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Steel Rives LLP

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O. Lawry

J. H. H.

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After recording, return to:

Steel Rives LLP
900 SW Fifth Avenue
Suite 2600
Portland, Oregon 97204-1268
Attention: Samuel J. Panarella

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SHORT FORM WIND ENERGY LEASE AGREEMENT

Grantor: S.D.S. Co., L.L.C., a Washington limited liability company

Grantee: Pacificorp Power Marketing, Inc., an Oregon corporation

Legal Description:

1. Abbreviated legal description (lot, block, plat name, section-township-range):

Lots 1, 2, and 6; S 1/2 NE 1/4; SE 1/4; and E 1/2 SW 1/4, T3N, R10E
(and additional property)

2. Full legal description is on Exhibit A of the document (page 13)

Assessor's Property Tax Parcel Account Number(s):

• 03 10 00 0 0 0300 00 (pin of)

• 03 10 00 0 0 0400 00

• 03 10 00 0 0 0800 00

Gary H. Martin, Skamania County Assessor
Date 02/07/03 3-10-200 ptn of 400,800
Parcel #

AFTER RECORDING, RETURN TO:

Stoel Rives, LLP
900 SW Fifth Avenue
Suite 2600
Portland, OR 97204-1268
Attention: Samuel J. Panarella

SHORT FORM WIND ENERGY LEASE AGREEMENT

This Short Form Wind Energy Lease Agreement (this "Lease Short Form") is made, dated and effective as of January 29th, 2003 (the "Effective Date"), between S.D.S. CO., L.L.C., a Washington limited liability company ("Owner"), and PACIFICORP POWER MARKETING, INC., an Oregon corporation ("Tenant") or, together with Tenant's permitted successors and assigns, "Tenant", in light of the following facts and circumstances:

A. Owner and Tenant have entered into that certain Wind Energy Lease Agreement of even date herewith (the "Lease Agreement") pursuant to which Owner has leased to Tenant the real property (the "Property") of Owner located in the County of Skamania, State of Washington. The Property is more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

B. Owner and Tenant have executed and acknowledged this Lease Short Form for the purpose of providing constructive notice of the Lease Agreement.

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

1. Lease. Owner leases the Property to Tenant on the terms and conditions set forth in the Lease Agreement.

2. Purpose of Lease. The lease created by the Lease Agreement (the "Leasehold") is solely and exclusively for Wind Energy Purposes, and Tenant shall have the sole and exclusive right to use the Property for Wind Energy Purposes. For purposes of the Lease Agreement, "Wind Energy Purposes" means evaluating wind resources, converting wind energy into electrical energy, and collecting and transmitting the electrical energy so converted, together with any and all activities related thereto ("Development Activities"), including, without limitation:

(a) Determining the feasibility of wind energy conversion and other power generation on the Property, including studies of wind speed, wind direction and other meteorological data and extracting soil samples (together, "Wind Energy Feasibility Analysis");

(b) constructing, installing, using, replacing, relocating and removing from time to time, and maintaining and operating, wind turbines, overhead and underground electrical transmission and communications lines, electric transformers and substations, energy storage facilities, telecommunications equipment, back up power generation facilities to be operated in conjunction with such wind turbines, roads, meteorological towers and wind measurement equipment, control buildings, maintenance yards, and related facilities and equipment (collectively "Windpower Facilities") on the Property; and

(c) Undertaking any other activities, whether accomplished by Tenant or a third party authorized by Tenant, that Tenant reasonably determines are necessary, useful or appropriate to accomplish any of the foregoing, including, without limitation:

(i) rights of ingress to and egress from Windpower Facilities (whether located on the Property, or on adjacent property owned or controlled by third parties) over and across the Property by means of roads and lanes thereon if existing, or otherwise by such route or routes as Tenant may construct from time to time ("Access Rights");

(ii) the right to erect, construct, reconstruct, replace, relocate, remove, maintain and use the following on the Property from time to time in connection with Windpower Facilities on the Property: (a) a line or lines of towers, with such wires and cables as from time to time are suspended therefrom, and/or underground wires and cables, for the transmission of electrical energy and/or for communication purposes, and all necessary and proper foundations, footings, cross arms and other appliances and fixtures for use in connection with said towers, wires and cables on, along and in the Property (said towers, wires, cables, substations, facilities and rights of way are herein collectively called the "Transmission Facilities"); and (b) one or more substations or interconnection or switching facilities from which Tenant or others that generate energy from the Windpower Facilities may interconnect to a utility transmission system or the transmission system of another purchaser of electrical energy, together with the appropriate rights of way, on, along and in the Property (said substations, interconnection or switching facilities are herein collectively called the "Interconnection Facilities"), provided, however, that Tenant shall use underground wires, cables and vaults whenever reasonably practicable and economically feasible, for Transmission Facilities energized at 30,000 volts or less on the Property.

