities.

(a) Landlord shall be solely responsible for maintaining and repairing Landlord's Facilities. Landlord shall carry out its maintenance, repair and any modification of Landlord's Facilities in a manner that does not materially adversely affect the Hatchery Facilities or their operation.

(b) Except as may be provided for in the Hatchery Design, Tenant shall not modify, remove or adversely affect any Landlord Facilities without Landlord's prior written consent, which shall not be unreasonably withheld, delayed or conditioned, provided that Tenant's proposed action does not materially adversely affect the function or maintenance of Landlord's Facilities and is in compliance with all applicable Laws.

ARTICLE 10

Compliance with Legal Requirements

Section 10.1. Tenant to Comply. Tenant shall, at its sole cost and expense, comply with all applicable Legal Requirements relating to the use, operation and/or possession of the Premises.

Section 10.2. Right to Contest. Tenant shall have the right to contest by appropriate administrative or legal proceedings the validity or application of any Legal Requirement, and, if compliance therewith may be held in abeyance under applicable Legal Requirements without (i) the inurrence of a lien, charge or liability of any kind against the Premises or Tenant's leasehold interest therein, (ii) subjecting Landlord to any liability or any material risk of forfeiture or penalty for failure to comply therewith, or (iii) creating or allowing the persistence of any unsafe conditions, Tenant may postpone compliance until the final determination of the proceedings, provided that such proceedings shall be prosecuted with all due diligence and dispatch.

ARTICLE 11

Damage to or Destruction of the Improvements

Section 11.1. Restoration. In case of damage to or destruction of the Premises by fire or any other cause, similar or dissimilar, Tenant shall promptly notify Landlord and Tenant at its discretion may remove all debris resulting from such damage or destruction, and may, in its discretion, either rebuild, restore, repair and replace, as applicable, the Premises or any improvements, betterments, fixtures and equipment, furnishings and physical property located thereon, or any part thereof, substantially as they existed prior to such damage or destruction or make such other repairs, replacements, changes or alterations, if any, as Tenant may, in all instances, determine in its sole discretion, subject to applicable Legal Requirements and Section 9.5. Such rebuilding, restoration, repairs, replacements, or alterations shall be commenced promptly and shall be subject to the terms and conditions of this Lease, including, without limitation, Article 13.

ARTICLE 12

Condemnation

Section 12.1. Taking of All or Substantially All of the Premises. If, at any time during the Term of this Lease, the whole or substantially all of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain, or by agreement between Landlord, Tenant and those authorized to exercise such right, this Lease shall Terminate on the date of such taking. For purposes of this Lease “substantially all” of the Premises shall be deemed to have been taken if, following such taking, the balance of the Premises would not, under applicable Legal Requirements, economic conditions or otherwise, permit the reasonable operation of the Premises as provided for in this Lease.

Section 12.2. Taking of Less Than Substantially All. If less than substantially all of the Premises shall be taken, then this Lease shall be deemed Terminated as to the part so taken as of the date of such taking, but shall continue in full force and effect for that part not taken.

Section 12.3. Application of Award. In the event of any taking referred to in Section 12.1 or 12.2, partial, whole or substantially all, as the case may be, Landlord and Tenant agree that the award or awards resulting from condemnation or eminent domain as determined by a court of competent jurisdiction or the proceeds pursuant to a written agreement in lieu thereof shall be allocated between Landlord and Tenant and paid in the following order of priority:

(a) If the award shall have been made in respect of a taking of the type referred to in Section 12.2, then there shall be paid to Tenant an amount sufficient to pay in full the cost of any repair, replacement, rebuilding and modification necessitated by such taking and required by the terms of this Lease.

(b) From the remainder of the proceeds, if any, or if the award shall have been made in respect of a taking of the type referred to in Section 12.1, then Landlord shall be paid an amount equal to the value of Landlord’s reversionary interest in the Land so taken, but as if the Land so taken were unencumbered and free and clear of this Lease.

(c) Any balance shall be payable to Tenant.

Section 12.4. Restoration. If the Premises shall be damaged or partially destroyed by any taking referred to in Section 12.2, Tenant shall give prompt notice thereof to Landlord and, regardless of the amount or allocation of any award made in respect of such taking, Tenant may proceed with reasonable diligence to conduct any necessary demolition and to repair, replace, rebuild or modify the portion of the Premises not so taken so as to constitute such remaining portion suitable for use by Tenant as provided for under this Lease, all as determined by Tenant in its sole discretion.

ARTICLE 13

Alterations

Section 13.1. Alterations. Tenant shall have the right, in its sole discretion, to remove any Improvements or make alterations, installations, or structural changes, to the Premises, or any part thereof, or make any addition and/or improvement thereto or construct any additional buildings or other improvements on the Premises, (any such action being herein referred to as an “**Alteration**”), subject only to Section 9.5(b) and the following requirements:

(a) All Alterations, when completed, shall be of such a character as is consistent with the continued use of the Premises for its permitted uses;

(b) All Alterations shall be made promptly and in good and workmanlike manner and in compliance with applicable Legal Requirements;

(c) The cost of any Alterations shall be timely paid by Tenant so that the Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Premises, excepting liens the collection of which has been indemnified or insured against by a bonding or title insurance company; and

(d) Landlord shall in all cases have the right to enter upon the Premises at reasonable times and on reasonable notice to monitor and inspect the work and its progress and to post such notices of non-responsibility as may be permitted under applicable law.

Section 13.2. Tenant's Contractors. Tenant's contractors, subcontractors of any tier, suppliers, and consultants shall have such access to the Premises as Tenant determines to be necessary to carry out any work relating to Tenant's Alterations, including the right to store supplies and materials at the Premises. Tenant shall require such parties to comply with all applicable terms of this Lease and Tenant shall be responsible to Landlord for the acts and omissions of such parties on or about the Premises in connection with Tenant's Alterations.

Section 13.3. Landlord Cooperation. Landlord shall, at Tenant's sole cost and expense, timely cooperate with Tenant in the filing of applications and documents necessary to obtain any necessary Approvals. To the extent requested by Tenant, Landlord's cooperation shall include, without limitation, the execution by Landlord of applications for Approvals, provided that any application the execution of which Tenant desires shall have been completed in a manner reasonably acceptable to Landlord and furnished to Landlord not less than ten (10) days prior to the date on which Tenant intends to file such application, and provided further that execution by Landlord of any such application shall be solely for the purpose of evidencing its acquiescence thereto but shall not in any way impose liability or cost of any kind on Landlord or relieve Tenant of sole responsibility for determining the appropriateness of making any such application or the contents thereof.

ARTICLE 14

Liens

Section 14.1. No Liens. Tenant shall not suffer or permit any vendor's, mechanic's, laborer's or materialman's statutory or similar lien to be filed against the Premises or any interest of Landlord or Tenant therein by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant (or anyone claiming by, through or under Tenant) or anyone holding the Premises or any part thereof directly or by, through or under Tenant. If any such lien shall at any time be filed, Tenant shall, within twenty (20) days after notice of the filing thereof, initiate action to cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by Legal Requirements and shall continue to diligently pursue such actions until such lien is discharged. If Tenant shall fail to commence action to cause such lien to be discharged within the period aforesaid or shall fail to diligently pursue such actions to completion, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, following notice to Tenant of its intention to do so, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such mechanic's lien by the lienor

and to pay the amount of the judgment for and in favor of the lienor with interest, cost and allowances. Nothing in this Lease shall be deemed or construed in any way as constituting (i) the consent of Landlord to the filing of any such lien on Landlord's interest in the Premises or this Lease or (ii) the consent or request of Landlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman or the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of the Premises or any part thereof. Any amounts paid by Landlord pursuant to this Article 14 shall be reimbursed by Tenant to Landlord upon demand.

ARTICLE 15

Surrender of the Premises

Section 15.1. End of Term; Surrender of Premises.

(a) Upon Termination of this Lease, Tenant shall surrender the Premises to Landlord, free and clear of all lettings and occupancies and free and clear of all liens and encumbrances other than Permitted Encumbrances and otherwise in accordance with this Section 15.1.

(b) Prior to surrender of the Premises Tenant shall decommission the Hatchery Facilities in accordance with the requirements set forth in Exhibit E.

(c) Tenant shall have no obligation to remove any Improvements except for removal of the portions of the Hatchery Facilities designated for end of Term removal on Exhibit D, or as expressly required as part of the decommissioning requirements in Exhibit E. All remaining Improvements shall become the property of Landlord as provided for in Section 2.2, provided that Tenant may remove and retain such trade fixtures and other equipment as Tenant may determine.

Section 15.2. Abandoned Property. Any personal property or other property of Tenant that shall remain at the Premises after the Termination of this Lease may, at the option of Landlord, be deemed to have been abandoned, and may, in Landlord's sole discretion, be retained by Landlord as its property, be stored by Landlord (if required by law) at the expense of Tenant, or be disposed of, without accountability on the part of Landlord to Tenant.

Section 15.3. Hold Over. In the event Tenant shall not have vacated the Premises on or before the Termination of the Lease such holding over shall not be deemed to extend the Term or renew the Lease, but such holding over shall continue upon the covenants and conditions herein set forth as a month to month tenancy that either party may terminate upon thirty (30) days' written notice.

Section 15.4. Survival. The provisions of this Article 15 shall survive any Termination of this Lease.

ARTICLE 16

Indemnification

Section 16.1. Indemnity by Tenant.

(a) To the fullest extent permitted by Law Tenant agrees to indemnify the Landlord Indemnified Parties against, and to defend and save Landlord harmless from any and all third-party claims by or on behalf of any person, and any and all judgments, costs, expenses and liabilities (including reasonable attorneys' fees) relating to any such third-party claims (a) arising on or after the Term

Commencement Date in connection with Tenant's use or occupancy of the Premises, including any claim arising in connection with (i) any condition of the Premises (other than a Pre-Existing Condition), (ii) any act or omission of Tenant, or any of its agents, contractors, servants, employees, licensees, or invitees, or (iii) any accident, injury or damage whatsoever caused to any person or property occurring in or about the Premises or any property adjacent thereto, or (b) arising in connection with any work or other activity whatsoever done in or about the Premises by or on behalf of Tenant, except, in each instance, for any claim to the extent arising out of negligence, bad faith or willful misconduct by Landlord, its agents or representatives. If any action or proceeding is brought against Landlord by reason of any of the foregoing then, upon request of Landlord, Tenant covenants to defend such action or proceeding by counsel reasonably satisfactory to Landlord. Counsel appointed by Tenant's insurer shall be deemed to be acceptable to Landlord.

(b) Upon the Transfer of this Lease to CDFW, CDFW will, to the extent authorized under Section 14662.5 of the Government Code and in lieu of the indemnity under subsection (a) above, indemnify and hold harmless Landlord against all third-party claims by or on behalf of any person, and any and all judgments, costs, expenses and liabilities (including reasonable attorneys' fees) relating to any such third-party claims (i) arising on or after the Term Commencement Date in connection with Tenant's use or occupancy of the Premises, including any claim arising in connection with (A) any condition of the Premises (other than a Pre-Existing Condition or Landlord's Facilities), (B) any act or omission of Tenant, or any of its agents, contractors, servants, employees, licensees, or invitees, or (C) any accident, injury or damage whatsoever caused to any person or property occurring in or about the Premises or any property adjacent thereto, or (ii) arising in connection with any work or other activity whatsoever done in or about the Premises by or on behalf of Tenant, except, in each instance, for any claim to the extent arising out of negligence, bad faith or willful misconduct by Landlord, its agents or representatives, or arising from Landlord's Facilities and CDFW shall repair or pay for any damage proximately caused by reason of the uses authorized by this Lease.

Section 16.2. Indemnity by Landlord. To the fullest extent permitted by Law Landlord agrees to indemnify the Tenant Indemnified Parties against, and to defend and save Tenant harmless from any and all third-party claims by or on behalf of any person, and any and all judgments, costs, expenses and liabilities (including reasonable attorneys' fees) relating to any such third-party claims arising (a) prior to the Term Commencement Date in connection with the Premises, including any such claim arising in connection with (i) any condition of the Premises (including any Pre-Existing Condition), (ii) the prior operation of the Premises, or (iii) any accident, injury or damage whatsoever caused to any person or property occurring in or about the Premises or upon any property adjacent thereto, or (b) in connection with Landlord's Facilities, except, in each instance, for any claim to the extent arising out of negligence, bad faith or willful misconduct by Tenant, its agents or representatives. If any action or proceeding is brought against Tenant by reason of any of the foregoing then, upon request of Tenant, Landlord covenants to defend such action or proceeding by counsel reasonably satisfactory to Tenant. Counsel appointed by Landlord's insurer shall be deemed to be acceptable to Tenant.

Section 16.3. Survival. The provisions of this Article 16 shall survive the Termination of this Lease.

ARTICLE 17

Transfers

Section 17.1. Prohibited Transfers. Except as permitted under Section 17.2, Tenant shall not Transfer this Lease without Landlord's prior written consent.

Section 17.2. Permitted Transfer. Notwithstanding Section 17.1, the originally named Tenant has the unconditional right to Transfer this Lease at any time to CDFW or any other governmental department, agency or subdivision of the State of California designated by CDFW for purposes of assuming responsibility for operating the Hatchery Facilities or succeeding to CDFW's responsibilities relating to the Hatchery Facilities by operation of law. Upon the acceptance of this Lease by CDFW or such other Person the originally-named Tenant under this Lease shall be relieved of any obligations or liabilities thereafter arising under this Lease, but shall remain responsible to Landlord for any liability arising under this Lease prior to such Transfer.

ARTICLE 18

Default Provisions

Section 18.1. Events of Default.

(a) The occurrence of one or more of the following events shall constitute an “**Event of Default**” under this Lease:

(i) if Tenant fails to perform or observe any covenant, condition or agreement under this Lease, and the failure continues for a period of sixty (60) days after written notice specifying the failure has been given to Tenant; provided, however, that if the failure is susceptible to cure but cannot, with due diligence, be remedied by Tenant within sixty (60) days, the period of time to cure the failure shall be extended for such period as may be reasonably necessary to cure the failure with all due diligence, provided that Tenant has commenced curing the failure within the initial sixty (60) day period and is continues its efforts to cure the failure with due diligence; or

(ii) if Tenant files or consents to the filing of any petition in any bankruptcy, insolvency, reorganization of debt or similar debtor relief proceeding, or any proceeding for the liquidation or dissolution of Tenant under law or statute, or makes a general assignment of all or substantially all of its assets, or consents to or acquiesces in the appointment of a trustee, liquidator or receiver of Tenant or of the whole or any substantial part of Tenant's assets or of Tenant's interest in the Premises; or

(iii) if pursuant to an order, judgment or decree entered by any court of competent jurisdiction (A) a receiver, trustee or liquidator of Tenant or of all or any substantial part of Tenant's assets or of Tenant's interest in the Premises is appointed in any proceeding, or (B) Tenant is adjudicated bankrupt or insolvent, or (C) a petition seeking liquidation or dissolution of Tenant, or reorganization of Tenant or an arrangement with creditors or to take advantage of any law or statute, whether now existing or hereafter in effect, of the federal or any state government, or any subdivision thereof, relating to bankruptcy, insolvency, readjustment of debt or similar debtor-relief measures, is approved; and any such order, judgment or decree referred to in clauses (A), (B) and (C) above is not vacated, set aside or stayed within ninety (90) days from the date of entry thereof, or a stay thereof shall be thereafter set aside

Section 18.2. Remedies.

(a) Upon the occurrence of an Event of Default Landlord has such rights and remedies as may be available under this Lease, at law or in equity, including the right to seek damages, provided, however, that both parties waive any right to seek consequential, punitive, special or indirect damages.

(b) Notwithstanding any other provision of this Lease or applicable Laws to the contrary, Landlord may Terminate this Lease as a result of an Event of Default only if the following additional conditions have been satisfied:

(i) The Event of Default results or is likely to result in a material cost or liability to Landlord, or materially adversely affects Landlord's ability to operate Landlord's Facilities;

(ii) Landlord has given Tenant not less than thirty (30) days' notice stating its intention to terminate this Lease as of a date certain and identifying with reasonable specificity the cost, liability or adverse operational impact of the Event of Default on Landlord; and

(iii) Tenant has failed to cure the Event of Default or otherwise reasonably mitigate the effects of the Event of Default identified in Landlord's notice under clause (ii) above within the time period set forth in such notice.

If the foregoing conditions have been satisfied then Landlord shall have the right to terminate this Lease on not less than thirty (30) days' notice, provided that if within the period set forth in Landlord's notice the Event of Default is substantially cured or the effects identified in Landlord's notice under clause (ii) above have been reasonably mitigated then Landlord's notice of termination shall be deemed withdrawn and of no effect and this Lease shall continue in full force and effect.

(c) In addition to the other remedies in this Lease, the parties shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, terms, agreements, provisions or limitations of this Lease as though any other remedies were not provided for in this Lease.

ARTICLE 19

Notices

Section 19.1. Notices. Any notice, request, demand, statement, authorization, approval or consent made hereunder must be in writing and shall be hand delivered or sent by Federal Express, or other reputable courier service, or by postage pre-paid registered or certified mail, return receipt requested. Notice under this section will be deemed given (i) when received at the following addresses if hand delivered or sent by Federal Express, or other reputable courier service, and (ii) three (3) business days after being postmarked and addressed as follows if sent by registered or certified mail, return receipt requested:

to Landlord at:

PacifiCorp
825 Northeast Multnomah Street
Suite 2000
Portland, Oregon 97232
Attention President or Chief Executive Officer

with a copy (which shall not constitute notice) to:

PacifiCorp
825 Northeast Multnomah Street

Suite 2000
Portland, Oregon 97232
Attention: Dustin Till

to Tenant at:

Klamath River Renewal Corporation
2001 Addison Street
Suite 300, Office 317
Attention: Chief Executive Officer

with a copies (which shall not constitute notice) to:

Water and Power Law Group PC
2140 Shattuck Avenue, Ste. 801
Berkeley, CA 94704-1229
Attention: Richard Roos-Collins

Section 19.2. Change of Notice Addresses. Either party may from time to time designate by notice in writing, given in the manner specified in Section 19.1, a new or other address to which such notice or demand must be given or made

ARTICLE 20

Quiet Enjoyment

Section 20.1. Quiet Enjoyment. Landlord covenants and agrees that, so long as no Event of Default has occurred and is continuing, Tenant shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Lease without hindrance or molestation, subject, however, to Permitted Encumbrances and the terms, conditions and reservations of this Lease.

ARTICLE 21

Condition of the Premises

Section 21.1. Condition of Premises. Tenant represents that the Premises, including the existing structures and facilities, and the present uses and nonuses thereof, have been examined by Tenant and that Tenant shall accept the same "AS IS" on the Term Commencement Date except as provided in Article 22. Prior to entering into this Lease Tenant has made, or caused to be made, such examinations and reviews of the Premises, the operations thereof, the income and expenses thereof and all other matters of every kind whatsoever relating to this transaction as Tenant has deemed to be necessary or desirable.

Section 21.2. No Representations By Landlord or Reliance By Tenant. Tenant has entered into this Lease based solely on the results of its own examinations and reviews and has not been induced by, and is not relying upon, any representations, warranties or statements (written or oral, express or implied) made, or materials furnished, with respect to the Premises by Landlord or any agent, employee or representative of Landlord, or any broker or other person purporting to be acting on Landlord's behalf or with Landlord's knowledge, which are not expressly set forth in this Lease.

ARTICLE 22

Hazardous Materials

Section 22.1. Tenant's Obligations Regarding Hazardous Materials. Tenant shall not, and shall not permit any Person to, use, handle, store, generate, manufacture, transport, discharge, or release any Hazardous Materials in, on or under the Premises except in substantial compliance with Legal Requirements. Tenant shall promptly notify Landlord (including oral notification in the event of an emergency) of any event or circumstance relating to Hazardous Materials on, in, under or otherwise affecting the Premises that fails to comply with or requires or may require remediation or any other response under Environmental Laws or any other Legal Requirement. In addition, promptly after receipt, Tenant shall notify Landlord, and provide copies, of all written complaints, claims, citations, demands, inquiries, reports, or notices relating to non-compliance with Environmental Laws at the Premises or the use, storage, handling, transportation, disposal, or release of Hazardous Materials in, on or under the Premises by Tenant or a Person which is in violation of Legal Requirements. To the extent required by Legal Requirements, but subject to Section 22.2 below, Tenant shall, at its sole cost, promptly clean up, remove and otherwise fully remediate, in compliance with all Legal Requirements, any Hazardous Materials situated in, on, under or otherwise affecting the Premises. Tenant shall maintain and provide to Landlord copies of all documentation required under Legal Requirements relating to any Hazardous Materials or other substances removed from the Premises and disposed of off of the Premises.

Section 22.2. Pre-Existing Conditions. Notwithstanding the foregoing provisions of this Article 22, for all purposes under this Lease Landlord, rather than Tenant, shall remain responsible for any Pre-Existing Conditions and Tenant shall have no responsibility or liability in respect thereof. Upon written notice of any Pre-Existing Condition requiring remediation or any other response Landlord shall promptly, in consultation with Tenant, and at Landlord's sole cost, clean up, remove and otherwise fully remediate, in compliance with all Legal Requirements, any such Hazardous Materials situated in, on, under or otherwise affecting the Premises. Landlord shall maintain and provide to Tenant copies of all documentation required under Legal Requirements relating to any Hazardous Materials or other substances removed from the Premises. Landlord shall perform any such remediation in such manner as will minimize any interference with or disruption of Tenant's construction, operation and maintenance of the Hatchery Facilities

ARTICLE 23

Entry on Premises by Landlord

Section 23.1. Landlord's General Right of Entry. Tenant shall permit Landlord and its authorized representatives to enter the Premises at all reasonable times for the purpose of (a) inspecting the same, and (b) making any necessary repairs thereto and performing any work therein that may be necessary by reason of Tenant's failure to make any such repairs or commence such work within sixty (60) days after written notice from Landlord or without notice in case of an emergency posing an immediate threat of material loss, damage or injury to Persons or the Premises. Nothing herein shall create or imply any duty upon Landlord to make any such repairs or do any such work, and performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. Landlord will exercise its right of entry in a manner that minimizes any interference with Tenant's use, occupancy, and operation of the Premises.

Section 23.2. Landlord's Right of Entry in Connection With Landlord's Facilities. Landlord reserves the right to enter or cross the Premises at any time and for any purpose related to Landlord's or Landlord's agent's management of Landlord's Facilities. Landlord shall, and shall cause its

agent to, exercise such right of entry in a manner that avoids any adverse effect on the Hatchery Facilities or the construction or operation thereof.

ARTICLE 24

Representations and Warranties

Section 24.1. Tenant's Representations. Tenant represents and warrants to Landlord as of the date hereof that:

- (a) it is a validly existing California nonprofit corporation;
- (b) it has the legal power and authority to enter into and perform this Lease;
- (c) all necessary corporate action has been taken to authorize the execution, delivery and performance of this Lease by Tenant;
- (d) this Lease constitutes a legal, valid, and binding obligation of Tenant, enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency or similar laws respecting the rights of creditors or the application of general principles of equity;
- (e) the individual signing this Lease on behalf of Tenant is authorized and empowered to execute and deliver this Lease on behalf of Tenant; and
- (f) Landlord is not prohibited from entering into this Lease pursuant to the Patriot Act.

Section 24.2. Landlord's Representations. Landlord represents and warrants to Tenant as of the date hereof that:

- (a) it is a validly existing Oregon corporation;
- (b) it has the legal power and authority to enter into and perform this Lease;
- (c) all necessary corporate action has been taken to authorize the execution, delivery and performance of this Lease by Landlord;
- (d) this Lease constitutes a legal, valid, and binding obligation of Landlord, enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency or similar laws respecting the rights of creditors, general principles of equity;
- (e) the individual signing this Lease on behalf of Landlord is authorized and empowered to execute and deliver this Lease on behalf of Landlord;
- (f) Landlord is the sole owner in fee simple of the Premises;
- (g) to Landlord's knowledge after reasonable inquiry, the Premises are not subject to any liens, encumbrances or judgments except Permitted Encumbrances; and
- (h) Tenant is not prohibited from entering into this Lease pursuant to the Patriot Act.

Section 24.3. No Other Representations. Landlord and Tenant agree that except as expressly contained in this Lease, no representations, statements or warranties, express or implied, have been made by or on behalf of Landlord or Tenant in respect of the Premises, and that neither Landlord nor Tenant has relied on any such representations, statements or warranties.

ARTICLE 25

Broker

Section 25.1. No Broker. Each party covenants, warrants and represents to the other that it has dealt with no broker in connection with the negotiation or execution of this Lease and each party agrees to indemnify and hold harmless against any claims for brokerage commissions of any kind or nature which are based in any way on any breach of the foregoing representation.

ARTICLE 26

Emergencies

Section 26.1. Tenant's Obligation in the Event of an Emergency. Tenant shall promptly respond, at its sole cost and expense, in a commercially reasonable manner to conditions arising at the Premises that pose imminent and material threats to persons or property so as to avoid or mitigate the occurrence of injury to persons or damage to any property of Landlord, provided that if such conditions arise as a result of acts or omissions of Landlord relating to Landlord's Facilities or otherwise then Tenant's sole obligations shall be to notify Landlord of such conditions and to take commercially reasonable measures to temporarily stabilize such conditions and Landlord shall promptly reimburse Tenant for all costs and expenses reasonably incurred. If Tenant fails to timely respond to such conditions then Landlord may, upon not less than five (5) days prior notice, enter upon the Premises and address the applicable conditions, in which case Tenant shall reimburse Landlord for the reasonable costs and expenses incurred in doing so, except as provided in the preceding sentence. And Section 26.2.

Section 26.2. Landlord's Obligation in the Event of an Emergency. Landlord shall promptly respond, at its sole cost and expense, in a commercially reasonable manner to conditions for which it is responsible under Section 26.1 and shall do so in a manner that minimizes any adverse effect on the Premises or interference with Tenant's operations. If Landlord fails to timely respond to such conditions then Tenant may, upon not less than five (5) days prior notice, enter upon Landlord's Facilities and address the applicable conditions, in which case Landlord shall promptly reimburse Tenant for the reasonable costs and expenses incurred in doing so.

ARTICLE 27

Miscellaneous Provisions

Section 27.1. Integration of Agreement. This Lease contains all the promises, agreements, conditions and understandings between Landlord and Tenant relative to the grant by Landlord to Tenant of a leasehold interest in the Premises and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, relating thereto between them other than as set forth in this Lease.

Section 27.2. Waivers and Amendments Must Be In Writing. No failure by Landlord or by Tenant to insist upon the strict performance of any term, covenant, agreement, provision, condition or limitation of this Lease or to exercise any right or remedy hereunder, and no acceptance by Landlord of

full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such term, covenant, agreement, provision, condition or limitation. No term, covenant, agreement, provision, condition or limitation of this Lease to be kept, observed or performed by Landlord or by Tenant, and no breach thereof, may be waived, altered or modified except by a written instrument executed and acknowledged by and delivered to Landlord and Tenant. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant, agreement, provision, condition and limitation of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 27.3. Governing Law. This Lease and the performance thereof shall be governed, interpreted, construed and regulated by California law (without giving effect to California conflict of law principles).

Section 27.4. Dispute Resolution. In the event of any dispute arising under this Lease, the parties shall first attempt to resolve the matter through direct negotiation between the representatives of the parties. If the representatives are unable to resolve the issue within ten (10) days after presentation of the dispute, then the parties hereby agree to binding arbitration. Such arbitration shall be in accordance with the rules and procedures of the American Arbitration Association (AAA). Notwithstanding any AAA rules and procedures or any other provisions or any state or federal laws, the parties agree that the arbitrators shall not consider or award punitive, consequential, special or indirect damages as a remedy. Either party may request that AAA provide the parties a list of arbitrators each of whom have experience and expertise with respect to construction or fish hatchery operations, as applicable. Upon each of the party's receipt of such list, each party shall have ten (10) days to select an arbitrator. The two selected arbitrators shall then select a similarly qualified third arbitrator within thirty (30) days from the date the initial two arbitrators were selected and the matter subject to arbitration shall be arbitrated within sixty (60) days after the selection of the third arbitrator

Section 27.5. Captions For Convenience Only. The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

Section 27.6. Table of Contents For Convenience Only. The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as a part of the Lease or supplemental thereto or amendatory thereof.

Section 27.7. Negotiated Document. The provisions of this Lease were fully negotiated by Tenant and Landlord, each of whom was represented by competent counsel, and this Lease shall not be construed for or against Landlord or Tenant, but shall be interpreted in accordance with the general tenor of the language in an effort to reach the intended result.

Section 27.8. Severability of Provisions. Each of the provisions of this Lease shall be enforceable independently of any other provision of this Lease and independent of any other claim or cause of action. If any term or provision of this Lease, or portion thereof, or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, 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 Lease shall be valid and be enforceable to the fullest extent permitted by law.

Section 27.9. Successors and Assigns; Assumption of Obligations. The covenants, conditions and agreements of this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective permitted successors and assigns, each of whom shall be deemed to have assumed this

Lease and Landlord's or Tenant's respective obligations hereunder, as the case may be, without any further act or the delivery of any further instruments by Landlord or Tenant, as applicable. Without impairing the self-operative nature of the foregoing, any such successor or assign shall, if requested by the other party, promptly execute and deliver to the requesting party a written instrument in recordable form confirming its assumption of this Lease and of the terms, conditions and obligations hereunder.

Section 27.10. Force Majeure. In the event either party is prevented from timely performing any of its obligations under this Lease by reason of extreme weather, acts of God, terrorism, acts of war, civil unrest, labor strikes, national or regional shortages, any event as to which a state of emergency has been declared by a Governmental Authority, changes in Legal Requirements or any other occurrence or circumstance beyond such party's reasonable control, then such party shall be excused from performance provided that such party (i) timely notifies the other party of the circumstance or occurrence preventing such party's performance and (ii) endeavors diligently and in good faith to eliminate or mitigate the effect of such occurrence or circumstance. In no event will force majeure operate to excuse Tenant from prompt payment of Rent or any other payment required by the terms of this Lease.

Section 27.11. References to Days. Provisions in this Lease relating to number of days shall be calendar days.

Section 27.12. No Partnership or Joint Venture. Notwithstanding any other provision of this Lease, Landlord is not for any purpose a partner or joint venturer of Tenant in the construction of any Improvements or the operation of the Premises. Landlord shall not under any circumstances be responsible or obligated for any losses or liabilities of Tenant.

Section 27.13. Counterparts; PDFs. This Lease may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. An executed counterpart signature page delivered in Portable Document Format (PDF) or by telecopier shall be as effective as an original signature page.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN TESTIMONY WHEREOF, the parties have hereunto caused their respective duly authorized representatives to execute and deliver this Lease as of the day and year first hereinabove written.

PACIFICORP,
Landlord

By: _____
Name:
Title:

KLAMATH RIVER RENEWAL CORPORATION,
Tenant

By: _____
Name:
Title:

EXHIBIT A

(Description of Premises)

[See Attached Map]

EXHIBIT B

(Permitted Encumbrances)

[[Will be based on title report to be provided by PacifiCorp; will generally include such matters as do not impose any liability, restriction or expense on KRRC or any successor as lessee or on the development and operation of a fish hatchery as contemplated by the Definite Plan]]

EXHIBIT C

Landlord's Facilities

[See Attached Map]

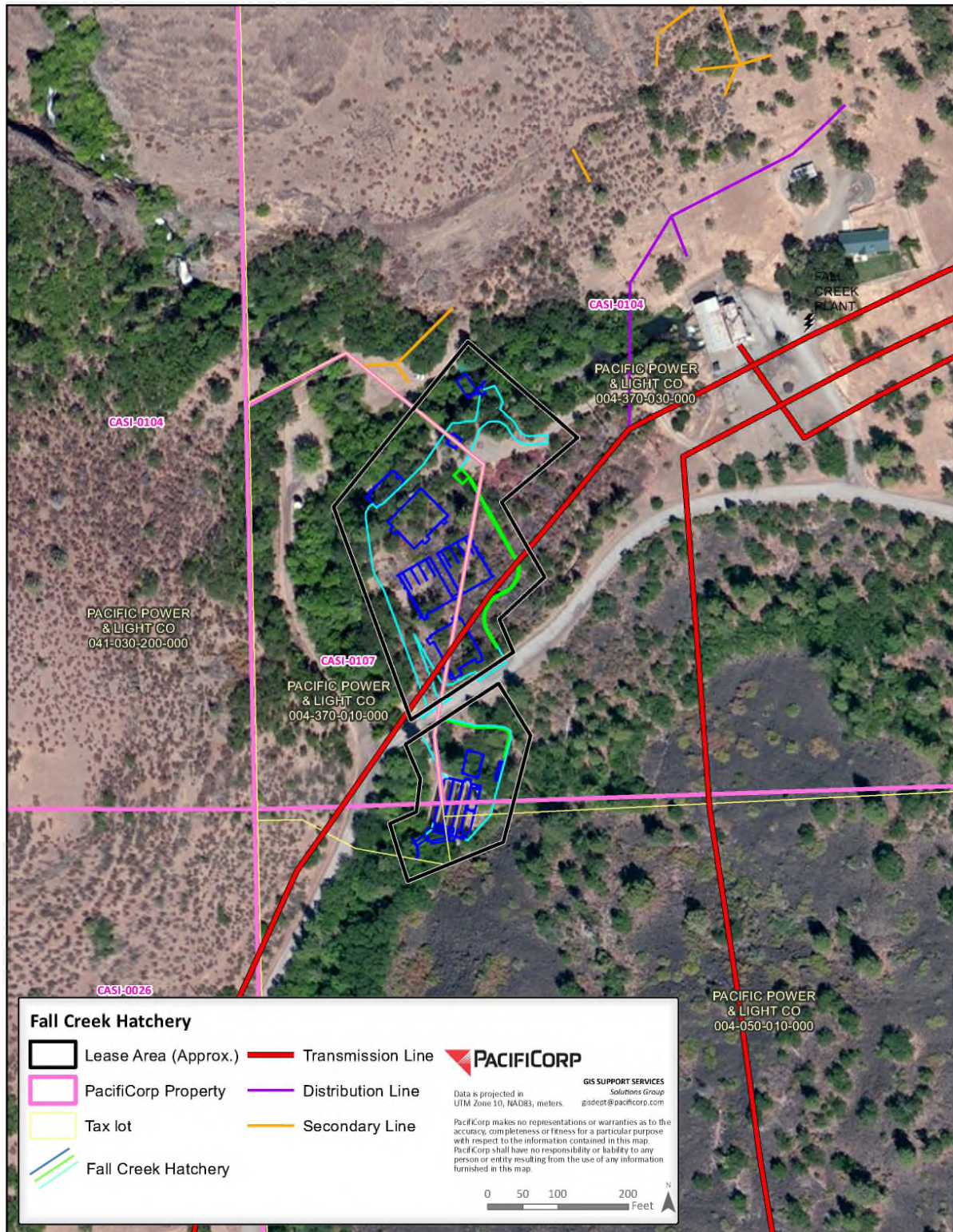


EXHIBIT D

Hatchery Facilities Design

[See Attached]

EXHIBIT E

Hatchery Decommissioning Requirements

- Secure the property
 - Ensure chain link fencing is in an appropriate condition to deter trespassing.
 - Cease water diversions and secure access to associated water control structures.
 - Remove non-permanent equipment such as fiberglass troughs, egg trays, screens, etc.
 - Disconnect electricity to potentially dangerous equipment (e.g. anesthetize tank).
- Remove human health and safety and environmental hazards from the property
 - Remove all flammable materials and the associated equipment that uses them (e.g. propane tanks, generators (including non-portable ones).
 - Remove all fish health chemicals (e.g. hydrogen peroxide, etc.)
 - Remove all fish food from the property and other items that could lead to water quality or environmental issues.
 - Clean and dispose of settling basin materials (e.g. solid waste).
 - Clean all raceways and other areas of the property of that could lead to water quality issues.
- Remove attractive nuisances
 - Remove items that are visible from public spaces (e.g. road) that could lead to increase trespass/vandalism issues (e.g. scrap metal).

EXHIBIT E
DESCRIPTION OF FALL CREEK LAND

[See Attached Map]

EXHIBIT F

FORM OF POST-CLOSING ENVIRONMENTAL RESOLUTION AGREEMENT

EXHIBIT F

POST-CLOSING ENVIRONMENTAL RESOLUTION AGREEMENT

This Post-Closing Environmental Resolution Agreement (this “**Agreement**”) is entered into as of the ___ day of _____, 2022 (the “**Effective Date**”) between and among PACIFICORP, an Oregon corporation (“**PacifiCorp**”), KLAMATH RIVER RENEWAL CORPORATION, a California nonprofit corporation (“**KRRC**”), the STATE OF CALIFORNIA (“**California**”), and the STATE OF OREGON (“**Oregon**”; Oregon and California being referred to individually as a “**State**” and collectively as the “**States**”).

RECITALS

A. PacifiCorp, KRRC and the States are parties to the Klamath Hydroelectric Settlement Agreement, dated February 18, 2010, as amended on April 6, 2016, and as it may have been thereafter or may hereafter be amended (the “**KHSA**”) and to a certain Memorandum of Agreement, dated November 17, 2020 (the “**MOA**”);

B. PacifiCorp and KRRC are parties to a certain Property Transfer Agreement, dated _____ (the “**PTA**”);

C. This Agreement is entered into pursuant Section 3.5(c) of the PTA in connection with and as a condition of the Closing in order to provide for the Retained Environmental Obligations (as such terms are defined in the PTA);

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

SECTION 1. DEFINITIONS; CONSTRUCTION

Section 1.1. Definitions. Capitalized terms used but not defined in this Agreement shall have the respective meanings ascribed to such terms in the PTA.

Section 1.2. Construction. Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Agreement:

(a) Words importing the singular number include the plural number and vice versa.

(b) All references to particular articles or sections without reference to a specific document are references to articles or sections of this Agreement.

(c) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement in its entirety and not the particular article or section of this Agreement in which they appear. The term “hereafter” means after, and the term “heretofore” means before, the date of this Agreement.

(d) The word “including” and words of similar import mean “including but not limited to.”

(e) All references in this Agreement to any other document, agreement or instrument mean such document, agreement or instrument as it may be amended, modified, supplemented or restated.

(f) All exhibits, attachments and appendices to this Agreement, including any amendments and supplements thereto, are hereby incorporated into and made a part of this Agreement.

SECTION 2. RESOLUTION OF RETAINED ENVIRONMENTAL OBLIGATIONS

Section 2.1. Existence of Retained Environmental Obligations. The parties acknowledge and agree that attached as Exhibit A is PacifiCorp’s report pursuant to Section 3.5(b) of the PTA setting forth the parties’ understanding of the Retained Environmental Obligations.

Section 2.2. Resolution of Retained Environmental Obligations.

(a) PacifiCorp shall cause all Retained Environmental Conditions to be resolved, at its sole cost and expense, to the reasonable satisfaction of KRRC in consultation with the respective States. Such reasonable satisfaction shall be documented in a mutually agreeable form acceptable to the States.

(b) In discharging its obligations under this Section 2.2 and prior to commencing any activity to implement its proposed resolution of a condition, PacifiCorp shall provide to KRRC and the States, as to each Retained Environmental Condition, a written report containing a reasonably detailed description of:

- (i) its efforts to assess the scope of the condition,
- (ii) the results of such efforts,
- (iii) its proposed approach to resolving the condition,
- (iv) the legal and regulatory requirements applicable to the condition and the compliance of the proposed approach with such requirements, including any regulatory approvals required to be obtained,
- (v) any obligations or limitations relating to such approach that would survive the proposed resolution, including monitoring or institutional controls, and any effect they would have on the design or implementation of the Definite Plan and on the prospective uses of the Real Property following Facilities Removal as anticipated by the KHSA, and

- (vi) PacifiCorp's proposed schedule for performing any work, making any required regulatory filings, and receiving any required regulatory approvals.

PacifiCorp shall update such reports from time to time so that they remain accurate, shall promptly notify KRRC and the States of any Retained Environmental Conditions arising subsequent to the effective date of Exhibit A, and shall generally keep the States and KRRC apprised of its progress. KRRC and the States shall have the right to observe and inspect any remediation work and to review any lab results. In the event KRRC or the States reasonably requests any additional information from time to time or notifies PacifiCorp of any objections or concerns regarding any report, including its completeness or the proposed resolution of a condition, PacifiCorp shall address such request, objection or concern to the reasonable satisfaction of KRRC and the States. No Retained Environmental Conditions shall be resolved in a way that would (i) impose any subsequent obligation or limitation on KRRC or that would materially adversely affect the design or implementation of the Definite Plan without the prior written consent of KRRC, or (ii) impose any subsequent obligation or limitation upon the States or the prospective uses of the Real Property following Facilities Removal as anticipated by the KHSA without the prior written consent of the States.

(c) PacifiCorp acknowledges that KRRC is obligated to transfer the property affected by the Retained Environmental Obligations to the States following completion of Facilities Removal and agrees to cause all Retained Environmental Obligations to be resolved in accordance with this Agreement prior to the date upon which such transfer is to occur. In the event the foregoing transfer occurs prior to the completion of its obligations under this Agreement, PacifiCorp's obligations shall not be affected and shall continue until all such obligations have been performed.

Section 2.3. Cooperation and Coordination. The parties acknowledge that KRRC will commence Facilities Removal as of the Effective Date and that PacifiCorp's performance of its obligations under this Agreement must be coordinated with KRRC's performance of its obligations under the KHSA relating to Facilities Removal, including restoration and mitigation activities and any other requirements of the Definite Plan and any Removal Permits, without causing KRRC to incur material delays or additional expenses. The parties shall timely communicate and cooperate in order to facilitate such coordination.