Tenant shall have the right to enter the Property for purposes of installing meteorological measuring equipment and conducting such other tests, studies, inspections, and analysis as

Tenant deems advisable or necessary. Owner shall cooperate with Tenant in such efforts and make available to Tenant for inspection, copies of all reports, agreements, surveys, plans and other records of Owner only as such information relates directly to the proposed Windpower Facilities. Tenant shall have the exclusive right to convert all of the wind resources of the Property. Upon termination, Tenant shall remove all meteorological measuring and testing equipment it has installed or caused to be installed on the Property. Owner expressly reserves the right to use the Property for purposes of agriculture, ranching and mineral development and other appropriate uses that do not and will not interfere with Tenant's operations under the Lease Agreement or this Lease Short Form or enjoyment of the rights granted under the Lease Agreement or this Lease Short Form.

3. Collection & Use of Data. Tenant shall have the right to enter the Property to install, operate, maintain, remove and replace meteorological measuring equipment and conduct such other tests, studies, inspections, and analysis as Tenant deems advisable or necessary. Owner shall cooperate with Tenant in such efforts and make available to Tenant for inspection, copies of all reports, agreements, surveys, plans and other records of Owner as such information relates directly to the Windpower Facilities. Any information that is indicated as proprietary or confidential by Owner shall be regarded as such by Tenant. Tenant shall have the exclusive right to evaluate and convert the wind resources of the Property as long as the Lease Agreement shall remain in effect. Upon Owner's reasonable request from time to time, Tenant will share with Owner summaries of information collected by Tenant regarding the potential and productivity of the Property for Wind Energy Purposes. Upon termination of the Lease Agreement any information regarding the potential and productivity of the Property for Wind Energy Purposes collected by Tenant will be made available to Owner for Owner's use.

4. Term. The Leasehold shall be for a term commencing on the Effective Date and continuing initially for three (3) years ("Initial Period"). During this Initial Period, Tenant shall have the right to study the feasibility of wind energy conversion on the Property and to exercise its other rights under the Lease Agreement. During this Initial Period, Tenant shall work in good faith to determine the feasibility of wind energy conversion on the Property and determine its interest in exercising its rights under the Lease Agreement. Tenant will notify Owner in writing promptly if Tenant determines during the Initial Period that it will not commence Wind Energy Feasibility Analysis during the Initial Term or that it does not intend to develop Windpower Facilities on the Property. Upon such written notice, the Lease Agreement shall terminate. If prior to the termination of the Initial Period Tenant has applied for governmental permits and approvals required for construction of Windpower Facilities, Tenant will so notify Owner in writing promptly. Upon such written notice, the Initial Period shall automatically be extended two additional years so as to terminate on the fifth anniversary of the Effective Date. The Initial Period (as initially constituted and as extended pursuant to the preceding sentence), shall be extended on a day by day basis to the extent that Tenant is unable to exercise its rights under the Lease Agreement because of Force Majeure (as defined in Section 14.1 of the Lease Agreement); *provided, however*, that the total of all extensions of the Initial Period for reasons of Force Majeure shall not exceed two (2) years. The Initial Period may not be extended for any reason other than as expressly set forth in this Section 4.

If, prior to the termination of the Initial Period, Tenant installs five or more wind turbines

on the Property with an aggregate capacity (based upon the manufacturer's "nameplate rating") of five megawatts or greater, then the Lease Agreement shall automatically be extended for a term of twenty (20) years (the "Extended Term"), said twenty year term to commence upon the Operations Date as defined in Section 5.4 of the Lease Agreement. Tenant shall provide written notice to Owner specifying the Operations Date and commencement of the Extended Term. As the principal payment to Owner for Tenant's use of the Property is derived through the commercial operation of Windpower Facilities, once Tenant has exercised its right to an Extended Term as defined above, Tenant agrees to work in good faith to develop the full commercial potential of the Property for such purposes provided that wind studies, economic feasibility and environmental studies indicate that such additional wind turbines are appropriate and necessary permits can be obtained. Tenant may, by written notice to Owner no later than six (6) months prior to the termination of the Extended Term, elect to extend the Lease Agreement for an additional ten-year period commencing upon the termination of the Extended Term (the "First Renewal Term"). Similarly, Tenant may, by notice to Owner no later than six (6) months prior to the termination of the First Renewal Term, elect to extend the Lease Agreement for an additional five-year period commencing upon the termination of the First Renewal Term (the "Second Renewal Term"). With respect to each extension of the term of the Lease Agreement, Owner and Tenant shall execute in recordable form and Tenant shall then record a memorandum evidencing the extension, satisfactory in form and substance to Tenant.