SECTION 3. MISCELLANEOUS

Section 3.1. Representations and Warranties As To Authority. Each party represents as and warrants to the others that (a) it is a duly formed and validly existing entity, (b) it is authorized to conduct business in the locations it operates for purposes of this Agreement, (c) it has the requisite entity power and authority to enter into this Agreement and perform its obligations hereunder, (d) it is duly authorized to enter into this Agreement and perform its obligations hereunder, (e) execution, delivery and performance of its obligations under this Agreement does not contravene any law, regulation or agreement by which it or its property is bound, nor require the consent of any other person, entity or governmental authority, (f) the individual executing this Agreement on its behalf is authorized to do so and to thereby bind such party, and (g) upon execution and delivery of this Agreement it constitutes the legal, valid and binding obligation of

such party, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, creditors' rights generally or other equitable principles.

Section 3.2. Notices.

(a) Any notice, request, demand, statement, authorization, approval or consent made hereunder must be in writing and shall be hand delivered or sent by Federal Express, or other reputable courier service, or by postage pre-paid registered or certified mail, return receipt requested to all parties. Notice under this section will be deemed given (i) when received at the following addresses if hand delivered or sent by Federal Express, or other reputable courier service, and (ii) three (3) business days after being postmarked and addressed as follows if sent by registered or certified mail, return receipt requested:

to PacifiCorp at:

PacifiCorp
825 Northeast Multnomah Street
Suite 2000
Portland, Oregon 97232
Attention President or Chief Executive Officer

with a copy (which shall not constitute notice) to:

PacifiCorp
825 Northeast Multnomah Street
Suite 2000
Portland, Oregon 97232
Attention: Dustin Till

to KRRC at:

Klamath River Renewal Corporation
2001 Addison Street
Suite 300, Office 317
Attention: Chief Executive Officer

with a copies (which shall not constitute notice) to:

Water and Power Law Group PC
2140 Shattuck Avenue, Ste. 801
Berkeley, CA 94704-1229
Attention: Richard Roos-Collins

to the State of California at:

with a copy (which shall not constitute notice) to:

to the State of Oregon at:

with a copy (which shall not constitute notice) to:

(b) Any party may from time to time designate by notice in writing, given in the manner specified in Section 3.2(a), a new or other address to which such notice or demand must be given or made.

Section 3.3. Common Interest Defense Agreement. The parties acknowledge and agree that to the extent that this Agreement or any information shared pursuant to this Agreement is confidential or privileged it is the intent of the parties that such information is protected from disclosure by any confidentiality and common interest defense agreements that the parties have entered into in connection with the KHSa.

Section 3.4. Integration of Agreement. This Agreement contains all the promises, agreements, conditions and understandings between the parties relative to the matters provided for herein and, except as provided in the KHSa, MOA, PTA or any other agreement expressly referenced in this Agreement there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, relating thereto between them relating to the Transactions other than as set forth in this Agreement.

Section 3.5. Waivers and Amendments Must Be In Writing. No failure by any party to insist upon the strict performance of any term, covenant, agreement, provision, condition or limitation of this Agreement or to exercise any right or remedy hereunder, and no acceptance by any party of full or partial performance by another party during the continuance of any such breach, will constitute a waiver of any such breach or of such term, covenant, agreement, provision, condition or limitation. No term, covenant, agreement, provision, condition or limitation of this Agreement to be kept, observed or performed by any party, and no breach thereof, may be waived, altered or modified except by a written instrument executed and acknowledged by and delivered to each party. No waiver of any breach will affect or alter this Agreement, but each and every term, covenant, agreement, provision, condition and limitation of this Agreement will continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 3.6. Negotiated Document. The provisions of this Agreement were fully negotiated by the parties, each of whom was represented by competent counsel, and this Agreement will not be construed for or against any party, but will be interpreted in accordance with the general tenor of the language in an effort to reach the intended result.

Section 3.7. Severability of Provisions. If any term or provision of this Agreement, or portion thereof, or the application thereof to any person or circumstance is, to any extent, invalid or 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, will not be affected thereby and each term and provision of this Agreement will remain valid and enforceable to the fullest extent permitted by law.

Section 3.8. Successors and Assigns; Assumption of Obligations. The covenants, conditions and agreements of this Agreement, will bind and inure to the benefit of the parties and their respective permitted successors and assigns, each of whom will be deemed to have assumed this Agreement and the applicable party's respective obligations hereunder, as the case may be, without any further act or the delivery of any further instruments by any party. Without impairing the self-operative nature of the foregoing, any such successor or assign will, if requested by another party, promptly execute and deliver to the requesting party a written instrument in recordable form confirming its assumption of this Agreement and of the terms, conditions and obligations hereunder.

Section 3.9. Governing Law. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by California law (without giving effect to California conflict of law principles), except that matters inherently relating to property located in Oregon, such as determination of whether an instrument is in recordable form, as opposed to matters of general contractual interpretation, shall be governed by Oregon law.

Section 3.10. Waiver of Jury Trial; Arbitration in California. To the fullest extent permitted by law each of the parties waives any right it may have to trial by jury in respect of litigation directly or indirectly arising out of, under, or in connection with this Agreement. Each party further waives any right to consolidate, or to request consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. To the extent that a dispute arises in California, or is to be heard in a California court of general jurisdiction, and the foregoing jury waiver is not enforceable then the dispute shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Section 3.11. Third Party Beneficiaries. The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto and shall not be construed as conferring any rights on any other persons.

Section 3.12. Counterparts; PDFs. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. An executed counterpart signature page delivered in

Portable Document Format (PDF) or by telecopier shall be as effective as an original signature page.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have hereunto caused their respective duly authorized representatives to execute and deliver this Agreement as of the Effective Date.

PACIFICORP

By: _____
Name: _____
Title: _____

**KLAMATH RIVER RENEWAL
CORPORATION**

By: _____
Name: _____
Title: _____

STATE OF OREGON

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA

By: _____
Name: _____
Title: _____

EXHIBIT A
RETAINED ENVIRONMENTAL OBLIGATIONS

EXHIBIT G
FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

Between and Among

PACIFICORP, as Assignor

and

**KLAMATH RIVER RENEWAL CORPORATION,
as Assignee**

Dated as of _____

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS **ASSIGNMENT AND ASSUMPTION AGREEMENT** (this “**Agreement**”) dated as of _____, between **PACIFICORP**, an Oregon corporation (“**Assignor**”) and **KLAMATH RIVER RENEWAL CORPORATION**, a California nonprofit corporation (“**Assignee**”).

BACKGROUND

A. Assignor and Assignee have entered into a certain Property Transfer Agreement dated as of _____, (the “**PTA**”) providing for the transfer by Assignor to Assignee of certain personal property, all as more particularly provided for therein;

B. Among the property to be transferred pursuant to the PTA are certain leases and other agreements to which Assignor is a party, each of which is more particularly described in Schedule A annexed hereto and made a part hereof (the “**Assigned Agreements, Contracts and Appurtenances**”);

C. The parties are this day closing the transactions contemplated under the PTA; and

D. Capitalized terms used but not defined in this Agreement (including the Schedule hereto) shall have the respective meanings ascribed to such terms in the PTA;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Assignors, each as to itself, and Assignee hereby covenant and agree as follows:

1. **Assignment.** Assignor hereby grants, assigns, conveys, transfers and sets over to Assignee, its successors, heirs and assigns, all of Assignors’ respective rights, title and interests with respect to the Assigned Agreements, Contracts and Appurtenances.

2. **Acceptance and Assumption.** Assignee hereby accepts the foregoing grant, assignment, conveyance and transfer of Assignors’ interests in the Assigned Agreements, Contracts and Appurtenances, and hereby assumes and agrees to pay, perform, observe, discharge and otherwise be bound by all of the respective duties and obligations of Assignors under the Assigned Agreements, Contracts and Appurtenances arising on or after the date hereof.

3. **PacifiCorp Easements.** Where PacifiCorp’s utilization of any PacifiCorp Easement as contemplated by the terms thereof so requires, any assignment hereunder shall be subject to the PacifiCorp’s retention and use of the applicable PacifiCorp Easement.

4. **Water Rights.** The assignment herein of Assignor’s water rights is subject to Section 7.6.5 of the KHSR, the requirements of which shall survive this assignment.

5. **Subject to PTA.** This Agreement is being delivered pursuant to, and is subject in all respects to, the terms and conditions of the PTA. This Agreement, and such provisions of the PTA as survive the Closing thereunder, embody and constitute the entire

understanding between the parties with respect to the transactions contemplated hereby, and all prior or other agreements, understandings, representations and statements, oral or written, are merged into this Agreement.

4. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and which together shall constitute one and the same instrument.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date first written.

PACIFICORP, Assignor

By:_____

Name:

Title:

**KLAMATH RIVER RENEWAL
CORPORATION**, Assignee

By:_____

Name:

Title:

SCHEDULE A

Assigned Agreements, Contracts and Appurtenances

1. Use and Possession Agreements

All leases, licenses and other occupancy agreements relating to any land owned by any person other than Assignor but leased to or otherwise occupied or used by Assignor in connection with the ownership or operation of the Facilities, including submerged lands and portions of the J.C. Boyle hydroelectric facility, including but not limited to:

- (a) State of Oregon Department of State Lands Lease for J.C. Boyle Dam (44581-HY) between the State of Oregon and PacifiCorp, dated June 23, 2011
- (b) Rights to use lands of the United States of America in connection with the Facilities pursuant to FERC License for Project 14803.

2. Appurtenances

All easements, rights of way, licenses, privileges, strips, gores, rights and interests of any kind (including water, timber and mineral rights) appurtenant to or otherwise relating to the Real Property, including but not limited to:

- (a) Access and Easement agreement dated February 13, 2017 by County of Siskiyou to PacifiCorp, recorded in the records of Siskiyou County under Recorder's Series No. 2017-001728
- (b) Right of access to Copco 1 parcel reserved under deed from The California Oregon Power Company to Frank Lathrop, dated August 23, 1954, recorded in the records of Siskiyou County on September 8, 1954 at Vol. 336, Page 848
- (c) Easement for Ingress and Egress to The California Oregon Power Company, recorded in the land records of Klamath County, Oregon, on July 18, 1956, in Book 286, Page 550.
- (d) Right of access over lands of the United States of America in connection with the Facilities pursuant to FERC License for Project 14803.

3. Service Contracts

- (a) *[[To be completed at time of property transfer]]*

4. Licenses and Permits

All material certificates, licenses, permits, authorizations and approvals, that Assignor maintains as of the date hereof in connection with the ownership or operation of the Real Property, including but not limited to:

(a) [[*See Schedule 7.2(d) Part B and Schedule 7.2(e)*]]

(b)

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EXHIBIT H-1

FORM OF PACIFICORP RESERVATION OF EASEMENTS

[To be Attached to Parcel B Deeds]

RESERVATION OF EASEMENTS

PacifiCorp, an Oregon corporation, as “Grantor” hereby reserves, for itself and for its successors and assigns, the following perpetual easements (collectively, the “Easements”) in gross over and upon the respective portions of the Property described below (collectively, the “Easement Areas”). “Grantee” means the Klamath River Renewal Corporation, a California nonprofit corporation, and its successors and assigns. “Property” means the property conveyed by this deed.

A. TRANSMISSION FACILITIES EASEMENT

Grantor reserves a non-exclusive easement (the “Transmission Facilities Easement”) over and upon the Transmission Facilities Easement Area, as defined below.

1. Purpose.

The Transmission Facilities Easement is for the purpose of accessing, maintaining, operating, repairing, replacing, enlarging, reconstructing or removing Grantor’s Retained Transmission Facilities. “Retained Transmission Facilities” means the electrical transmission facilities retained by Grantor in connection with Grantor’s conveyance of the Property to Grantee, and includes, but is not limited to, transmission, distribution, service and other lines conducting electricity as well as related facilities (including but not limited to towers, poles, pads, guys, anchors, props, supports, transformers, switches, vaults, substations, communications facilities, fiber optic or other communications equipment, and any other improvements and facilities associated with or connected to or that aid in the management or function of such improvements and related facilities), and any replacement, enlargement, or reconstruction of the foregoing from time to time. The Transmission Facilities Easement includes the Grantor’s right to keep the Transmission Facilities Easement Area (as defined below) clear of all brush, trees, timber, structures, buildings and other hazards which might, in Grantor’s judgment, endanger the Retained Transmission Facilities or impede Grantors activities within the Transmission Facilities Easement Area. Grantor shall, at its sole cost and expense, maintain the Transmission Facilities Easement Area and the Retained Transmission Facilities in an orderly and safe condition and comply with all laws, including all regulatory, environmental, and safety requirements, applicable to Grantor and its activities under the Transmission Facilities Easement including the use and management of the Retained Transmission Facilities and the Transmission Facilities Easement Area.

2. Transmission Facilities Easement Area.

The “Transmission Facilities Easement Area” is the physical location of the Retained Transmission Facilities as they exist on the date this deed is recorded, along with an additional area of one hundred (100) feet, measured on the surface of the Property from each side of the Retained Transmission Facilities. For illustrative purposes but not as a legal constraint on the establishment of the Transmission Facilities Easement Area boundaries, Easement Exhibit A reflects the approximate location of the Retained Transmission Facilities. Neither the installation of any new Retained Transmission Facilities, nor the repair, replacement, enlargement, or

reconstruction of, nor any other change to, any Retained Transmission Facilities existing on the date this deed is recorded shall increase the size or otherwise modify the boundaries of the Transmission Facilities Easement Area. Notwithstanding the foregoing, (a) the one hundred foot buffer area is modified to the extent shown on Easement Exhibit B, and (b) the Transmission Facilities Easement Area shall not include any underground facilities unless sufficiently marked to be reasonably ascertainable by visual surface inspection.

[[NOTE: Exhibit A will be the final map attached as Schedule 3.1(b)(ii) to the Agreement. Exhibit B will be provided by PacifiCorp prior to Closing following KRRC and State feedback regarding Copco 1, Copco 2 and any other areas calling for Definite Plan work in close proximity to ongoing power operations or where for any other reason a 100 foot buffer is not feasible. KRRC to provide relevant feedback following receipt and review of final Exhibit A from PacifiCorp.]]

3. Grantee Rights.

Grantee, its successors and its assigns, shall have the right to access and use the Transmission Facilities Easement Area or to grant other easements or licenses at the same location so long as such uses do not unreasonably interfere with Grantor's rights under this Transmission Facilities Easement. Prior to granting any use within the Transmission Facilities Easement Area, other than for public recreation, land management, and scientific uses, or for legally required joint use pursuant to Section A.4 below, the Grantee shall first seek the permission of Grantor and Grantor shall not unreasonably deny such permission.

4. Joint Use/Pole Attachments.

The Transmission Facilities Easement includes a reservation of the right to continue to permit third-party use of space on Grantor's Retained Transmission Facilities for communications equipment or fiber optic capacity or power utility purposes (Pole Attachment) that is in place on Grantor-owned poles at the time this deed is recorded and in response to any later application under Ca. Pub Util. Code § 9511 or ORS 755.270-290 and OAR 860-028-0020 through 860-028-0310 or similar law or regulation where Grantor is legally obligated to accommodate attachments to its facilities ("Pole Attachment Laws"). With regard to any new Pole Attachment permit or license granted by Grantor to third-parties, intended to be effective after the date of recording of this deed, Grantor shall condition such permit or license upon the applicant obtaining the prior express written permission of the Grantee. With regard to those Pole Attachment permits or licenses existing at the time of this grant the Grantor shall provide written notice to parties holding such permits or licenses that new access permissions are required from Grantee. Grantor's rights under this Section 4 are limited to its reserved Easement interest and nothing in this Easement authorizes Grantor to encumber Grantee's interest or to impose on Grantee any obligation or liability to any third party.

5. Restrictive Covenant.

At no time shall Grantee, its successors or assigns place, use or permit in the Transmission Facilities Easement Area any structure, equipment, or material of any kind that exceeds twelve (12) feet in height, nor shall it light any fires, nor place nor store any flammable materials in the Transmission Facilities Easement Area.

B. EXCLUSIVE SUBSTATION EASEMENT

Grantor reserves an exclusive easement (the “Substation Easement”) over and upon the Substation Easement Areas, as defined below.

1. Purpose.

The Substation Easement is for the purpose of accessing, maintaining, operating, repairing, replacing, enlarging, reconstructing or removing Grantor’s Retained Substation Facilities. “Retained Substation Facilities” means the 230KV substation and the 115KV substation retained by Grantor from its conveyance of the Property to Grantee and located near Copco 2 in the respective Substation Easement Areas as defined below on the date this deed is recorded, and include, but are not limited to, transformers, conductors, switches, circuit breakers, underground grounding grids, lightning arresters, switches, busses, capacitors, control buildings, communications facilities and any other improvements and facilities associated with, connected to or that aid in the management or function of an electrical transmission or distribution substation, and any replacement, enlargement, or reconstruction of the foregoing from time to time. Grantor shall, at its sole cost and expense, maintain the Substation Easement Areas and the Retained Substation Facilities in an orderly and safe condition and comply with all laws, including all regulatory, environmental, and safety requirements, applicable to Grantor and its activities under the Substation Easement including the use and management of the Retained Substation Facilities and the Substation Easement Areas.

2. Substation Easement Areas.

The Substation Easement Areas are depicted and described on the [[surveys / maps / diagrams]] attached as Easement Exhibit C. Grantor shall maintain a demarcation of the perimeter of the Substation Easement Areas by fence or other methods sufficient to provide actual visual notice to third parties, provided that the Retained Substation Facilities shall each, in all events, be enclosed within secure fencing, except for the subsurface grounding grid, which need not be within a fenced area provided that it, and any subsurface connections to the fenced area, are adequately marked to provide actual visual notice to third parties.

3. Restrictive Covenant.

At no time shall Grantee, its successor or assigns place, use or permit in the Substation Easement Areas any overhead structure such as but not limited to the boom of construction cranes without the express written permission of Grantor.

C. COMMUNICATIONS FACILITIES EASEMENT

Grantor reserves an exclusive easement (the “Communications Facilities Easement”) over and upon the Communications Facilities Easement Area, as defined below.

1. Purpose.

The Communications Facilities Easement is for the purpose of accessing, maintaining, operating, repairing, modifying, replacing, enlarging, reconstructing or removing Grantor’s Retained

Communications Facilities. “Retained Communications Facilities” means the communications equipment and related facilities retained by Grantor from its conveyance of the Property and located in the Communications Facilities Easement Area (as defined below) on the date this deed is recorded, and include but are not limited to, wires, cables, fiber optics, dishes, antennae, towers, electrical equipment, control sheds, or any other facilities intended for or in support of or associated with the sending or receiving of information, and any replacement, enlargement, or reconstruction of the foregoing from time to time. Grantor shall, at its sole cost and expense, maintain the Communications Facilities Easement Area and the Retained Communications Facilities in an orderly and safe condition and comply with all laws, including all regulatory, environmental, and safety requirements, applicable to Grantor and its activities under the Communications Facilities Easement including the use and management of the Retained Communications Facilities and the Communications Facilities Easement Area.

2. Communications Facilities Easement Area:

The Communications Facilities Easement Area is depicted and described on the map attached as Easement Exhibit D. Grantor shall maintain a demarcation of the perimeter of the Communications Facilities Easement Areas by fence or other methods sufficient to provide actual visual notice to third parties, provided that the Retained Communications Facilities shall, in all events, be enclosed within secure fencing.

3. Restrictive Covenant.

At no time shall Grantee, its successor or assigns place, use or permit in the Communications Facilities Easement Area any overhead equipment such as but not limited to the boom of construction cranes without the express written permission of Grantor.

4. Use of Communications Facilities Easement Area by Grantee.

Grantor shall use its best efforts to accommodate any request by Grantee or its contractors to utilize the Communications Facilities Easement Area, including a request to co-locate its equipment on the Retained Communications Facilities, provided that Grantor may impose such conditions or requirements as are reasonably necessary to comply with FCC requirements regarding interference and to comply with regulatory and standard industry requirements regarding cybersecurity.

D. GENERAL PROVISIONS

1. Access.

The Easements reserved hereby include the right of ingress and egress for Grantor, its contractors, or agents, to the Retained Facilities and the applicable Easement Areas for all purposes for which the respective Easements are reserved. “Retained Facilities” means the Retained Transmission Facilities, the Retained Substation Facilities and the Retained Communications Facilities, collectively or individually as the context requires.

a. Primary Routes. The primary access routes shall be the routes that exist on the date this deed is recorded and as are depicted on Easement Exhibit E, provided that

Grantee may modify any existing roads from time to time, including their route, as long as Grantor's ability to reasonably access the Easement Areas is not materially impaired.

b. Alternative Routes. If at any time a primary route is impassible or unsafe for any reason other than Grantee's work to modify or use such route, then Grantor may, at its sole cost and expense, establish and utilize an alternative route on Property as set forth below.

i. Grantee's Modification or Use. Prior to Grantee's modification or use of a primary route that materially impacts Grantor's ability to utilize such route the Grantee shall establish at Grantee's cost and expense an alternative route for Grantor to use. Such alternative route shall be of comparable quality to that route otherwise impacted.

ii. Establishment of Alternative Routes. Prior to establishing or using an alternative route, Grantor will acquire permission from Grantee for such use or establishment if the need for access is routine, and Grantee shall not unreasonably deny such permission. If the impassibility or unsafe condition of the primary access route is cured then Grantor shall promptly resume utilization of the primary access route. Grantor shall reasonably restore the alternative routes to the same condition prior to use. However, Grantor shall have no obligation to restore the alternative route if the impassibility or unsafe condition of the primary access route was primarily due to acts or uses by parties other than Grantor.

iii. Emergencies: Notwithstanding any other provision of the Easements, Grantor shall have the right to respond promptly and appropriately to any emergency relating to any Easement Area or Retained Facilities, including the removal of Danger Trees outside an Easement Area or access over the Property by means other than primary access routes. Grantor shall use reasonable efforts to notify Grantee as promptly as practicable under the circumstances of such emergency access or removal of Danger Trees. The foregoing express right of emergency response shall not relieve Grantor of responsibility for any damage or other liabilities arising in connection with any emergency, including damage resulting from using alternative routes of access to any Easement Area. For purposes of establishing alternative routes of access the term "emergency" means a non-routine need to prevent compromise in the reliability of electrical power delivery or to prevent or to respond to any safety issue or to prevent or respond to forest fire. "Emergency" includes but is not limited to such occurrences as extreme weather conditions, fire, flood, earthquake, or downed power line. A Danger Tree" is one that poses a threat of fire by way of potential contact with a Retained Facility.

c. Road Maintenance and Repair. Grantee shall reasonably repair damage to access routes caused by the implementation of the Definite Plan, as that term is defined in the Klamath Hydroelectric Settlement Agreement. Grantor shall repair, or may be invoiced by Grantee for its repair of, damage to an access route when such damage is caused by Grantor or its agents. At no time shall any dispute over payment for repair costs be the

basis for denial of Grantor's access rights. The parties acknowledge that there is no general requirement to maintain access routes.

d. Remote-Controlled Vehicles. Grantor may also utilize remote-controlled, including aerial, vehicles to access and inspect its Retained Facilities. Grantor shall not use remote-controlled vehicles outside of an Easement Area or access routes except with written permission from Grantee. With regard to the use of remote controlled aerial vehicles by Grantor for inspection of Retained Facilities, for purposes of any portion of the Property transferred to the California Department of Fish and Wildlife ("Department"), the Grantor shall not be deemed a "visitor" upon Department lands under California Code of Regulations, Title 14, section 550(aa).

2. Additional Survey or Locating of Boundaries.

a. Additional Locating. If reasonably requested by Grantee due to a concern regarding a particular location or activity, Grantor shall cause the boundaries of the identified Easement Area to be located and marked by a licensed surveyor.

b. Additional Survey Work. In the event of a dispute regarding the boundaries of any Easement Area the parties shall cooperate in having the disputed area surveyed, certified and marked by a licensed surveyor and to cause this Easement to be amended in accordance with Section D.8 below. The parties shall share equally in the cost of such survey work and the recording of the amendment.

3. Coordination of Activities.

a. Relating to Facilities Removal and the Definite Plan. Grantor acknowledges Grantee's plan to remove JC Boyle, Copco 1, Copco 2 and Iron Gate dams and related work necessary to implement the Definite Plan, including work within and adjacent to certain of the Easement Areas. Grantor and Grantee will cooperate and coordinate with each other to facilitate Grantee's work pursuant to the Definite Plan and to minimize interference with each other in connection with their respective work and operations. Grantor shall permit temporary uses of and access to the Easement Areas necessary for Grantee to complete Facilities Removal and mitigation activity (including post-completion monitoring activities, if any) to the extent that such activity does not unreasonably threaten the function and reliability of the applicable Retained Facilities. In the event that Grantor reasonably determines that Grantee's proposed activities within an Easement Area poses a material potential threat to the function or reliability of the applicable Retained Facilities then Grantor and Grantee shall cooperate with each other in a timely manner to determine and implement reasonable mitigating measures to permit Grantee's activities and protect the Retained Facilities. Grantor and Grantee shall in all events use their best efforts to minimize delays in Grantee's work and the incurrence of additional costs.

b. Other Coordination. If Grantor plans significant, non-emergency construction activity in any of the Easement Areas then Grantor shall provide notice to Grantee of such planned activity and Grantor and Grantee shall use reasonable efforts to

coordinate the activity prior to commencement so that the potential for conflict between Grantor's and Grantee's rights are reduced. If Grantee plans significant, non-emergency construction activity on property that is adjacent to any Easement Area or is otherwise reasonably likely to affect any Easement Areas or Grantor's access to or use of any Easement Areas, then Grantee shall provide notice to Grantor of such planned activity and Grantor and Grantee shall use reasonable efforts to coordinate the activity prior to commencement so that the potential for conflict between Grantor's and Grantee's rights are reduced.

4. Notices.

Any notice, approval or communication that either party is required to give in writing may be served personally or mailed to:

To Grantor: PacifiCorp
Attn: General Counsel
825 Northeast Multnomah Street, Suite 2000
Portland, OR 97232

To Grantee: Klamath River Renewal Corporation
Attn:
2001 Addison Street
Suite 300, Office 317
Berkeley, CA 94704

To State of Oregon: Oregon Department of Fish and Wildlife
Realty Department
4034 Fairview Industrial Drive SE
Salem, OR 97302

To State of California: California Department of Fish and Wildlife
Northern Region
Attn: Regional Manager
601 Locust Street
Redding, CA 96001

Notice to the State of Oregon and the State of California in this paragraph shall only apply if the states are owners of the Property.

5. Insurance.

Grantor maintains and shall maintain a program of self-insurance and will, upon request from Grantee, provide a letter in confirmation of the program.

6. Indemnification.

a. By Grantor. Subject to the last sentence of this subsection (a), Grantor covenants and agrees to protect, save harmless, indemnify, and defend Grantee, its directors, officers, employees, agents, representatives, contractors and subcontractors of any tier (“Grantee Parties”) from and against any and all claims, losses, costs, expenses, damages (including punitive, special and consequential damages), liability, judgments, fines or penalties (collectively, “Claims”) arising in connection with the Retained Facilities (including any Claim arising in connection with any Pole Attachment arrangements), or, except as expressly permitted under any of these Easements, any acts or omissions by any Grantor Parties relating to an Easement, provided that Grantor shall not be responsible for Claims to the extent attributable to the contributory or comparative negligence of any Grantee Parties. “Grantor Parties” are Grantor, its directors, officers, employees, agents, representatives, contractors or subcontractors of any tier. Nothing in this indemnity is intended to address the liabilities or obligations of any Grantor Parties in the event of a wildfire, as to which Grantee and Grantor each reserves all rights and remedies available at law or in equity.

b. By Grantee (Non-State). Grantee covenants and agrees to protect, save harmless, indemnify, and defend Grantor Parties from and against any and all Claims relating to the Retained Facilities or the exercise of rights under these Easement by any Grantee Parties and caused by, arising out of, or in any way connected with (i) negligent acts or omissions by any Grantee Parties, or (ii) a breach of an Easement by any Grantee Parties, excepting in each instance that portion of any Claims attributable to the contributory or comparative negligence of Grantor Parties.

c. By State Grantee. If Grantee or its successor or assign is the State of California or the State of Oregon, then its obligations under subdivision (b) of this Section D.6 shall be subject to the limitations, as applicable, of Oregon and California law, including the Oregon Constitution, Oregon Tort Claims Act, and the California Tort Claims Act..

7. Costs and Expenses.

Grantor shall be responsible for any and all costs and expenses associated with any work or activity by Grantor on or in connection with any Easement or Easement Area. Grantor shall promptly pay all such costs and expenses and shall not place, permit or suffer any mechanics liens, judgments or other liens or encumbrances upon any portion of the Property, including the Easement Areas, provided that Grantor is not precluded from disputing any amount claimed by a third party, provided that such dispute is timely and diligently prosecuted and any delay in payment does not result in any liability to Grantee or adversely affect Grantee’s title to the Easement Area. In the event that such lien is filed then Grantor shall, within twenty (20) days after notice of the filing thereof, initiate action to cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted and shall continue to diligently pursue such actions until such lien is discharged. Grantor shall pay any and all taxes, assessments (general or special), charges or use fee(s) levied by any governmental authority against Grantor’s interest in any Easement Area or against the any of the Property as a result of the Easements.

8. Amendments.

a. General. The terms and conditions of the Easements may be modified only by written instrument signed by Grantor and Grantee or their respective successors and assigns and recorded in the applicable land records. The costs of recording shall be borne by the party requesting the amendment except as provided in Section D.2.b above.

b. Updates and Corrections to Easement Area Boundaries. In the event either party reasonably determines that the access routes or the boundaries of any of the Easement Areas are no longer accurately reflected by the attached exhibits then the parties shall cooperate to execute and record such amendments to the exhibits as are appropriate.

c. Other Modifications to Easement Area Boundaries. If either party reasonably determines that modifications to any portion of the description of Easement Areas are necessary it will provide to the other party a description and depiction of the proposed modification in reasonable detail. Neither party will unreasonably withhold its approval of any requested modification, provided that (a) in the case of a modification proposed by Grantor, it will not adversely affect in any material respect the work of Grantee provided for in Section D.3.a above, including the cost or timing thereof, (b) in the case of a modification proposed by Grantee, it will not in any material respect pose a threat to the reliability or safety of any Retained Facilities or to the efficiency of Grantor's operations, and (c) if the request is made to the originally named Grantee, it is acceptable to the State of [California / Oregon] as the anticipated successor to the originally named Grantee.

9. Termination.

The Easements may be terminated as to all or any portion of the Easement Areas by mutual, written agreement and the tender and recording of a quitclaim deed by Grantor. In the event Grantor elects to terminate any Easement or portion thereof it shall so notify Grantee, and in a timeframe that is reasonable relative to Grantor's other public utility duties, remove the Retained Facilities from the portions of the Easement Areas relating to the Easement to be terminated. Grantor shall not terminate any aspect of the Easements without removing the associated Retained Facilities.

10. Interpretation/Enforcement.

The Easement Areas are located in both Oregon and California. The terms herein shall be interpreted and made enforceable as to any particular Easement Area or Retained Facilities under the laws of the State where such Easement Area or Retained Facilities are located.

11. Running With the Land; Successors and Assigns.

The terms and conditions of the Easements are intended to run with the land and shall bind and inure to the benefit of Grantor's and Grantee's respective successors and assigns.

###

EASEMENT EXHIBIT A
RETAINED TRANSMISSION FACILITIES

[Description and final map from Schedule 3.1(b)(ii), Part A, of the PTA to be attached]

EASEMENT EXHIBIT B

MODIFICATIONS TO TRANSMISSION FACILITIES BUFFER ZONES

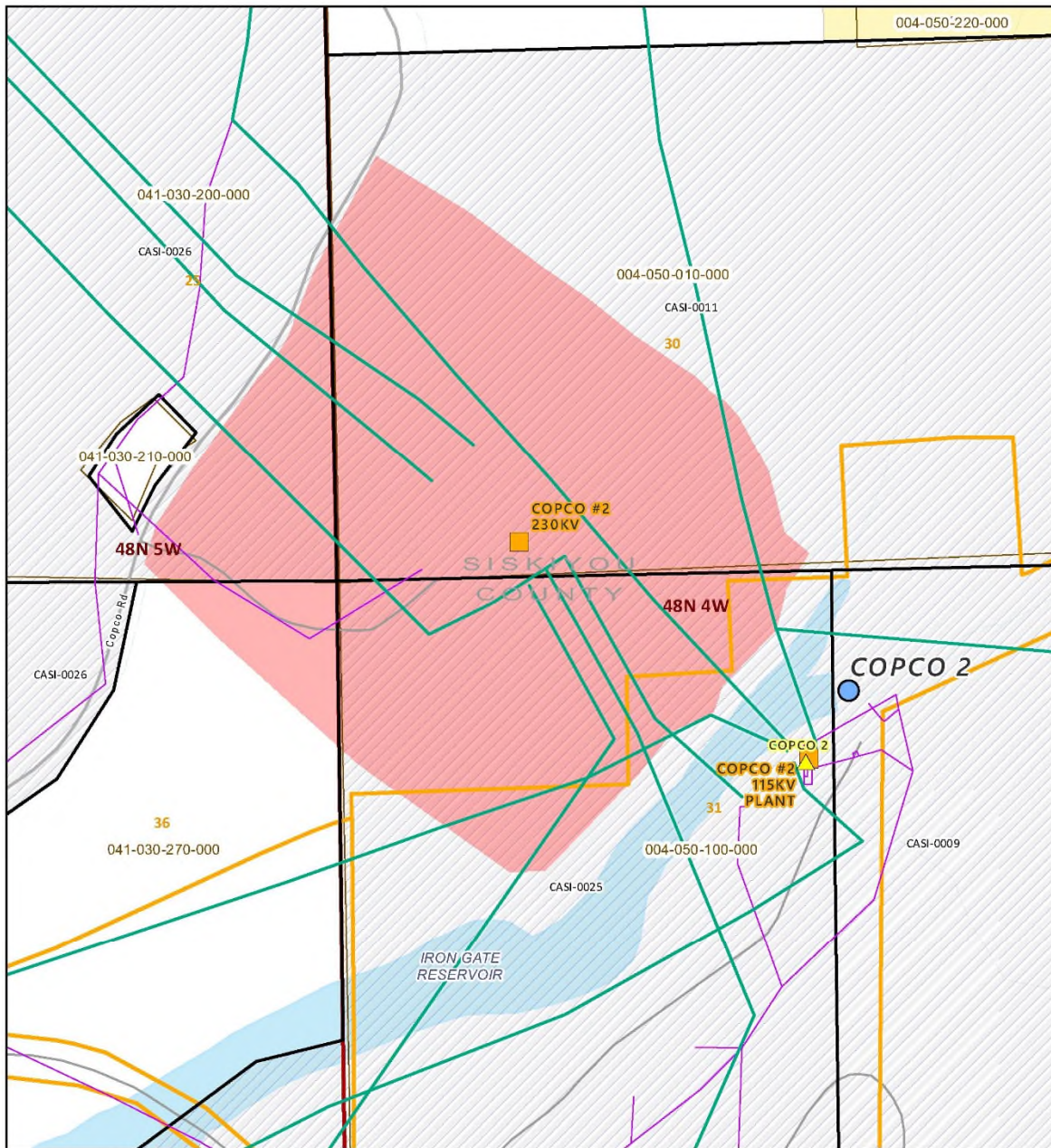
[To be incorporated in accordance with Note to Section A.2 above]

EASEMENT EXHIBIT C

SUBSTATION EASEMENT AREAS

[The attached maps represent the parties' preliminary understandings but are subject to modification following further development of Facilities Removal plans in order to accommodate Facilities Removal activities and PacifiCorp's ongoing operational, security and safety requirements]

[See Attached Maps]



Exclusive Substation Easement: Copco #2 - 230KV
approximately 39 acres



- | | | |
|--|---|--|
| <ul style="list-style-type: none"> Exclusive Substation Easement - 230kv Parcel B Lands FERC Boundary Generation - to be removed | <ul style="list-style-type: none"> Transmission Sub Distribution Sub Distribution Line Transmission Line Tax lot | <ul style="list-style-type: none"> Highway Major Road Street Township Section |
|--|---|--|



GIS SUPPORT SERVICES
Solutions Group
gisdept@pacificorp.com

Data is projected in
UTM Zone 10, NAD83, meters.

PacificCorp makes no representations or warranties as to the accuracy, completeness or fitness for a particular purpose with respect to the information contained in this map. PacificCorp shall have no responsibility or liability to any person or entity resulting from the use of any information furnished in this map.

0 100 200 400 Feet

12/14/2020 9:36:22 GISdept@pacificorp.com U:\Projects\2019\19-345\Parcel B - Retained Easement Copco 2 230KV.mxd



Exclusive Substation Easement: Copco #2 - 115KV
approximately 3.4 acres



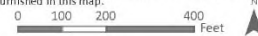
- | | | |
|--|--|---|
| Exclusive Substation Easement - 115kv | Transmission Sub | Highway |
| Parcel B Lands | Distribution Sub | Major Road |
| FERC Boundary | Distribution Line | Street |
| Generation - to be removed | Transmission Line | Township |
| | Tax lot | Section |



GIS SUPPORT SERVICES
Solutions Group
gisdept@pacificorp.com

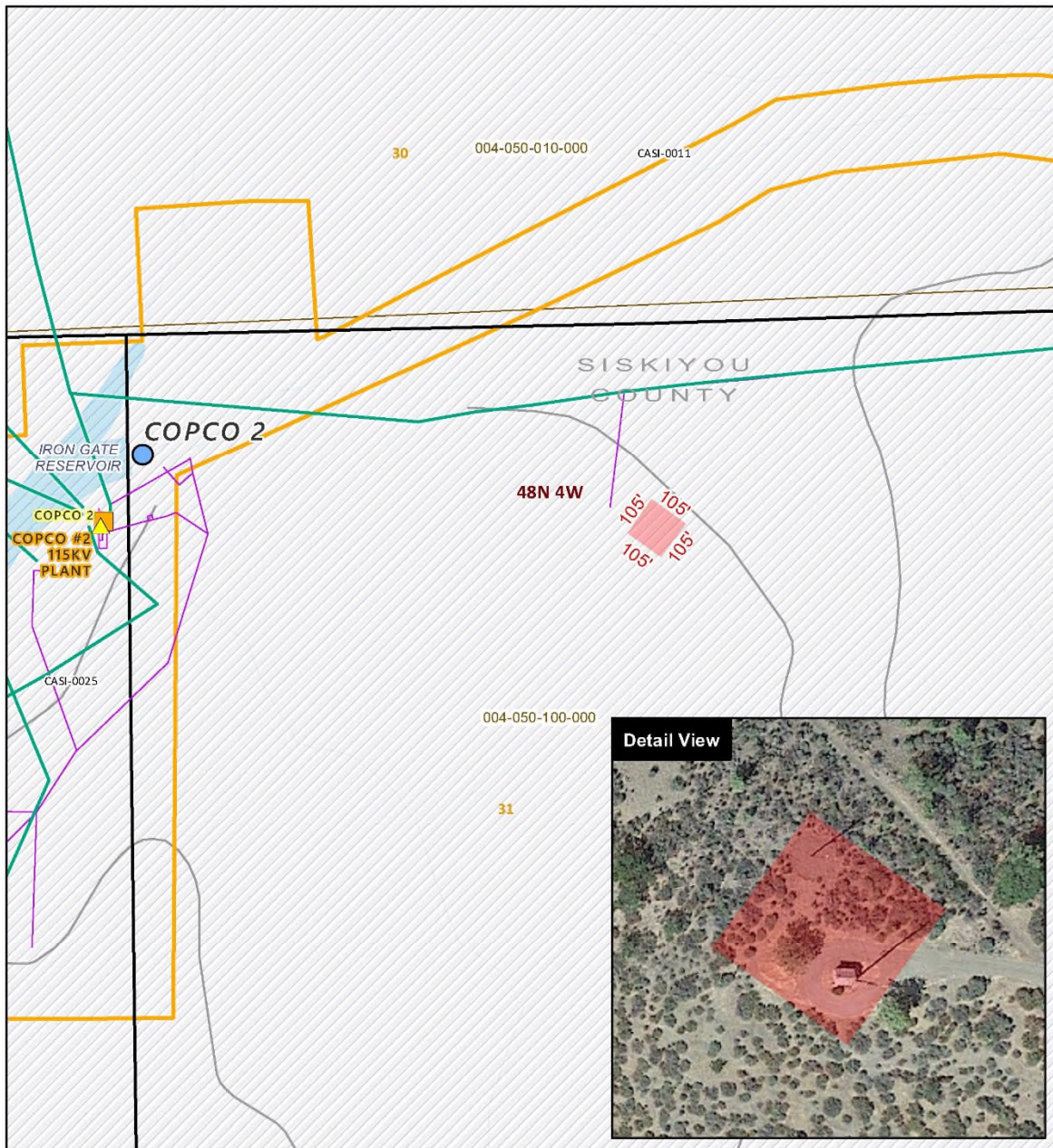
Data is projected in
UTM Zone 10, NAD83, meters.

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EASEMENT EXHIBIT D
COMMUNICATIONS FACILITIES EASEMENT AREA



Exclusive Communication Easement: Copco #2 Hilltop Site
approximately .25 acres



- Exclusive Communication Easement Copco #2 Hilltop Site
- Parcel B Lands
- FERC Boundary
- Generation - to be removed

- Transmission Sub
- Distribution Sub
- Distribution Line
- Transmission Line
- Tax lot
- Highway
- Major Road
- Street
- Township
- Section



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gisdept@pacificorp.com

Data is projected in UTM Zone 10, NAD83, meters.