5. Ownership of Windpower Facilities. Owner shall have no ownership or other interest in any Windpower Facilities installed on the Property, and Tenant may remove any or all Windpower Facilities at any time.

6. No Interference.

(a) Owner's activities and any grant of rights Owner makes to any person or entity, whether located on the Property or elsewhere, shall not, currently or prospectively, interfere with the construction, installation, maintenance or operation of Windpower Facilities or Transmission Facilities, whether located on the Property; access over the Property to such Windpower Facilities or Transmission Facilities; any Development Activities; or the undertaking of any other activities permitted under the Lease Agreement. Tenant recognizes that Owner plants, grows, manages and harvests timber products on the Property and on adjacent lands. Tenant further recognizes that Owner will continue to plant, grow, manage and harvest timber on the Property and adjacent lands. Owner and Tenant recognize that tree growth may interfere with wind speed or wind direction over the Property, and commit to work in good faith to minimize the potential of such interference so that the purposes of the Lease Agreement may be accomplished. Owner shall not otherwise interfere with wind speed or wind direction over the Property, whether by placing wind turbines, constructing buildings or other structures, or by engaging in any other activity on the Property or elsewhere that might cause a decrease in the output or efficiency of the Windpower Facilities. However, Owner reserves the right to erect buildings and windmills intended for ordinary agricultural use on the Property, except that Owner must obtain Tenant's prior written approval as to the location of such buildings and windmills. Such approval shall be based on whether, in Tenant's judgment, such buildings or

windmills might, at the proposed location, interfere with wind speed or wind direction over the portion of the Property on which wind turbines are or may be located or cause a decrease in the output or efficiency of such wind turbines, or cause any interference with Tenant's operations on the Property.

(b) If at any time Owner becomes aware of any intended exploration, extraction, or other use of mineral or oil or gas resources on the Property, or any other exercise of mineral rights on the Property, Owner shall give written notice to Tenant of the potential use within 30 (thirty) days of the date it becomes so aware. Owner shall cooperate with and assist Tenant in every reasonable way, at no out-of-pocket expense to Owner, in any dealings, negotiations, or proceedings regarding mineral rights on the Property.

7. Access. Subject to the terms of the Lease Agreement elsewhere defined, Owner hereby grants to Tenant, for the term of the Lease, an easement for Access Rights over and across the Property ("Access Easement"). The Access Easement shall include the right to improve existing roads and lanes, or to build new roads, shall run with and bind the Property, and shall inure to the benefit of and be binding upon Owner and Tenant and their respective transferees, successors and assigns, and all persons claiming under them until termination of the Lease Agreement. Upon termination of the Lease Agreement, any recorded easements, rights of way or accesses granted under terms of the Lease Agreement shall be fully released by Tenant, its transferees, successors or assigns, and legally recorded at no cost to Owner.

8. Assignment; Subleases; Cure.

8.1 Assignees and Tenants. Tenant and any Assignee (as hereinafter defined) shall have the right, without need for Owner's consent, to do any of the following, conditionally or unconditionally, with respect to all or any portion of the Property: finance Windpower Facilities; grant subleases, easements, licenses or similar rights (however denominated) to one or more Assignees or Subtenants; or sell, convey, lease, assign, mortgage, encumber or transfer to one or more Assignees or Subtenants, or any or all right or interest in the Leasehold or in the Lease Agreement or this Lease Short Form, or any or all right or interest of Tenant the Windpower Facilities that Tenant or any other party may now or hereafter install on the Property. Notwithstanding the foregoing, Tenant shall not voluntarily assign all or substantially all of its interest in the Lease Agreement without first obtaining the consent of Owner, which will not be unreasonably withheld or delayed, provided, that the proposed assignee demonstrates that such assignee either (i) is financially rated (as of the date of the assignment) as "investment grade" by a nationally recognized rating agency such as Moody's Investor Services or Standard and Poor, or (ii) demonstrates to Owner's reasonable satisfaction that it has the ability to perform and fulfill the terms and financial obligations of Tenant under the Lease Agreement. Notwithstanding the foregoing, any interest of any assignee may not be inconsistent with all other terms of the Lease Agreement. An "Assignee" is any of the following: (i) any one or more parties involved in financing or refinancing of any Windpower Facilities, including, without limitation, any lender to or investor in, or purchaser or lessee of, Windpower Facilities; (ii) any purchaser of Windpower Facilities; (iii) a corporation now existing or hereafter organized in which Tenant, or

any affiliate, owns (directly or indirectly) at least fifty-one percent (51%) of all outstanding shares of voting stock; (iv) a partnership now existing or hereafter organized, a general partner of which is such a corporation; or (v) a corporation, limited liability company, partnership or other entity that acquires all or substantially all of Tenant's business, assets or capital stock, directly or indirectly, by purchase, merger, consolidation or other means. A Subtenant is any person who succeeds to the leasehold interest of Tenant as an Assignee or to whom a sublease is conveyed by Tenant or an Assignee. Tenant or an Assignee that has assigned an interest under this Section, or that has conveyed a sublease, will give notice of such assignment or sublease (including the address of the assignee or sublessee thereof for notice purposes) to Owner, provided that failure to give such notice shall not constitute a default under the Lease Agreement or this Lease Short Form but rather shall only have the effect of not binding Owner with respect to such assignment or sublease until such notice shall have been given and consent granted.

8.2. Assignee/Tenant Obligations. No Assignee or Subtenant which does not directly hold an interest in the Leasehold or the Lease Agreement or this Lease Short Form, and no Assignee or Subtenant which holds an interest in or lien on or security interest in the Leasehold or the Lease Agreement or this Lease Short Form for security purposes, shall have any obligation or liability under the Lease Agreement or this Lease Short Form prior to the time that such Assignee or Subtenant directly holds an interest in the Leasehold or the Lease Agreement or this Lease Short Form or, in the case of an interest, lien or security interest for security purposes, the holder thereof succeeds to absolute title to such interest, the Leasehold or the Lease Agreement or this Lease Short Form. Any such Assignee or Subtenant shall be liable to perform obligations under the Lease Agreement or this Lease Short Form only for and during the period such Assignee or Subtenant directly holds such interest or absolute title. Any assignment or sublease permitted under the Lease Agreement or this Lease Short Form shall release the assignor or Subtenant from obligations accruing after the date that liability is assumed by the Assignee or Subtenant, so long as such Assignee or Subtenant is at least as creditworthy as Tenant at the time of assignment or sublease.

8.3. Right to Cure Defaults/Notice of Defaults/Right to New Lease. To prevent termination of the Lease Agreement or any partial interest therein, Tenant, and any Assignee or Subtenant, shall have the right, but not the obligation, at any time prior to the termination, to pay any or all amounts due under the Lease Agreement, and to do any other act or thing required of any Assignee, Tenant or Subtenant under the Lease Agreement or this Lease Short Form or necessary to cure any default and to prevent the termination of the Lease Agreement. As a precondition to exercising any rights or remedies as a result of any alleged default by Tenant, an Assignee or a Subtenant, Owner shall give written notice of the default to each Assignee, Subtenant and Tenant, specifying in detail the alleged event of default and the required remedy. Each such Assignee and each such Subtenant shall have the same amount of time to cure said default as is given to Tenant pursuant to the Lease Agreement, which cure period for each Assignee and each Subtenant shall commence to run with the end of the cure period given to Tenant in the Lease Agreement. If Tenant or an Assignee or Subtenant holds an interest in less than all of the Lease Agreement or the Windpower Facilities, any default under the Lease Agreement or this Lease Short Form shall be deemed remedied, as Tenant's or such