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0 100 200 400 Feet

12/14/2020 9:36:22 GISdept@pacificorp.com U:\Projects\2019\19-345\Parcel B - Exclusive Communication Easement Copco2 Hilltop Site.mxd

EASEMENT EXHIBIT E
PRINCIPAL ACCESS ROUTES

[Final map from Schedule 3.1(b)(ii), Part B, of the PTA to be attached]

EXHIBIT H-2

FORM OF KRRC TEMPORARY CONSTRUCTION EASEMENT

Recording Requested By
and When Recorded Mail to:

Water and Power Law Group PC
2140 Shattuck Avenue
Suite 801
Berkeley, CA 94704
Attn: Richard Roos-Collins

SPACE ABOVE THIS LINE FOR RECORDER'S USE

TEMPORARY CONSTRUCTION EASEMENT AGREEMENT

THIS TEMPORARY CONSTRUCTION EASEMENT AGREEMENT (this "Easement Agreement"), is made this _____ day of _____, 20__, by and between PACIFICORP, an Oregon corporation with an address at 825 Northeast Multnomah Street, Suite 2000, Portland, Oregon 97232 ("Grantor"), and KLAMATH RIVER RENEWAL CORPORATION, a California nonprofit corporation with an address at 2001 Addison Street, Suite 300, Office 317, Berkeley, California 94704 ("Grantee").

RECITALS

A. Grantor and Grantee are parties to the Klamath Hydroelectric Settlement Agreement, dated February 18, 2010, as amended ("KHSA") and to a certain Property Transfer Agreement, dated _____ ("PTA");

B. Pursuant to the KHSA Grantee is charged with removing the JC Boyle, Copco 1, Copco 2 and Iron Gate hydroelectric dams and performing certain related work including environmental mitigation, all in accordance with the Definite Plan as such term is defined in the KHSA (collectively, the "Removal Work"). Pursuant to the PTA Grantor is transferring to Grantee contemporaneously herewith the property on which most of the Removal Work is to occur;

C. Certain portions of the Removal Work, described generally in Schedule A (the "Easement Work") require access over and work upon property that continues to be owned by Grantor and is described more particularly in Schedule B (the "Property").

D. In order to facilitate the Easement Work Grantee has requested, and Grantor has agreed to grant, a temporary construction easement as more particularly provided for in this Easement Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Easement.

a. Subject to the terms and conditions of this Easement Agreement, Grantor hereby grants to Grantee, and Grantee hereby accepts, a temporary right and easement in gross upon, across and through the portion of the Property described in Exhibit C (the "Easement Area") in order to perform the Easement Work, including any and all activities relating to implementation of the Definite Plan and compliance with the Approvals (as defined in the PTA), including, but not limited to, (i) construction activities, (ii) mitigation activities, (iii) ingress and egress of construction and other vehicles, (iv) ingress and egress of personnel, including Grantee's employees, directors, officers, representatives, agents, contractors, subcontractors of any tier, consultants and suppliers, (v) staging, use and operation of heavy equipment and machinery, and (vi) storage of materials, equipment and vehicles. Such easement shall terminate when (y) the Definite Plan is complete in accordance with its terms and (z) the terms and conditions of the Approvals relating to the Property have been satisfied as determined by the applicable governmental authority, provided that to the extent the Definite Plan or any Approvals require post-completion activities relating to the Property, including but not limited to monitoring or further construction or remediation activities, then this Easement Agreement shall continue to the extent reasonably necessary to perform all such post-completion activities and satisfy all post-completion requirements of the Definite Plan and all Approvals.

b. Grantor acknowledges and consents to the Easement Work and its effect on the Property.

c. Grantor reserves for itself, its successors and its assigns, the right to access and use the Easement Area or to grant other easements or licenses at the same location so long as such uses do not unreasonably interfere with Grantee's rights and activities under this Easement Agreement.

d. Grantee shall comply with all laws, ordinances, and regulations, including but not limited to all regulatory, environmental, and safety requirements applicable to the Easement Area or the use of the Easement, all at Grantee's sole cost and expense.

2. Coordination and Cooperation

a. Grantee shall cause its contractors to provide reasonable prior notice to Grantor of its work scope and schedule within the Easement Area and shall provide periodic updates to reflect any material changes to such work scope and schedule. Reasonable notice of scope and schedule will be deemed satisfied upon Grantee's contractor's copying Grantor on a two week look ahead schedule for the Definite Plan work affecting the Easement Area. In conducting any activities pursuant to this Easement Agreement Grantee and its contractors, subcontractors of any tier, consultants and suppliers shall avoid any material impact to PacifiCorp's equipment and installations except to the extent required under or consistent with the Definite Plan or the

requirements of any Approvals. Grantor shall take reasonable measures to assist in avoiding any such impact.

b. Grantor reserves the right to access its active transmission lines and other equipment located in the Easement Area, provided that, Grantor shall provide reasonable prior notice of such access and shall exercise commercially reasonable efforts under the circumstances to avoid any impact on the work of Grantee or its contactors. The parties acknowledge that in the event of exigent circumstances posing a material threat to property or public safety Grantor shall have immediate access to address such threat.

c. Grantor and Grantee acknowledge and agree that each has a significant interest in the orderly and coordinated use of the Easement Area and in avoiding undue delay, damage or expense in connection with each other's operations within the Easement Area. Grantor and Grantee each agrees to cooperate and coordinate with each other in good faith and in a timely and reasonable manner to minimize to the extent reasonably practicable any adverse impact on each other's operations within the Easement Area.

3. Costs and Expenses; Liens.

Grantee shall be responsible for any and all costs and expenses of the Easement Work. Grantee shall promptly pay all such costs and expenses and shall not place, permit or suffer any mechanics liens, judgments or other liens or encumbrances upon any portion of the Property, including the Easement Area.

4. Insurance.

Grantee will at all times maintain, and have on file with Grantor evidence of, property, liability and worker's compensation insurance in amounts and scopes of coverage reasonably satisfactory to Grantor and naming Grantor and its directors, officers, employees, agents, representatives and affiliates as additional insureds. In addition, each insurance coverage required under this Easement Agreement shall waive the insurer's right of subrogation against Grantor and shall provide that it shall not be canceled, terminated, changed, modified or not renewed by any insurance carrier unless fifteen (15) days' prior written notice is sent by overnight mail, to Grantor.

5. Responsibility for Damage; Indemnification.

a. Grantee shall be responsible for any damage to the Property (including the Easement Area) and any other property resulting from any exercise of any of Grantee's rights provided for in this Easement Agreement, including but not limited to fire, soil erosion, subsidence, or other damage resulting therefrom. Grantee shall promptly repair and restore, as nearly as practicable, to its original condition or, if applicable, to the condition required by the Definite Plan, the Property and any other property, including but not limited to roads, utilities, buildings and fences that may be damaged as a result of any exercise of any of Grantee's rights provided for in this Easement Agreement.

b. Grantee covenants and agrees to protect, save harmless, indemnify, and defend Grantor, its directors, officers, employees, agents, representatives, contractors and subcontractors of any tier ("Grantee Parties") from and against any and all claims, losses, costs, expenses,

damages (including punitive, special and consequential damages), liability, judgments, fines or penalties (collectively, "Claims") arising as a result of any acts or omissions by any Grantee Parties relating to this Easement, provided that Grantee shall not be responsible for Claims to the extent attributable to the contributory or comparative negligence of any Grantor Parties. "Grantor Parties" are Grantor, its directors, officers, employees, agents, representatives, contractors or subcontractors of any tier.

c. Grantor covenants and agrees to protect, save harmless, indemnify, and defend Grantee Parties from and against any and all Claims relating to the Easement Work or the exercise of rights under this Easement Agreement by any Grantor Parties and caused by, arising out of, or in any way connected with (i) negligent acts or omissions by any Grantor Parties, or (ii) a breach of this Easement Agreement by any Grantor Parties, excepting in each instance that portion of any Claims attributable to the contributory or comparative negligence of Grantee Parties.

6. Notices.

All notices and other communications required or given under this Easement shall be in writing and addressed as follows:

Grantee: Klamath River Renewal Corporation
2001 Addison Street, Suite 300, Office 317
Berkeley, California 94704
Attention: Chief Operating Officer

With copy to:

Water and Power Law Group PC
2140 Shattuck Avenue
Suite 801
Berkeley, CA 94704
Attn: Richard Roos-Collins

Grantor:

PacifiCorp
825 Northeast Multnomah Street, Suite 2000
Portland, Oregon 97232
Attention: _____

or to such other address as a party may specify by written notice to the other. All notices and other communications shall be deemed to have been duly given and received: (a) upon personal delivery, or (b) as of the third business day after mailing by United States mail, postage prepaid, addressed as set forth above, or (c) the immediately succeeding business day after deposit (for next-day delivery) with FedEx or other similar overnight courier that guarantees next-day delivery.

7. Covenants Running With the Land.

This instrument shall run with the land and shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.

8. Miscellaneous.

a. This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any prior representations, understandings or agreements concerning this instrument are merged herein and superseded hereby and shall be of no further force or effect.

b. This Easement Agreement may be amended only by a written instrument signed by both parties.

c. Any term or provision of this Easement Agreement may be waived at any time by the party entitled to the benefit thereof by a written instrument executed by such party. Any waiver or failure to enforce any provision or requirement of this Easement Agreement in any instance or circumstance shall not affect the enforceability of such provision or requirement in any subsequently occurring instance or circumstance.

d. This Easement Agreement shall be governed and construed by the laws of the State of [[California / Oregon]] without reference to [[California / Oregon]] choice of law principles.

e. The invalidity of any one or more provisions of this Easement Agreement shall not affect the remaining portions of this Easement Agreement or any part thereof. If one or more of the provisions contained herein should be invalid, or should operate to render this Easement Agreement invalid, this Easement Agreement shall be construed as if such invalid provisions had not been inserted.

f. This Easement Agreement may be executed in two or more counterparts, each of which counterparts shall be deemed an original, and all of which together shall constitute one and the same Easement Agreement.

g. The captions and headings in this Easement Agreement are solely for convenience of reference and shall not constitute a part of this Easement Agreement nor shall they affect its meaning, construction or effect.

h. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Easement Agreement, refer to this Easement Agreement in its entirety and not the particular section of this Easement Agreement in which they appear, and the term “hereafter” means after, and the term “heretofore” means before, the date of this Easement Agreement.

i. The word “including” and words of similar import mean “including but not limited to.”

j. This Easement Agreement shall be recorded in the appropriate land records in [[Siskiyou County, California / Klamath County, Oregon]]. Grantee shall be solely responsible for the payment of all costs, fees, or expenses in connection with such recording.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

GRANTOR: PACIFICORP

By _____
Title _____

GRANTEE: KLAMATH RIVER RENEWAL CORPORATION

By _____
Title _____

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF _____)

COUNTY OF _____)

On _____ before me, _____, a notary public in and for said County and State, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s), acted, executed the instrument.

WITNESS my hand and official seal.

Rev. 9/29/99

(Signature of Notary Public)

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF _____)

COUNTY OF _____)

On _____ before me, _____, a notary public in and for said County and State, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s), acted, executed the instrument.

WITNESS my hand and official seal.

Rev. 9/29/99

(Signature of Notary Public)

EXHIBIT A

(Easement Work)

Descriptions to be updated prior to property transfer. General descriptions are as follows:

California/Copco Lake:

The work will likely be primarily restoration work. The specific work scope has not yet been determined with precision as it may be affected by the requirements of governmental approvals that have not yet been received but will likely include seeding the reservoir bed, including aerial seeding, IEV management and assisted sediment evacuation as needed. Other types of restoration may also be necessary so KRRC will need the ability to do any and all activities in support of restoration, likely including developing access roads, grading, in water work, placement of large wood, stream gravels, upland plantings, maintenance, IEV control, and monitoring

Oregon / JC Boyle flume and vicinity:

Overhead line work, concrete flume removal, access roads and related work

EXHIBIT B

(Description of Property)

[[*Legal Descriptions to be provided*]]

California – East End of Copco Lake - Siskiyou County APN 004-030-580 and APN 004-030-570



Oregon - J.C. Boyle Flume and Upper Access Road - Klamath County R-4006-01200-0800



EXHIBIT C

(Easement Area)

[[Diagrams to be attached prior to execution]]

California / Copco Lake

The specific work area has not yet been determined with precision as the scope of work may be affected by the requirements of governmental approvals that have not yet been received. For present purposes it should be assumed to extend approximately 4,800 feet upstream of the Copco Road Bridge and approximately 700 feet outward from the currently existing shorelines

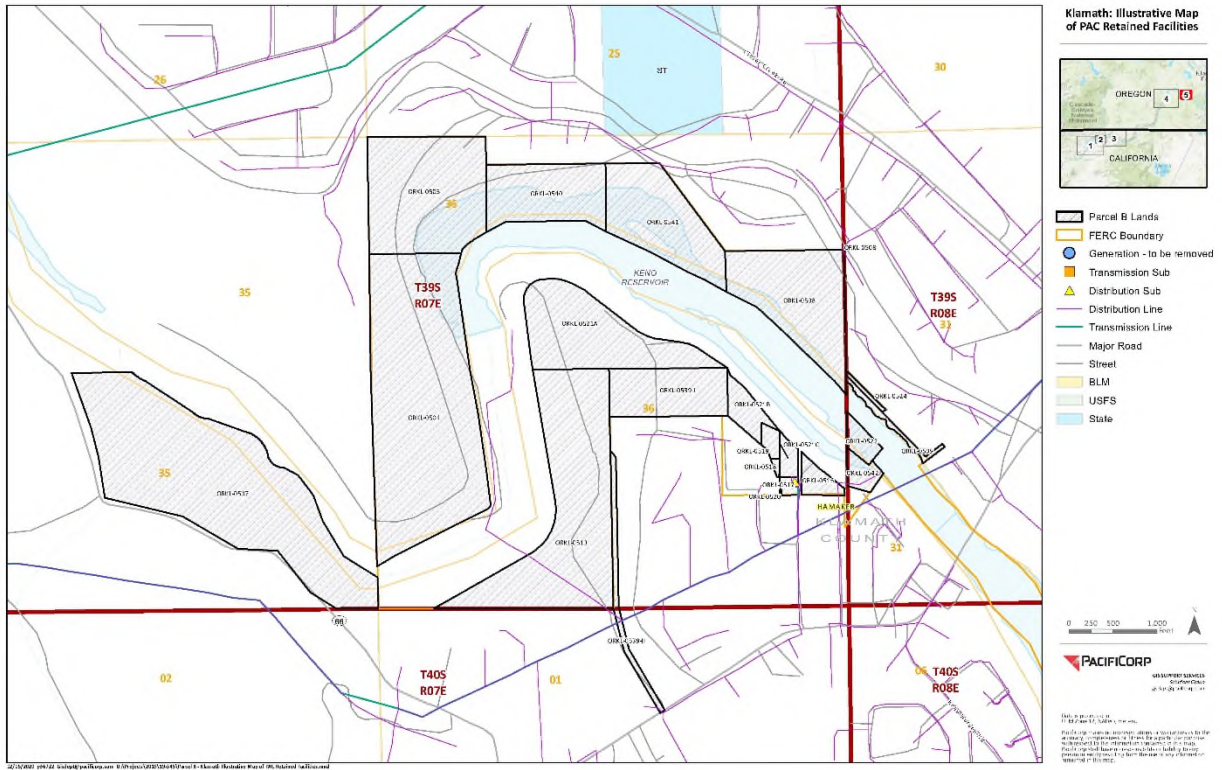
Oregon – JC Boyle Flume and Upper Access Road

Entire parcel

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EXHIBIT I

DESCRIPTION OF THE KENO LAND



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EXHIBIT J

FACILITIES HANDOVER TECHNICAL PROTOCOLS

- **Temporary Power** – Protocol for addressing cost and scope of installing temporary electrical service at a variety of locations in support of activities under the Definite Plan
- **Access to Substations** – Protocol for providing Kiewit with on-site observation at substations for design and disconnection points; will include appropriate safety training and PacifiCorp escorts for Kiewit personnel
- **Communication Equipment** – Protocol for addressing Kiewit's request to co-locate within the Communications Facilities Easement to provide for communications facilities necessary for general safety during Facilities Removal
- **Electrical Disconnection Design** - Protocol for design and coordination of disconnecting PacifiCorp's generation assets (dams) from the transmission and distribution system PacifiCorp will be retaining
- **Operational Information** – Protocol to develop and provide educational and safety materials and information to support the physical handover of the dam facilities
- **Timing of PacifiCorp Work to be Completed** – Protocol to establish scope and timing of work to be performed by PacifiCorp in connection with physical handover of dam facilities (e.g., disconnection of transformers; possible re-routing of certain transmission and distribution lines)
- **Identification and Final Removal of Salvaged Equipment** – Protocol for finalizing list, and physical removal, of salvage equipment
- **Pole Attachments** – Protocol for removal or relocation of Pole Attachments as may be required under Sections 6 and 11
- **Copco 2 River Flow Analysis** – Coordination to assess and, to the extent necessary address, potential post-dam removal flood risk at the Copco 2 115kV substation
- **Copco 1 Exploratory Dredging** – Protocol for possible exploratory dredging of debris located at face of Copco 1 Dam
- **Marking of Certain Boundaries and Subsurface Facilities** – Protocol to identify and mark areas where potential conflict may exist between PacifiCorp reserved easements and dam removal activities, including underground facilities reserved by PacifiCorp, all as provided in the Agreement and the Reserved Easements. PacifiCorp will survey and provide field markers where such measures would aid the parties to avoid such conflict. The survey will include boundary of Substation Easement Areas, grounding grids where

such extend beyond fence line and may include other PacifiCorp reserved interests consistent with Section 11

SCHEDULE 3.1(b)(i)**DECOMMISSIONED PROPERTY**

[[PacifiCorp has generated this preliminary list of equipment to be salvaged based simply on the equipment assigned to each of the four Klamath facilities in PacifiCorp's accounting system. This desktop review was conducted by senior engineers and managers familiar with the Klamath Hydroelectric Project, PacifiCorp's other hydroelectric projects, and the interchangeable equipment between the different facilities. No onsite inventories or reviews were conducted and there was no effort yet directed to validate the equipment lists with that actually onsite. This list is considered preliminary and subject to ongoing review and mutually agreeable revision at any time prior to decommissioning.]]

Development	Item(s)	Number of Units
All	Vehicles	Assorted
All	Heavy Equipment (graders, dump trucks, loaders, backhoes, etc.)	Assorted
All	All-Terrain Vehicles (e.g., ATVs/UTVs)	Assorted
All	Network Communications Equipment	Assorted
All	Computers, Phones, etc.	Assorted
All	Tools (all general hand and power tools including but not limited to portable generators, welders, etc.)	Assorted
Iron Gate	Controls and Instrumentation	Assorted
Iron Gate	Iron Gate Battery System (130 VDC)	1
Iron Gate	Governor	1
Iron Gate	Iron Gate Powerhouse Stoplog Hoist	1
Iron Gate	Iron Gate Generator Energy Meters	2
Iron Gate	Iron Gate Station Battery Charger	1
Copco 2	Exciters	2
Copco 2	Controls and Instrumentation	Assorted
Copco 2	Copco 21 Unit Breaker 6G21	1
Copco 2	Copco 22 Unit Breaker 6G22	1
Copco 2	Transformers	Miscellaneous
Copco 2	Plant Emergency Generator	1
Copco 2	Dam Emergency Generator	1
Copco 2	Governors (Copco 21 and 22)	2
Copco 2	Station Service Energy Meter	1
Copco 2	Copco 21 and 22 Generator Energy meters	2
Copco 2	Copco 2 Station Batteries (130 VDC)	1
Copco 2	Copco 2 Station Battery Charger (130 VDC)	1
Copco 2	Copco 2 Station Service Breaker 6G9	1
Copco 2	Copco 21 Station Service Breaker 6G36	1
Copco 2	Copco 22 Station Service Breaker 6G37	1

Copco 2	Copco 2 Communications Equipment	Assorted
Copco 1	Exciters	2
Copco 1	Controls and instrumentation	Assorted
Copco 1	Emergency Generator	1
Copco 1	Copco 1 Station Battery System (120 VDC)	1
Copco 1	Copco 1 Station Battery Charger	1
Copco 1	Governors for Copco 11 and Copco 12	2
Copco 1	Copco 11 Generator Energy Meter	1
Copco 1	Copco 12 Generator Energy Meter	1
J.C. Boyle	Exciters	2
J.C. Boyle	Controls and Instrumentation	Assorted
J.C. Boyle	J.C. Boyle 1 Generator Breaker 5L51	1
J.C. Boyle	J.C. Boyle 2 Generator Breaker 5L52	1
J.C. Boyle	Transformer - GSU – J.C. Boyle 2	1
J.C. Boyle	Transformer - GSU – J.C. Boyle SPARE	1
J.C. Boyle	JCB Powerhouse Stop Log Crane	1
J.C. Boyle	Governors for J.C. Boyle Units 1 and 2	2
J.C. Boyle	Transformer - GSU – J.C. Boyle 1	1
J.C. Boyle	J.C. Boyle 1 REL-P GEN 12Y-1 Overspeed – Airpax	1
J.C. Boyle	J.C. Boyle 2 REL-P GEN 12Y-2 Overspeed – Airpax	1
J.C. Boyle	J.C. Boyle 1 Rel-W Swgr Arc Flash Monitor	1
J.C. Boyle	J.C. Boyle 2 Rel-W GSU Arc Flash Monitor	1
J.C. Boyle	J.C. Boyle 1 Rel-W Gen 11 - 3425a-1	1
J.C. Boyle	J.C. Boyle 1 Rel-W Gen 11 - 3425b-1	1
J.C. Boyle	J.C. Boyle 1 REL-W GEN 64F-1 Field Ground Detect	1
J.C. Boyle	J.C. Boyle 1 Rel-W GSU 11 - 3311-1	1
J.C. Boyle	J.C. Boyle 1 REL-P GEN 25 Sync Check 188A-1	1
J.C. Boyle	J.C. Boyle 1 REL-P GEN 25-1 Syncroclouser 193B-1	1
J.C. Boyle	J.C. Boyle 1 REL-P GEN 25-1 Gen Control 194-1	1
J.C. Boyle	J.C. Boyle 2 Rel-W Gen 11 - 3425a-2	1
J.C. Boyle	J.C. Boyle 2 Rel-W Gen 11 - 3425b-2	1
J.C. Boyle	J.C. Boyle 2 REL-W GEN 64F-2 Field Ground Detect	1
J.C. Boyle	J.C. Boyle 2 REL-W GSU 11 - 3311-2 Multi-Function	1
J.C. Boyle	J.C. Boyle 2 REL-P GEN 25 Sync Check 188A-2	1
J.C. Boyle	J.C. Boyle 2 REL-P GEN 25-2 Syncroclouser 193B-2	1
J.C. Boyle	J.C. Boyle 2 REL-P GEN 25-2 Gen Control 194-2	1
J.C. Boyle	J.C. Boyle Station Battery System - 125 V	1
J.C. Boyle	J.C. Boyle Dam Battery System - 125 V	1
J.C. Boyle	J.C. Boyle Station Batteries - 125 Vdc	1
J.C. Boyle	J.C. Boyle Stn Battery Charger - 125 Vdc	1