Assignee's or Subtenant's partial interest, and Owner shall not disturb such partial interest, if Tenant or the Assignee or Subtenant, as the case may be, shall have cured its pro rata portion of the default by paying the fees attributable to the Windpower Facilities in which Tenant or the Assignee or Subtenant, as the case may be, holds an interest. In the event of an uncured default by Tenant, or by an Assignee of Tenant's entire interest in the Lease Agreement, or in the event of a termination of the Lease Agreement by agreement, by operation of law or otherwise, each Assignee of a partial interest in the Lease Agreement, and each Subtenant who is a sublessee of Tenant or of an Assignee of Tenant, shall have the right to demand, and the Owner shall grant and enter into, a new lease, substantially identical to the Lease Agreement, by which such Assignee of a partial interest in the Lease Agreement, or such Subtenant by a sublease, shall be entitled to, and Owner shall not disturb, the continued use and enjoyment by such Subtenant or Assignee of the Property, or portion of the Property, for the full term of the Lease Agreement, as set forth in Section 4 of the Lease Agreement, or such shorter term as said Assignee or Subtenant may otherwise be entitled pursuant to its assignment or sublease. Further, in the event of an uncured default by Subtenant or by an Assignee of Tenant's entire interest in the Lease Agreement, or in the event of a termination of the Lease Agreement by agreement, by operation of law or otherwise, Owner hereby agrees that, if and for so long as (i) a Subtenant who is a sublessee of Tenant or of an Assignee is not in default under the sublease (beyond any period given Subtenant, an Assignee or a Tenant under the Lease to cure such default), (ii) such Subtenant attorns to the Owner, and (iii) the terms and conditions of the Subtenant's sublease do not contravene the terms and conditions of the Lease Agreement, Owner shall (a) recognize such sublease, (b) not diminish nor interfere with such Subtenant's possession of the portion of the Property covered by the sublease or with any term extension or renewal rights in the sublease, and (c) not disturb such Subtenant's occupancy of such portion of the Property for the full term of the Lease Agreement or such shorter term as such Subtenant may be entitled under the sublease. A Subtenant which is, or in the future becomes, a sublessee of Tenant, or a sublessee of an Assignee, is an intended third party beneficiary of the provisions of Section 10.3 of the Lease Agreement and entitled to enforce this provision of the Lease Agreement.

8.4 Acquisition of Interest. The acquisition of all or any portion of Tenant's or an Assignee's interest in the Windpower Facilities or the Leasehold by another Assignee or Tenant or any other person through foreclosure or other judicial or nonjudicial proceedings in the nature thereof or any conveyance in lieu thereof, shall not require the consent of Owner or constitute a breach of any provision or a default under the Lease Agreement or this Lease Short Form, and upon such acquisition or conveyance Owner shall recognize the Assignee or Tenant, or such other party, as Tenant's or such other Assignee's or Tenant's proper successor.

8.5 New Lease. If the Leasehold is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding or the Lease Agreement is terminated as a result of any incurable default, and within sixty (60) days after such rejection or termination Tenant or any Assignee or Subtenant shall have arranged to the reasonable satisfaction of Owner for the payment of all fees or other charges due and payable by Tenant as of the date of such rejection or termination, then Owner shall execute and deliver to Tenant or such Assignee or Subtenant a new lease to the Property which (i) shall be for a term equal to the remainder of the

term of the Leasehold before giving effect to such rejection or termination, (ii) shall contain the same covenants, agreements, terms, provisions and limitations as the Lease Agreement (except for any requirements that have been fulfilled by Tenant prior to rejection or termination of the Lease Agreement) and (iii) shall include that portion of the Windpower Facilities in which Tenant or such Assignee or Subtenant had an interest on the date of rejection or termination.

8.6 Extended Cure Period. If any default by a Tenant or Assignee under the Lease Agreement other than a default related to the payment of money when due, cannot be cured without obtaining possession of the Windpower Facilities and/or all or part of another Tenant's interest in the Lease Agreement, then any such default shall be deemed remedied if (a) within sixty (60) days after receiving notice from Owner as set forth in Section 14.5 of the Lease Agreement, either Tenant shall have acquired possession of the Windpower Facilities and/or all or part of such interest in the Lease Agreement, or shall have commenced appropriate judicial or nonjudicial proceedings to obtain the same; and (b) Tenant shall be in the process of diligently prosecuting any such proceedings to completion; and (c) while seeking possession of the Windpower Facilities and/or all or part of such interest in the Lease Agreement, Tenant performs all other obligations as and when the same are due in accordance with the terms of the Lease Agreement. If Tenant is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction over any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting the proceedings described above, the sixty-day period specified above for commencing such proceeding shall be extended for the period of such prohibition.