J.C. Boyle	J.C. Boyle Stn Battery Inverter - 125 Vdc	1
J.C. Boyle	J.C. Boyle Dam Batteries - 125 Vdc	1
J.C. Boyle	J.C. Boyle Dam Battery Charger - 125 Vdc	1
J.C. Boyle	J.C. Boyle Dam Battery Inverter - 125 Vdc	1
J.C. Boyle	J.C. Boyle 1 Rel-W Gen WECC Relays - 10 Yr	1
J.C. Boyle	J.C. Boyle 1 Rel-W GSU WECC Relays - 10 Yr	1
J.C. Boyle	J.C. Boyle 2 Rel-W Gen WECC Relays - 10 Yr	1
J.C. Boyle	J.C. Boyle 2 Rel-W GSU WECC Relays - 10 Yr	1
J.C. Boyle	J.C. Boyle Plant Rel-W Ss WECC Relays-10 Y	1
J.C. Boyle	J.C. Boyle Plant Energy Meters	Assorted

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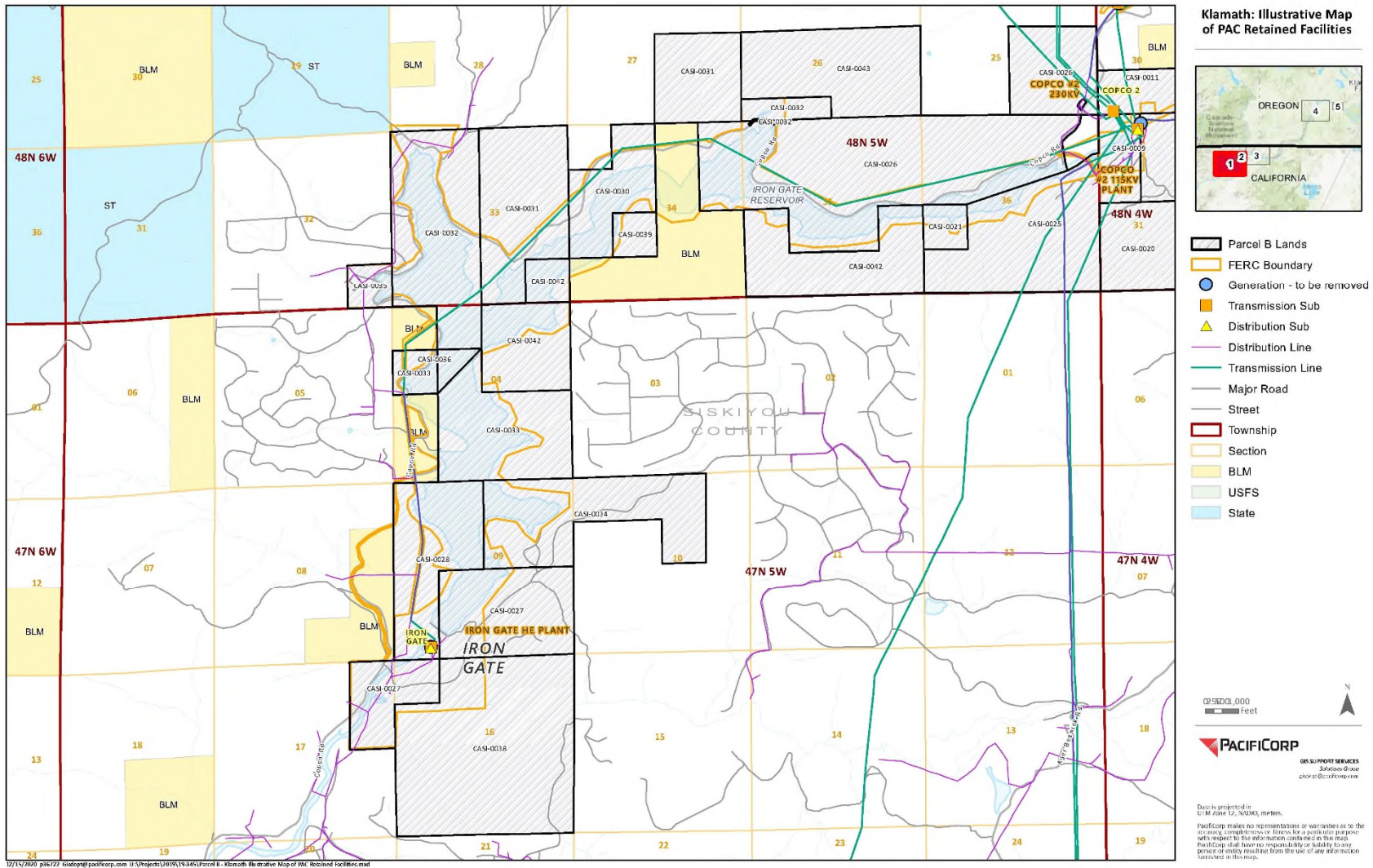
SCHEDULE 3.1(b)(ii)

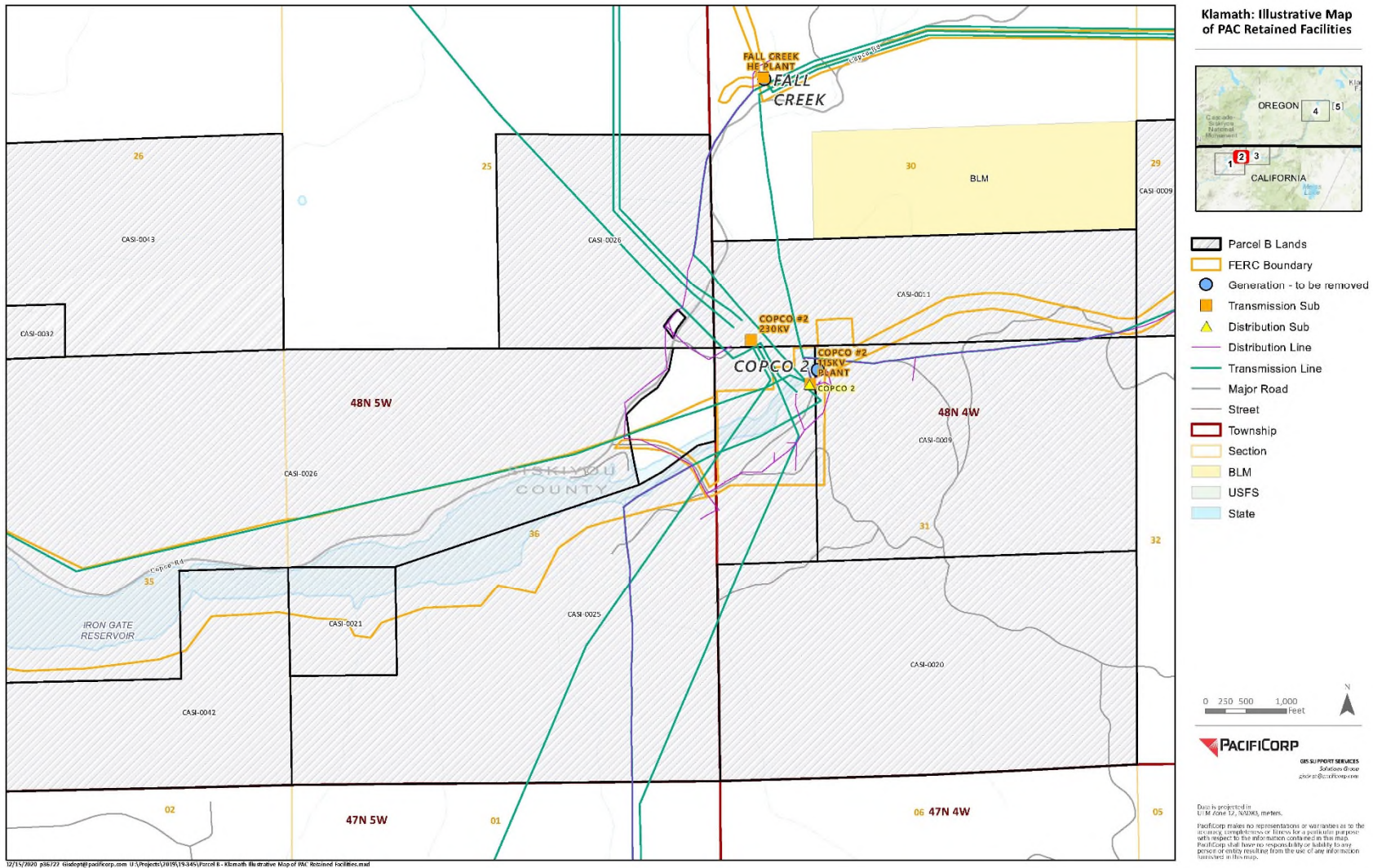
RETAINED TRANSMISSION FACILITIES

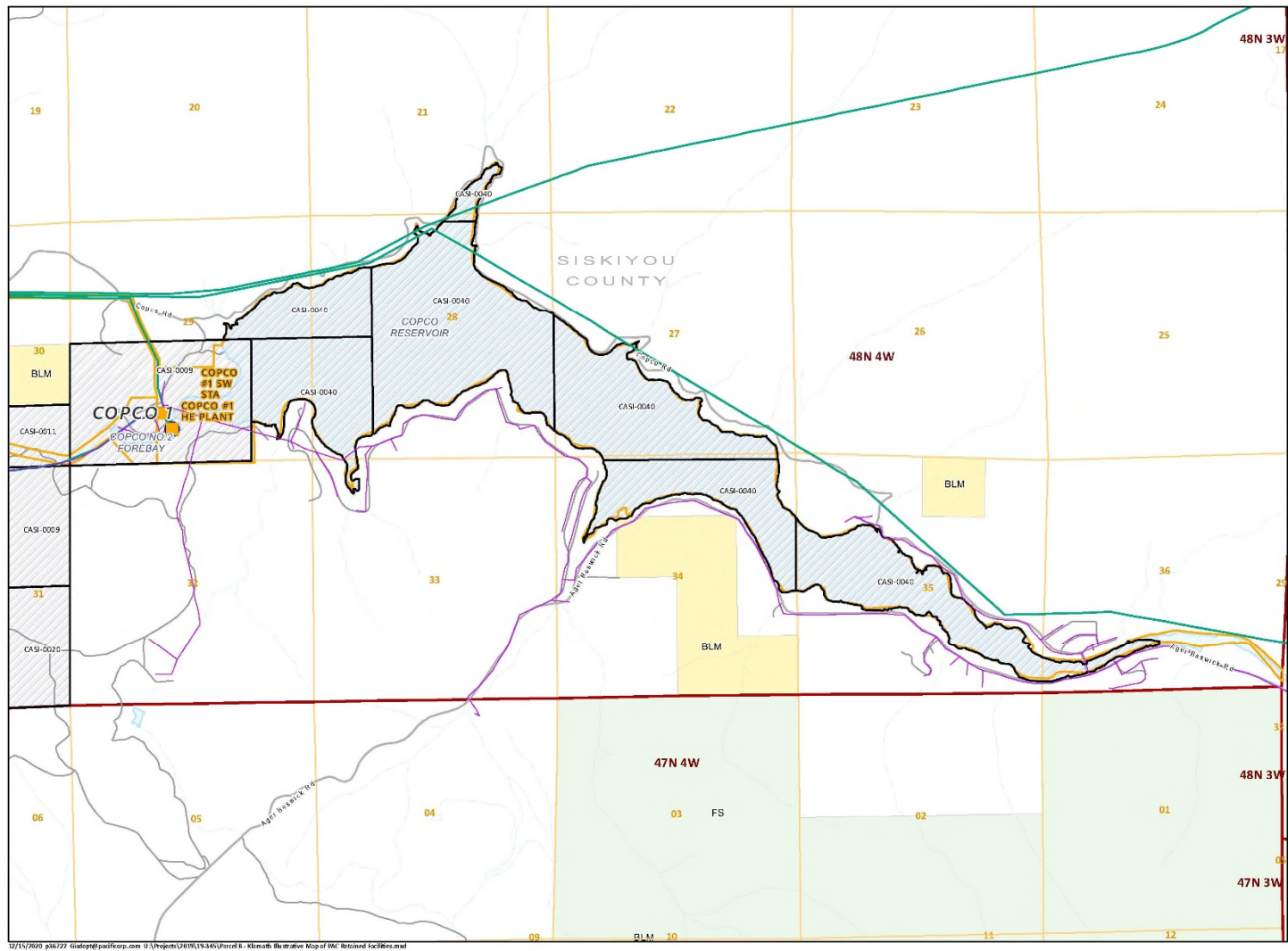
A. DESCRIPTION OF FACILITIES

1. The electrical transmission facilities located on the Parcel B Land and comprising the electrical transmission facilities indicated on the attached map, including but not limited to, transmission, distribution, service and other lines conducting electricity as well as related facilities (including but not limited to towers, poles, pads, guys, anchors, props, supports, transformers, switches, vaults, substations, communications facilities, fiber optic or other communications equipment, and any other improvements and facilities associated with or connected to or that aid in the management or function of such improvements and related facilities).
2. See Attached Map

[NOTE – The map attached represents an approximation of the Retained Transmission Facilities and their location as currently understood. An update and clarification of the map will be substituted prior to Closing that depicts in greater detail the final configuration of the Retained Transmission Facilities and that reflects Easement Area modifications pursuant to Section 11.3.]







Klamath: Illustrative Map of PAC Retained Facilities



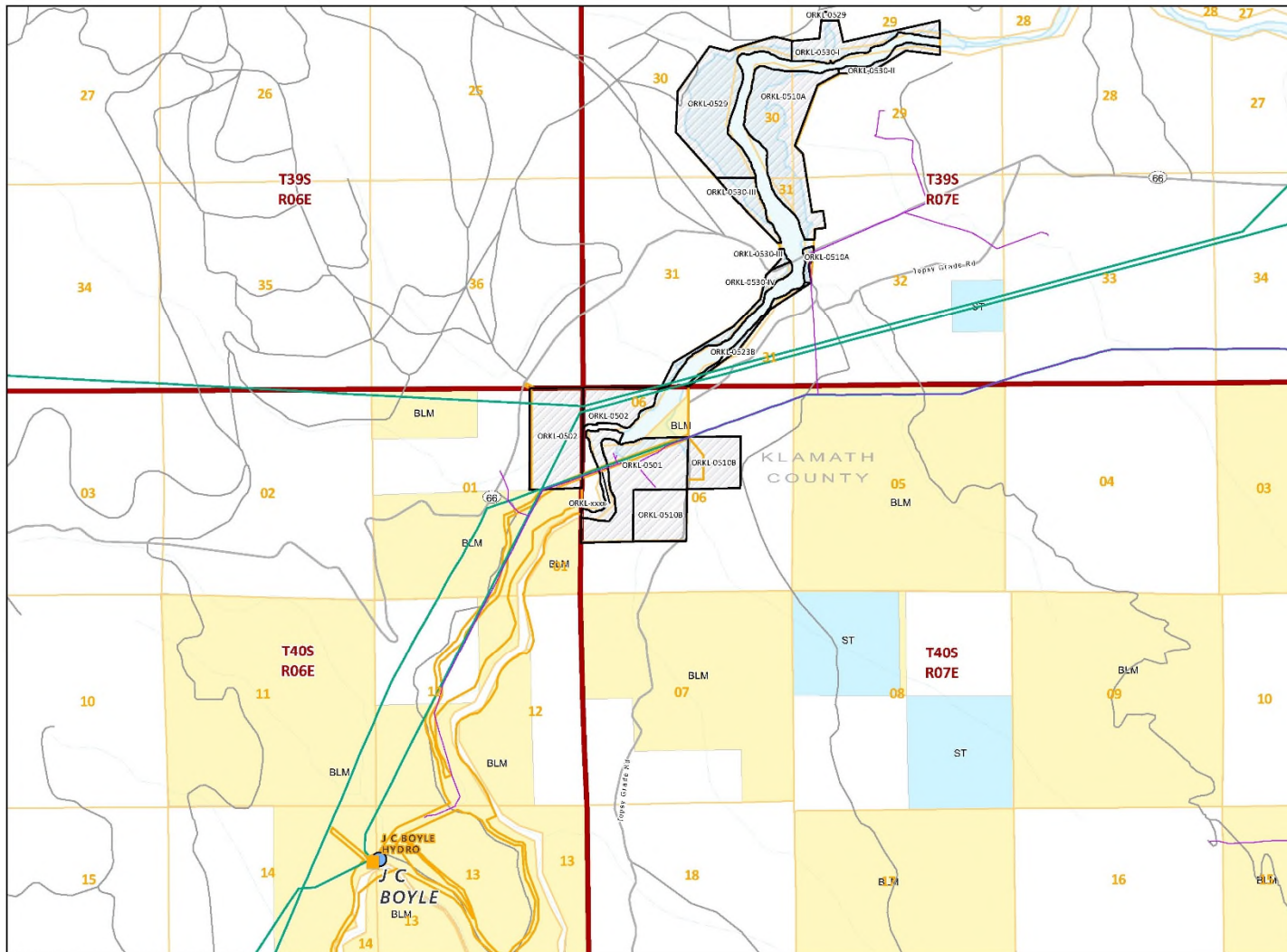
- Parcel B Lands
- FERC Boundary
- Generation - to be removed
- Transmission Sub
- ▲ Distribution Sub
- Distribution Line
- Transmission Line
- Major Road
- Street
- Township
- Section
- BLM
- USFS
- State

025800 1,000 Feet



Data is projected to NAD 83 UTM Zone 12, 3000m, meters.
PacifiCorp makes no representations or warranties as to the accuracy, completeness or fitness for a particular purpose with respect to the information contained in this map. PacifiCorp shall have no responsibility or liability to any person or entity resulting from the use of any information furnished in this map.

12/15/2020 pba/22 cisd@pacifiCorp.com U:\Projects\1819\18345\Parcel B - Klamath Illustrative Map of PAC Retained Facilities.mxd



Klamath: Illustrative Map of PAC Retained Facilities



- Parcel B Lands
- FERC Boundary
- Generation - to be removed
- Transmission Sub
- ▲ Distribution Sub
- Distribution Line
- Transmission Line
- Major Road
- Street
- BLM
- USFS
- State

0258001.000
Feet



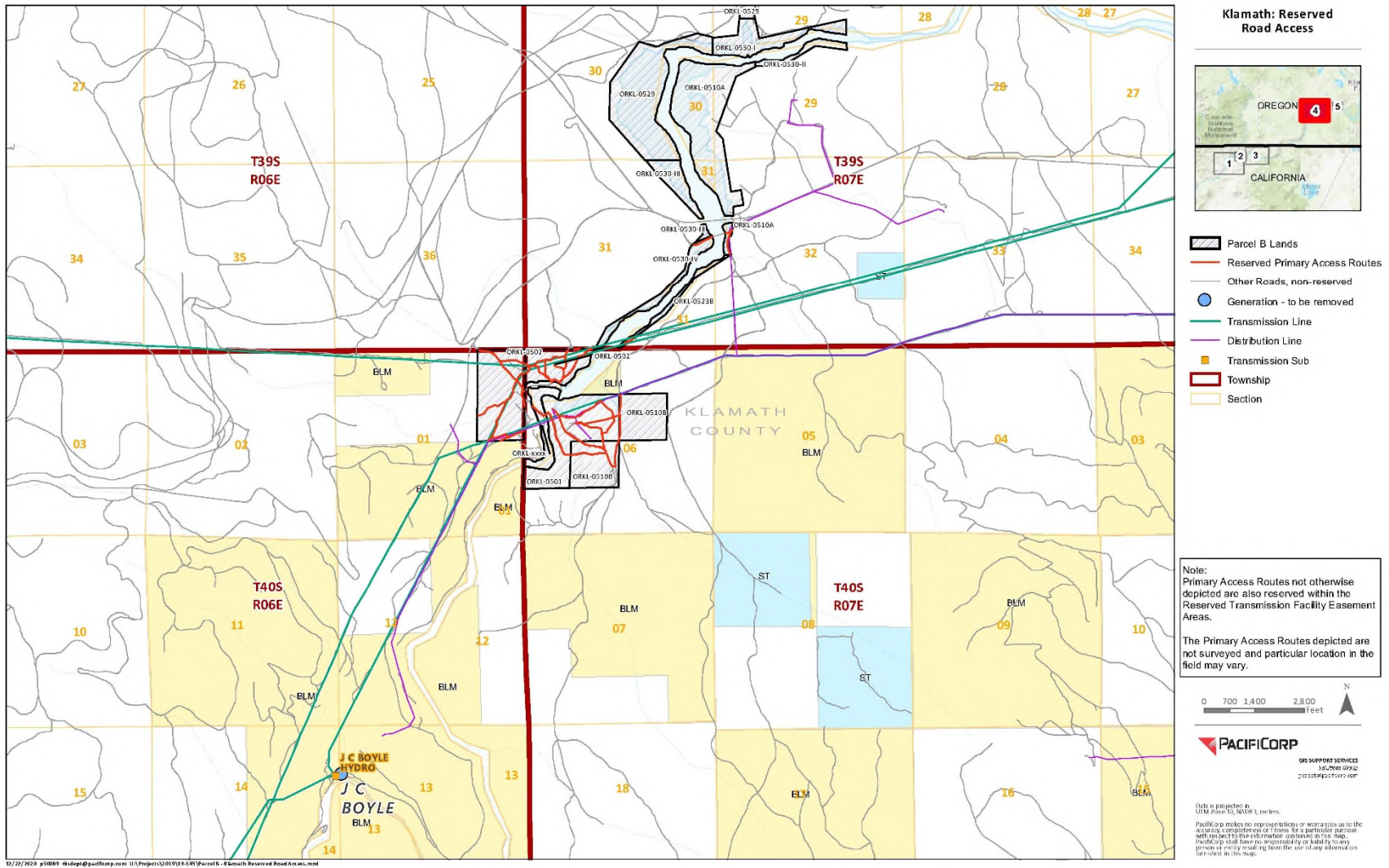
GIS SUPPORT SERVICES
Solutions Group
gisupport@pacificorp.com

Data is projected to UTM Zone 12, NAD83, meters.
PacifiCorp makes no representations or warranties as to the accuracy, completeness or fitness for a particular purpose with respect to the information contained in this map. PacifiCorp shall have no responsibility or liability to any person or entity resulting from the use of any information furnished in this map.

12/15/2020 psl/22 cindag@pacificorp.com U:\Reports\1819\T39S\Parcel B - Klamath Illustrative Map of PAC Retained Facilities.mxd

B. ACCESS ROUTES

[NOTE: The attached maps depict PacifiCorp's primary access routes to its reserved easement areas at a very high-level; maps showing greater detail and mutually agreeable to the parties may be substituted prior to Closing]



SCHEDULE 7.1(c)

CONSENTS

1. Receipt of the Transfer Order
2. Counterparties to the following Appurtenances
 - a. N/A
3. Counterparties to the following Use and Possession Agreements
 - a. State of Oregon as landlord under State Lands Lease for J.C. Boyle Dam (44581-HY) between the State of Oregon and PacifiCorp, dated June23, 2011
4. Counterparties to the following agreements:
 - a. NMFS-PacifiCorp Implementing Agreement

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SCHEDULE 7.1(d)
LITIGATIONS AND PROCEEDINGS

1. The FERC license transfer application currently pending before FERC;
2. The FERC license surrender application pending before FERC;
3. Property Disposition applications before:
 - California Public Utility Commission
 - Oregon Public Utility Commission
 - Wyoming Public Service Commission
 - Idaho Public Utility Commission
4. ODEQ regarding the Klamath Total Maximum Daily Load (TMDL; Multnomah County Case No. 20CV12262)
5. U.S. Environmental Protection Agency regarding the Klamath River TMDL (Superior Court of California, Sacramento County Case No. 34-2011-80000769-CU-WM-GDS). This proceeding is subject to a tolling agreement between PacifiCorp and the U.S. Department of Justice.
6. North Coast Regional Water Quality Control Board – California Water Code Section 13267 – Investigative Order R1-2017-0051 (directed at PacifiCorp and the California Department of Fish and Wildlife as the owner and operators respectively, of the Iron Gate Hatchery).
7. Application to FERC for a new operating license for the Klamath Hydroelectric Project (P-2082; Submitted in February 2004, formally placed in abeyance by FERC on June 16, 2016).

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SCHEDULE 7.2(c)**OCCUPIED THIRD-PARTY PREMISES AND
USE AND POSSESSION AGREEMENTS**

PREMISES	OWNER	RELEVANT AGREEMENT	PAYMENT/CONSENT
J.C. Boyle Property (See agreement for description)	State of Oregon	State of Oregon Department of State Lands Lease for J.C. Boyle Dam (44581-HY) between the State of Oregon and PacifiCorp, dated June23, 2011	Rent payable Assignable in accordance with the KHSA and applicable Oregon Administrative Rules
Klamath County APN 4006-00000-00400	United States Bureau of Land Management	FERC License	
Klamath County APN 4006-00000-00400	United States Bureau of Land Management	FERC License	
Siskiyou County APN 041-030-260-000	United States Bureau of Land Management	FERC License	
Siskiyou County APN 041-060-030-000	United States Bureau of Land Management	FERC License	
Siskiyou County APN 041-060-080-000	United States Bureau of Land Management	FERC License	
Siskiyou County APN 041-060-160-000	United States Bureau of Land Management	FERC License	

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SCHEDULE 7.2(d)

APPURTENANCES

A. Easements and Rights of Way

California

The following access roads

- i. Right of access to Copco 1 parcel reserved under deed from The California Oregon Power Company to Frank Lathrop, dated August 23, 1954, recorded in the records of Siskiyou County on September 8, 1954 at Vol. 336, Page 848
- ii. Right of access over lands of the United States of America in connection with the Facilities pursuant to FERC License for Project 2082

Oregon

The following access roads

- i. Easement for Ingress and Egress to The California Oregon Power Company, recorded in the land records of Klamath County, Oregon, on July 18, 1956, in Book 286, Page 550.
- ii. Right of access over lands of the United States of America in connection with the Facilities pursuant to FERC License for Project 2082

B. Water Rights

California

- i. License 9457
- ii. Statements 15374,15375, 15376
- iii. S012968

Oregon

The Oregon water rights used for the Project are assigned to Oregon Water Resources Department pursuant to the “Water Rights Agreement between PacifiCorp and the State of Oregon” (2010), Exhibit 1 to the Klamath Hydroelectric Settlement Agreement

C. Others

California

- i. Access and Easement agreement dated February 13, 2017 by County of Siskiyou to PacifiCorp, recorded in the records of Siskiyou County under Recorder's Series No. 2017-001728

SCHEDULE 7.2(e)
OPERATING PERMITS

[See following pages]

Current operating permits associated with the Klamath Hydroelectric Project. Note that this does not include permits for completed activities (e.g., U.S. Army Corps of Engineers, State Water Resources Control Board Section 401 permits, etc.).

<u>State</u>	<u>Location</u>	<u>Type 1</u>	<u>Type 2</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Agency</u>
OR/CA	Klamath Project	FERC Project License 2082	n/a	1/28/1954	Renewed Annually	Federal Energy Regulatory Commission
OR	Klamath Project	Scientific Taking Permit - Fish	Permit No. 23948	6/12/2020	12/31/2020 Renewed Annually	Oregon Department of Fish and Wildlife
OR	Klamath Project	Scientific Taking Permit – Wildlife (birds, mammals, reptiles, amphibians)	Permit No. 036-20 Federal No. MB93024C-1	1/10/2020	12/31/2020 Renewed Annually	Oregon Department of Fish and Wildlife
OR/CA	Klamath Project	Permit for Incidental Take of Endangered/Threatened Species	Permit No. 17158	2/24/2012	2/24/2022	NOAA's National Marine Fisheries Service
OR/CA	Klamath Project	Permit for Incidental Take of Endangered/Threatened Species	Permit No. TE52096A-0	2/20/2014	2/20/2024	U.S. Fish and Wildlife Service
CA	Copco No. 1	Air Quality Permit, Emergency/Standby Generator	Permit No. PTO 092818-BUG	9/28/2018	None	Siskiyou County, Air Pollution Control District
CA	Iron Gate Hatchery	Air Quality Permit, Emergency/Standby Generator	Permit No. ATC/PTO 073118-BUG	9/28/2018	None	Siskiyou County, Air Pollution Control District
OR	J.C. Boyle	NPDES Permit	100-J Cooling Water Discharge			Oregon Department of Environmental Quality
CA	Iron Gate Hatchery	NPDES Permit	Permit No. CA006688	2/24/2000	2/24/2005	North Coast Regional Water Quality Control Board (Note: PacifiCorp has attempted to renew this permit but the TMDL for the Klamath in California prohibits any net loading in discharged water. Years of discussion led to the 13267 Investigative Order on Sept 29, 2017.)
CA	Iron Gate Hatchery	California Water Code Section 13267 Investigative Order	Order No. R1-2017-0051	9/29/2017	n/a	North Coast Regional Water Quality Control Board
CA	Copco No. 2	Water Supply Permit	n/a	2/1/2020	2/1/2021	Siskiyou County Community Development Department
OR	J.C. Boyle	Limited License	LL 1849	12/1/2020	11/30/2021	Oregon Water Resources Department

Pressure vessel permits associated with the PacifiCorp Klamath Hydroelectric Project
(note that permit requirements are different between Oregon and California)

State	State Permit Number	Location	Type	Expiration Date
CA	A000619-12	Copco 1 -Turbine Floor	Air	4/18/2023
CA	L000395-14	Generator House Entrance	LPG	1/13/2024
CA	A000828-03	Fall Creek Generator Room	Air	1/13/2024
CA	A006991-17	Copco 2-Main Floor	Air	12/14/2022
CA	A070735-10	Copco 2-Shop	Air	1/13/2024
CA	A031914-77	Copco 2-Basement Auxiliary #1 Receiver	Air	1/13/2024
CA	A031913-77	Copco 2- Basement Auxiliary #2 Receiver	Air	1/13/2024
CA	L000397-14	Copco 2 Diversion Dam	LPG	1/13/2024
CA	L000396-14	Copco 2 Emergency Generator	LPG	1/13/2024
CA	A000580-13	Iron Gate Service Air (Hp)	Air	4/18/2023
CA	A008259-62	Iron Gate Service Air (Lp)	Air	4/18/2023
CA	A000438-16	Hatchery Building	Air	4/24/2021
CA	A000439-16	Hatchery	Air	4/25/2021
CA	A006990-17	Hatchery Building	Air	12/14/2022
CA	L001932-94	Hatchery Building 6	LPG	4/24/2021
OR	X1857-60X	J.C. Boyle 1 Governor accumulation tank	Air	3/31/2021
OR	X1855-60X	J.C. Boyle 2 Governor accumulation tank	Air	3/31/2021
OR	X1858-60X	Blue air tank left of Generator 1	Air	3/31/2021
OR	8294	Red Barn	Air	3/31/2021
OR	61292	Fire Pump at J.C. Boyle Dam	Air	3/31/2021
OR	93339	OCB-1L35	Air	3/31/2021
OR	93340	OCB-1L36	Air	3/31/2021
OR	99226	Blue air tank by Unit 1 governor	Air	3/31/2021
OR	115059	J.C. Boyle garage air compressor	Air	3/31/2021

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SCHEDULE 7.2(f)

SERVICE CONTRACTS

This list of service contracts is valid as of December 15, 2020 and is subject to change as contracts expire or are added. A variety of services may be provided under a Master Services Agreement (MSA) that are not specified here. Those services are not separate agreements and are subject to the terms of the MSA. The MSA does not apply to the Facilities following transfer except as PacifiCorp may elect for its own account under its O&M Agreement with KRRC.

Vendor	Service Provided
Basic Laboratory	Iron Gate Hatchery NPDES monitoring
Bio-Oregon	Fish food
Cardno Inc.	Aquatic services MSA
E&S Environmental Chemistry, Inc.	Water quality and monitoring and evaluation Services MSA
Farmers Conservation Alliance	Interim Measure 11 Implementation
Jacobs Engineering, Inc.	Air, land, and water permitting and other technical assistance contract
JR Merit Industrial Contractors	General construction MSA
Karuk Tribe	Interim Measure 15 Water Quality Sampling
Klamath Watershed Partnership	Interim Measure 11 Implementation
Marquess	Engineering MSA
Meridian Environmental	Monitoring and evaluation services MSA
Mid Klamath Watershed Council	Coho Salmon spawning surveys in tributaries downstream of Iron Gate Dam
National Fish and Wildlife Foundation	Implementation of Coho Enhancement Fund per PacifiCorp Habitat Conservation Plan for Coho Salmon and the Habitat Conservation Plan for Lost River and Shortnose suckers
Pacific States Marine Fisheries Commission	Constant fractional marking/tagging at Iron Gate Hatchery
Quality Water Systems	Iron Gate Hatchery filtration media
S&B James Construction Company	Construction services contract
Skretting	Fish food
The Nature Conservancy	Interim Measure 11 Implementation
Trout Unlimited	Interim Measure 11 Implementation
Watercourse Engineering, Inc.	Environmental monitoring MSA
Weekly Brothers, Inc.	General construction MSA
Yurok Tribe	Interim Measure 15 Water Quality Sampling

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SCHEDULE 7.2(n)

POLE ATTACHMENT AGREEMENTS

1. Transmission Pole Contact Agreement for Joint Use of Wood Transmission Poles Between Pacific Power & Light Company and The Pacific Telephone and Telegraph Company, dated April 12, 1977
2. General Agreement for Joint Use of Wood Transmission Poles Between Pacific Power & Light Company and The Pacific Telephone and Telegraph Company, dated April 12, 1977 and stated to expire April 12, 1997 but continued by the parties in accordance with its terms

[See Attached Map and Schedule]

ATTACHMENT TO SCHEDULE 7.2(n)
POLE ATTACHMENT SCHEDULE AND MAP

[See Attached Schedule of Locations and Maps]

Schedule of Pole Attachments and Locations

	map_latitu	map_longit	transmissi	copco_name	mapstring/pole #	OWNERSHIP_	LOC_ADDRES	Utility Code	STAT	Licensee
1	41.969433	- 122.272951		655E E 17738	06248004.0356400	O		165	A	AT&T
2	41.968762	- 122.272576		655E E 14365	06248004.0356401	O	5 E/O 27008 COPCO RD	165	A	AT&T
3	41.975336	- 122.357675		655E E 9532	06248004.0312802	O	END OF DAGGETT RD HORN BROOK, CA	165	A	AT&T
4	41.973927	- 122.359315		655E E 9534	06248004.0311700	O	END OF DAGGETT RD HORN BROOK, CA	165	A	AT&T
5	41.973638	- 122.360263		655E E 9536	06248004.0311703	O	END OF DAGGETT RD HORN BROOK, CA	165	A	AT&T
6	41.972927	- 122.360717		655E E 9538	06248004.0310701	O	END OF DAGGETT RD HORN BROOK, CA	165	A	AT&T
7	41.972505	- 122.361299		655E E 13598	06248004.0310600	O	END OF DAGGETT RD HORN BROOK, CA	165	A	AT&T
8	41.972068	- 122.361801		655E E 9541	06248004.0310601	O	END OF DAGGETT RD HORN BROOK, CA	165	A	AT&T
9	41.97073	- 122.362407		655E E 12550	06248004.0310500	O	DAGGETT RD DAGGETT RD	165	A	AT&T
10	41.961603	- 122.443537		655E E 11660	06248005.0328000	O		165	A	AT&T
11	41.93078	- 122.441341		655E E 11637	06247005.0179802	O		165	A	AT&T
12	41.93022	- 122.441715		655E E 11636	06247005.0179806	O	HATCHERY OFF COPCO RD. (KRCE)	165	A	AT&T
13	41.96385	- 122.445327		655E E 14369	06248005.0327100	O	12015 COPCO RD- HORN BROOK	165	A	AT&T
14	41.964123	- 122.444444		655E E 11663	06248005.0328100	O	12015 COPCO RD. (IGLE)	165	A	AT&T

15	41.963396	-122.44372		655E E 11662	06248005.0328101	O	12015 COPCO RD. (IGLE)	165	A	AT&T
16	41.962892	- 122.443479		655E E 11661	06248005.0328102	O	12015 COPCO RD. (IGLE)	165	A	AT&T
17	41.929471	- 122.442293		655E E 16224	06247005.0179811	O	HATCHERY OFF COPCO RD. (KRCE)	165	A	AT&T
18	41.970616	-122.36286		655E E 12356	06248005.0369501	O	DAGGETT RD BY SCHOOL	165	A	AT&T
19	41.971214	- 122.363313		655E E 9543	06248005.0369600	O	END OF DAGGETT RD HORN BROOK, CA	165	A	AT&T
20	41.980662	- 122.324893		655E E 13350	06248004.0299201	O	17147 JANICE RD COPCO LAKE, CA	165	A	AT&T
21	41.981221	-122.3363		655E E 10048	06248004.0293301	O	SUB COPCO #1	165	A	AT&T
22	41.938921	- 122.439836		655E E 14054	06247005.0090401	O	ON HILL ABOVE IRON GATE DAM, HORN BROOK; X-FROM 10709 OLD HWY 99 (E 838), GREND A, CA	165	A	AT&T
23	41.932671	- 122.439872		655E E 12826	06247005.0090003	O	IRON GATE VILLAGE OFF COPCO RD. (IGLE)	165	A	AT&T
24	41.97333	- 122.360111		655E E 9537	06248004.0311705	O	END OF DAGGETT RD HORN BROOK, CA	165	A	AT&T
25	41.927045	- 122.443824		655E E 11632	06247005.0178601	O	ON HILL BEHIND HATCHERY OFF COPCO RD. (KRCE)	165	A	AT&T
26	41.981977	- 122.336139		655E E 4505	06248004.0293300	O	21600 COPCO RD HORN BROOK, CA; SUB COPCO #1	165	A	AT&T
27	41.928193	- 122.444953		655E E 16258	06247005.0177701	O	NEAR HATCHERY ON COPCO RD. (KRCE)	165	A	AT&T

28	41.928568	- 122.442992		655E E 11634	06247005.0179701	O	IN FIELD BEHIND HATCHERY OFF COPCO RD. (KRCE)	165	A	AT&T
29	41.969703	-122.27299		655E E 1815 T	06248004.0356440	F	2 E/O 27008 COPCO RD; 2 PLS B4 27008 COPCO RD MONTAGUE	166	A	AT&T PP&L Attached
30	41.963339	- 122.263939		655E E 5/1737	06248004.0360042	F	4 EAST OF 21235 AGER BISWICK RD	166	A	AT&T PP&L Attached
31	41.963588	- 122.262733		655E E 5/1739	06248004.0361040	F		166	A	AT&T PP&L Attached
32	41.970897	- 122.276383		655E E 2350T	06248004.0354540	F	26834 COPCO RD; 2ND PL PAST 27008 COPCO MONTAGUE	166	A	AT&T PP&L Attached
33	41.973171	- 122.439861		655E E 1951T	06248005.0330841	F	ON HILL NEAR END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
34	41.972768	- 122.440244		655E E 1950T	06248005.0330842	F	ON HILL NEAR END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
35	41.971615	-122.4402		655E E 1949T	06248005.0330740	F	ON HILL NEAR END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
36	41.970175	- 122.440145		655E E 1948T	06248005.0330640	F	ON HILL NEAR END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
37	41.968702	- 122.440083		655E E 1947T	06248005.0330540	F	ON HILL NEAR END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
38	41.966301	- 122.439992		655E E 1945T	06248005.0330340	F	ON HILL NEAR END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached

39	41.964874	- 122.439937		655E E 1944T	06248005.0330240	F	ON HILL NEAR END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
40	41.964543	- 122.440295		655E E 1943T	06248005.0330241	F	ON HILL NEAR END OG IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
41	41.964342	- 122.441779		655E E 1942- T	06248005.0329240	F	COPCO RD & QUASI RD- HORN BROOK CA	166	A	AT&T PP&L Attached
42	41.963771	-122.44295		655E E 1941T	06248005.0328140	F		166	A	AT&T PP&L Attached
43	41.964244	- 122.260485		655E E 2224T	06248004.0362040	F		166	A	AT&T PP&L Attached
44	41.96399	- 122.261141		655E E 2223 T	06248004.0362041	F	2 E/O IRON GATE LAKE RD; 21632 AGER BESWICK RD MONTAGUE, CA	166	A	AT&T PP&L Attached
45	41.963753	- 122.261846		655E E 5/1740	06248004.0361041	F	1 EAST OF IRON GATE LAKE RD	166	A	AT&T PP&L Attached
46	41.975118	- 122.438008		655E E 1953T	06248005.0331940	F	COPCO RD. AT END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
47	41.97382	- 122.439243		655E E 1952- T	06248005.0330840	F	NEAR END OF IRONGATE LAKENW CORNER, HORN BROOK, CA; NEXT TO COPCO RD. AT END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
48	41.964713	- 122.259708		655E E 2226T	06248004.0362140	F		166	A	AT&T PP&L Attached
49	41.968299	- 122.272176		655E E 1812 T	06248004.0356340	F	27204 COPCO RD MONTAGUE	166	A	AT&T PP&L Attached

50	41.968978	- 122.272542		655E E 1813 T	06248004.0356441	F	4 E/O 27008 COPCO RD	166	A	AT&T PP&L Attached
51	41.967508	- 122.440037		655E E 1946T	06248005.0330440	F	ON HILL NEAR END OF IRON GATE LK. (IGLE)	166	A	AT&T PP&L Attached
52	41.967636	- 122.271236		655E E 1811 T	06248004.0357340	F	1 E/O 27204 COPCO RD; 1ST PL B4 27204 COPCO RD MONTAGUE	166	A	AT&T PP&L Attached
53	41.963469	- 122.263998		655E E 5/1738	06248004.0360041	F		166	A	AT&T PP&L Attached
54	41.969982	- 122.273716		655E E 1816 T	06248004.0355541	F	1 E/O 27008 COPCO RD 1 PL B4 27008 COPCO RD MONTAGUE	166	A	AT&T PP&L Attached
55	41.983699	- 122.337161	668003/00 7X/001		06248004.0293460	O		167	A	AT&T (trans)
56	41.983012	- 122.336895	668003/00 6X/001		06248004.0293461	O		167	A	AT&T (trans)
57	41.982406	- 122.336908	668003/00 5X/001		06248004.0293360	O		167	A	AT&T (trans)
58	41.980629	- 122.336195	668003/00 2/01X		06248004.0293260	O	21600 COPCO RD HORNBROOK, CAL	167	A	AT&T (trans)
59	41.980295	- 122.336049	668003/00 1/01X		06248004.0293263	O	21600 COPCO RD HORNBROOK, CAL; COPCO 1	167	A	AT&T (trans)
60	41.970785	- 122.360603	668014/00 5/001			O		167	A	AT&T (trans)
61	41.962659	- 122.366658	668002/00 2/002		06248005.0368060	O		167	A	AT&T (trans)

Notes:

"AT&T" means that AT&T is attached to a PacifiCorp-owned distribution Pole

"AT&T PP&L Attached" means that PacifiCorp service is attached to an AT&T-owned Pole

"AT&T (trans)" means AT&T is attached to PacifiCorp-owned transmission structures

**PacifiCorp Klamath River
Hydroelectric Project Land
Disposition: Parcel B**

CALIFORNIA

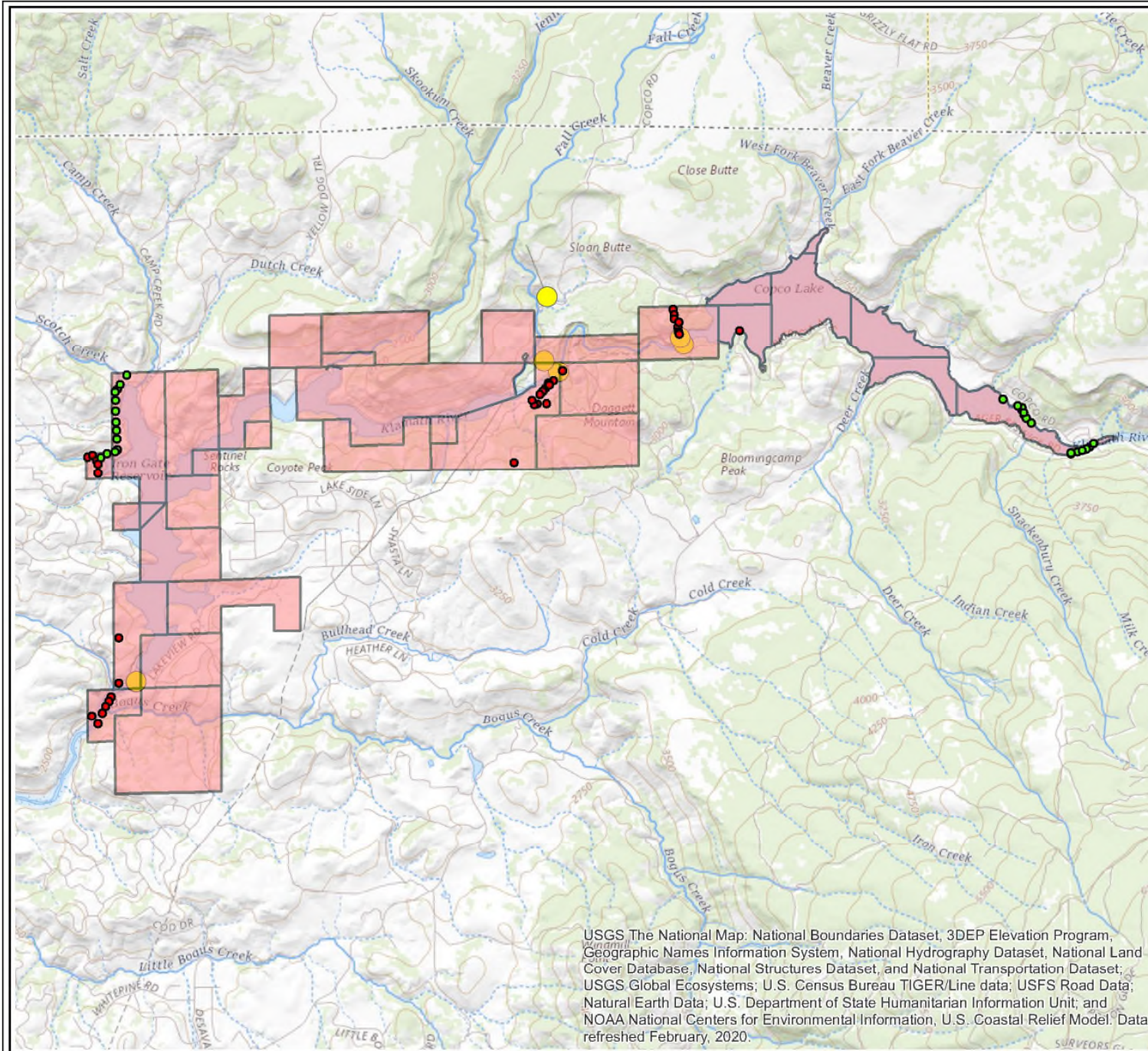
**JOINT USE
Attached Poles
within
PARCEL B**

- Legend**
- AT&T Attachments within Parcel B
 - AT&T with PacifiCorp Attached within Parcel B
 - Parcel B lands
 - Substation Buffer



Data is provided in UTM Zone 12N, NAD83, meters. No warranty is made by the Corporation, its subsidiaries, or its affiliates, for any use of the information, including but not limited to the Corporation's information, which is provided for informational purposes only. The Corporation does not make any representation or warranty as to the accuracy, completeness, or fitness for any purpose of the information. The Corporation shall have no liability or responsibility for any use of the information or any resulting from the use of any information as provided or otherwise provided pursuant to this Agreement.

USGS The National Map: National Boundaries Dataset, 3DEP Elevation Program, Geographic Names Information System, National Hydrography Dataset, National Land Cover Database, National Structures Dataset, and National Transportation Dataset; USGS Global Ecosystems; U.S. Census Bureau TIGER/Line data; USFS Road Data; Natural Earth Data; U.S. Department of State Humanitarian Information Unit; and NOAA National Centers for Environmental Information, U.S. Coastal Relief Model. Data refreshed February, 2020.



Attachment B

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Implementing Agreement") is entered into between PacifiCorp, a wholly-owned subsidiary of Berkshire Hathaway Energy, the Karuk Tribe, Yurok Tribe, State of Oregon, State of California, and Klamath River Renewal Corporation ("KRRRC"), which are collectively referred to as the "Implementing Agreement Parties."

- A. The Implementing Agreement Parties recognize and acknowledge the importance of the Klamath River to the livelihood and culture of Klamath Basin Tribes whom have depended on these resources since time immemorial. Furthermore, the Implementing Agreement Parties are Signatories to the Amended Klamath Hydroelectric Settlement Agreement ("AKHSA" or "KHSA") and are committed to removal of the JC Boyle, Copco 1, Copco 2, and Iron Gate dams in order to achieve a free-flowing Klamath River with volitional fish passage ("the Project").
- B. On September 23, 2016, PacifiCorp and KRRRC filed a joint application with the Federal Energy Regulatory Commission ("FERC") to amend the Klamath Hydroelectric Project No. 2082 license by placing the J.C. Boyle Dam, Copco I, Copco II, and Iron Gate dams into a separate license (the "Lower Klamath Project") and to transfer that license to KRRRC.
- C. On March 15, 2018, FERC approved the request to separate License No. 2082 and created the Lower Klamath Project License No. 14803 and, on June 21, 2018, stayed the order amending the license pending further action on the license transfer application.
- D. On July 16, 2020, FERC issued an order approving the partial transfer of the Lower Klamath Project license from PacifiCorp individually to PacifiCorp and KRRRC jointly ("July 16 Order"). In so approving, FERC lifted the stay of the order amending the license but made its effectiveness coincident with the effectiveness of the July 16 Order.
- E. On July 23, 2020, PacifiCorp sent to the KHSA Signatories a letter that "provides formal Notice of the occurrence of an event specified in amended KHSA section 8.11.1 and triggers the cure mechanisms in section 8.11.3" ("Section 8.11 Notice").
- F. After several meetings among different groups of the Implementing Agreement Parties, the Implementing Agreement Parties, with support from Berkshire Hathaway Energy, have agreed to this Implementing Agreement as a means of resolving the issues identified in PacifiCorp's Section 8.11 Notice at this time and allowing for the continued implementation of the KHSA as amended.

- G. The Implementing Agreement Parties, with support from Berkshire Hathaway Energy, agree to this Implementing Agreement as a demonstration of their continuing support and commitment to dam removal.
- H. The Implementing Agreement Parties understand and agree that Oregon and California (collectively referred to as "the States") are acting as defined in the AKHSA by and through state departments and agencies with independent regulatory responsibilities and funding subject to the control of their respective legislatures. In this agreement the state of California is acting through the California Natural Resources Agency. Any commitment to State funds in this Implementing Agreement is contingent upon and subject to receipt of legislative appropriations or other expenditure authority specific to and sufficient to allow States, in the exercise of their reasonable administrative discretion, to carry out their obligations herein.

The Implementing Agreement Parties agree to the following terms as a means of carrying out their respective rights and duties under the AKHSA and achieving dam removal.

1. Amended License Surrender Application. KRRC and PacifiCorp will file an amended license surrender application ("ALSA") with FERC within seven days of execution of this Implementing Agreement. The ALSA will clearly explain and demonstrate the proposed pathway for the States to become co-licensees with KRRC, and the process and timeline for filing a new license transfer application as described in Section 3 herein, including treatment of the July 16 Order and confirmation that KRRC will continue to be the Dam Removal Entity.
2. Permits and Authorizations. KRRC will submit other work products to the applicable agencies that KRRC deems necessary to obtain permits and authorizations (including but not limited to biological assessments submitted to the National Marine Fisheries Service and U.S. Fish and Wildlife Service) to implement license surrender and Facilities Removal.¹ These submissions will occur on a timeline determined by KRRC. PacifiCorp will provide technical support and advice in the development of these submittals and will join in such submittals if necessary.

¹ Capitalized terms not otherwise defined in this agreement will have the same meaning as that in the Amended KHSA.

3. License Transfer Application.

- a. Upon execution of this Implementing Agreement, KRRRC, PacifiCorp, and the States will prepare a new license transfer application requesting a transfer of the FERC license, which will propose to remove PacifiCorp from the license for the Lower Klamath Project and add the States and KRRRC as co-licensees for the purposes of surrender of the Lower Klamath FERC license ("New Transfer Application"). The New Transfer Application will include a description that it is "building on" the original license transfer application approved in the July 16 Order.
- b. The States, PacifiCorp, and KRRRC will file the New Transfer Application by January 16, 2021, and will notify FERC that PacifiCorp and KRRRC are not accepting co-licensee status under the July 16 Order, and instead are seeking the license transfer outcome described in the New Transfer Application.
- c. The Implementing Agreement Parties will jointly support the ALSA and the New Transfer Application filings. Within 30 days of issuance of a final license surrender order by FERC, the States and KRRRC will accept the license transfer order making the KRRRC and States co-licensees for the Lower Klamath Project unless the States and PacifiCorp, in consultation with Karuk and Yurok Tribes, mutually agree to reject the license surrender order on the basis that the terms of the order, including terms of any federal agency consultation concerning the order, are significantly outside the norm for FERC orders involving major project construction or deconstruction in a manner that creates significant financial risk to the States or PacifiCorp.

4. Due Diligence.

Due diligence conducted by KRRRC and the States related to the conveyance of Parcel B Lands has identified certain pre-existing environmental conditions ("Pre-Existing Environmental Site Conditions"). Prior to acceptance of license transfer by KRRRC and the States, PacifiCorp shall:

- i. resolve at PacifiCorp's sole cost and expense all Pre-Existing Environmental Site Conditions that can be resolved prior to acceptance of a license transfer, to the reasonable satisfaction of the States, and
- ii. for Pre-Existing Environmental Site Conditions that cannot be cost effectively resolved prior to acceptance of a license transfer order, enter into an agreement with KRRRC and the States to resolve at PacifiCorp's sole cost and

expense such unresolved Pre-Existing Environmental Site Conditions prior to transfer of lands by KRRC to the States.

5. Section 8.11 Notice. PacifiCorp shall issue a letter to all KHSA Signatories to rescind the Section 8.11 notice immediately upon release of the press release announcing the execution of this MOA.
6. PUC Processes. Concurrent with submission of the New Transfer Application to FERC, PacifiCorp shall seek approvals with the state utility regulators ("PUC") to transfer PacifiCorp's property interests consistent with the New Transfer Application. PacifiCorp shall request expedited action to satisfy the requirement that PUC approvals are obtained prior to or contemporaneously with acceptance of license transfer by KRRC and the States.
7. Additional Contingency Funding. To address the unlikely event that costs for Facilities Removal exceed the AKHSA State Cost Cap, PacifiCorp and the States agree to create an additional contingency fund. This additional contingency is intended to express PacifiCorp's and the State's full commitment to dam removal. The additional contingency funding will be in the amount of \$45 million to ensure Facilities Removal will occur and be completed. The Implementing Agreement Parties believe that funding for Facilities Removal beyond the AKHSA State Cost Cap is unlikely to be needed, but have agreed that this additional contingency fund provides a clear and definitive commitment of resources that will ensure Facilities Removal is completed. PacifiCorp and the States will each contribute \$15 million for this additional contingency fund and share any cost overruns that may occur over this amount equally.
8. Third-Party Litigation. KRRC will serve as the Dam Removal Entity, which includes providing the identified insurance, bonding, contracting, and indemnity provisions to the States and PacifiCorp. KRRC and the States, as co-licensees, will carry out the final license surrender order to effectuate Facilities Removal. Once ownership of the Facilities is transferred for purposes of Facilities Removal, the States will defend PacifiCorp to the fullest extent of the law possible, including seeking to dismiss or remove PacifiCorp from any litigation asserting damages arising from harm caused by Facilities Removal (as distinguished from third-party litigation that is the responsibility of PacifiCorp because it is related to actions taken by PacifiCorp in operating and maintaining the facilities prior to the States becoming co-licensees).

9. Limitations of Implementing Agreement Parties.

- a. The Implementing Agreement Parties understand and agree that the States' actions described in this Implementing Agreement are contingent upon and subject to receipt of legislative appropriations or other expenditure authority specific to and sufficient to allow the States, in the exercise of their reasonable administrative discretion, to carry out their obligations described herein. State law, future legislative actions, and budget limitations may constrain the States in carrying out these actions and nothing in this Implementing Agreement is intended or shall be construed to require the obligation, appropriation, or expenditure of any funds by the States except as otherwise permitted by applicable law.
- b. The Implementing Agreement Parties understand and agree that the States are, *inter alia*, regulatory bodies, and nothing in this Implementing Agreement is intended nor should be construed as affecting or limiting the States from complying with their obligations under applicable laws or otherwise carrying out such regulatory obligations or processes.
- c. The Implementing Agreement Parties acknowledge that the States' inability to achieve their obligations herein will impact the other Implementing Agreement Parties' obligations.

10. Status of KHSA. In the event that amendments to the AKHSA are proposed by any Implementing Agreement Party, all of the Implementing Agreement Parties will work collaboratively and in good faith to achieve agreement concerning such amendments by January 16, 2021.

11. Support. The Implementing Agreement Parties agree to support all filings and submittals to regulatory agencies. This support includes cooperating to meet submittal/filing timelines and to refrain from opposing any filing, or submitting any opposition through comments, litigation, or otherwise. This support includes not challenging approvals that KRRC has already obtained. This support also includes covenants not to sue by and among all Implementing Agreement Parties pursuant to the KHSA.

12. Good Faith. The Implementing Agreement Parties agree to support in good faith the implementation of this agreement to effectuate Facilities Removal.

13. Filing of the Implementing Agreement. This Implementing Agreement as signed by the Implementing Agreement Parties is a public document and may be filed in any applicable regulatory proceeding.
14. Milestones. The Implementing Agreement Parties propose the attached timeline for drawdown and Facilities Removal subject to regulatory approvals.
15. Entire Agreement. This Implementing Agreement is intended to implement certain rights and responsibilities under the AKHSA of the Implementing Agreement Parties. Together with the AKHSA, this Implementing Agreement is the entire agreement between the Implementing Agreement Parties.
16. Counterparts. This Implementing Agreement may be executed in counterparts, with separate signature pages, to be effective as of the last signature date.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the Implementing Agreement Parties has executed this Memorandum of Agreement.



Gavin C. Newsom
Governor
State of California

Date: 11-16-2020

Kate Brown
Governor
State of Oregon

Date: _____

Joseph L. James
Yurok Tribal Chairman

Date: _____

Russell A. Attebery
Karuk Tribal Chairman

Date: _____

IN WITNESS WHEREOF, each of the Implementing Agreement Parties has executed this Memorandum of Agreement.

State of California
Date:_____



State of Oregon
Date:_____

Joseph L. James
Yurok Tribal Chairman
Date:_____

Russell A. Attebery
Karuk Tribal Chairman
Date:_____

Jim Root
President, Klamath River Renewal Corporation
Date:_____

William J. Fehrman
CEO and Chairman, PacifiCorp
President & CEO, Berkshire Hathaway Energy
Date:_____

IN WITNESS WHEREOF, each of the Implementing Agreement Parties has executed this Memorandum of Agreement.

Gavin C. Newsom
Governor
State of California

Date: _____

Kate Brown
Governor
State of Oregon

Date: _____



Joseph L. James
Yurok Tribal Chairman

Date: 11-13-2020

Russell A. Attebery
Karuk Tribal Chairman

Date: _____

IN WITNESS WHEREOF, each of the Implementing Agreement Parties has executed this Memorandum of Agreement.

Gavin C. Newsom
Governor
State of California

Date: _____

Kate Brown
Governor
State of Oregon

Date: _____

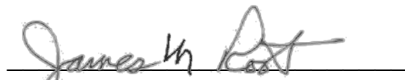
Joseph L. James
Yurok Tribal Chairman

Date: _____



Russell A. Attebery
Karuk Tribal Chairman

Date: 11-12-2020



Jim Root
President, Klamath River Renewal Corporation

Date: 11/13/2020

William J. Fehrman
CEO and Chairman, PacifiCorp
President & CEO, Berkshire Hathaway Energy

Date: _____

Jim Root
President, Klamath River Renewal Corporation

Date: _____



William J. Fehrman
CEO and Chairman, PacifiCorp
President & CEO, Berkshire Hathaway Energy

Date: 11/13/20

Attachment A

	2020	2021				2022				2023			
Memorandum of Agreement on Co-Licensee Pathway													
Submit Amended License Surrender Application													
Submit Amended License Transfer Application													
Draft Management Plans													
State PUC Property Disposition Review													
License Surrender Process													
FERC Dam Safety Review													
Parties Accept License and License Transfers													
Notice to Proceed & Predrawdown Construction													
Drawdown/Dam Removal Begins													

CERTIFICATE OF SERVICE

Docket No. 21-999-01

I hereby certify that on August 6, 2021, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

Michele Beck mbeck@utah.gov
ocs@utah.gov

Division of Public Utilities


dpudatarequest@utah.gov

Assistant Attorney General

Patricia Schmid pschmid@agutah.gov
Justin Jetter jjetter@agutah.gov
Robert Moore rmoore@agutah.gov
Victor Copeland vcopeland@agutah.gov

Rocky Mountain Power

Data Request Response Center datarequest@pacificorp.com
Jana Saba jana.saba@pacificorp.com
utahdockets@pacificorp.com


Katie Savarin
Coordinator, Regulatory Operations