8.7 Certificates, etc. Owner shall execute such estoppel certificates (certifying as to such matters as Tenant may reasonably request, including without limitation that no default then exists under the Lease Agreement, if such be the case) and/or consents to assignment and/or non-disturbance agreements as Tenant or any Assignee may reasonably request from time to time. Owner and Tenant shall cooperate in amending this Agreement from time to time to include any provision that may be reasonably requested by Tenant or Owner for the purpose of implementing the provisions contained in the Lease Agreement or of preserving an Assignee's security interest.

9. Transmission Facilities.

9.1 Grant of Transmission Easement. Subject to the terms defined in Section 2 of the Lease Agreement and elsewhere in the Lease Agreement, Owner hereby grants to Tenant a non-exclusive, assignable (subject to the same conditions applicable to other assignments under the Lease Agreement) easement for Transmission Facilities in connection with Windpower Facilities located on the Property ("Transmission Easement") on, under, over and across the Property.

9.2 Access. The Transmission Easement shall also include the right of ingress to and egress from the Transmission Facilities (whether located on the Property or elsewhere, subject to the terms defined in Section 2 of the Lease Agreement and elsewhere in the Lease

Agreement) over and along the Property by means of roads and lanes thereon if existing, or otherwise by such route or routes as Tenant, may construct from time to time.

9.3 Assignment in Connection with Transmission Lines. In connection with the exercise of the rights of Tenant under the Lease Agreement, Tenant, in its sole discretion without further act of Owner, shall have the right to grant to any utility the right to construct, operate and maintain electric transmission, interconnection and switching facilities on the Property in connection with the Windpower Facilities pursuant to any standard form of lease, easement or other agreement used or proposed by the utility.

9.4 Term; Assignment. The term of the Transmission Easement shall be the same as the Term of the Lease Agreement unless sooner terminated by the grantee of the Transmission Easement by written notice to Owner. The Transmission Easement shall run with the Property and inure to the benefit of and be binding upon Owner and Tenant and their respective transferees, successors and assigns, and all persons claiming under them until termination of the Lease Agreement. Upon termination of the Lease Agreement, any recorded easements, rights of way or accesses granted under the terms of the Lease Agreement shall be fully released by Tenant, its transferees, successors and assigns, and legally recorded at no cost to Owner.

10. Leasehold Mortgage. Owner has agreed, in the Lease Agreement, to provide any mortgagee of a Leasehold mortgage notice of any default by Tenant, an Assignee, or Subtenant under the Lease Agreement and a right to cure such default following receipt of such notice. The Lease Agreement also provides that if the Leasehold terminates because of Tenant's, an Assignee's or a Subtenant's default or if the Leasehold is foreclosed, the Owner shall upon written request from a Leasehold mortgagee enter into a new lease of the Property on the terms and conditions set forth in the Lease Agreement. The Lease Agreement provides that the written consent of a Leasehold Mortgagee will be required prior to any amendment or termination of the Leasehold or the surrender of any part of the Property.

11. Termination. Tenant shall have the right to terminate the Lease Agreement as to all or any part of the Property at any time, effective upon thirty (30) days' written notice to Owner from Tenant having an interest in the Property. If such termination is as to only part of the Property, the Lease Agreement and this Lease Short Form shall remain in effect as to the remainder of the Property.

12. Successors and Assigns. The Lease Agreement shall bind and run with the Property. The Lease Agreement shall inure to the benefit of and be binding upon Owner and Tenant and, to the extent provided in any assignment or other transfer under Section 10 of the Lease Agreement, any Assignee, and their respective heirs, transferees, successors and assigns, and all persons claiming under them. References to Tenant in the Lease Agreement and this Lease Short Form shall be deemed to include Assignees which hold a direct ownership interest in the Leasehold or the Lease Agreement and actually are exercising rights under the Leasehold or this Lease Agreement to the extent consistent with such interest.

13. Conflict. In the event of any conflict between the provisions of this Lease Short Form and the provisions of the Lease Agreement, the provisions of the Lease Agreement shall control.

IN WITNESS WHEREOF, Owner and Tenant have caused this Lease Short Form to be executed and delivered by their duly authorized representatives as of the Effective Date.

"TENANT"

PacifiCorp Power Marketing, Inc.,
an Oregon corporation

By: Peter C. van Alderwerelt
Peter C. van Alderwerelt
Its: Vice President

"OWNER"

S.D.S. CO., L.L.C.,
a Washington Limited Liability Company

By: Jason S. Spadaro
Jason S. Spadaro
Its: President

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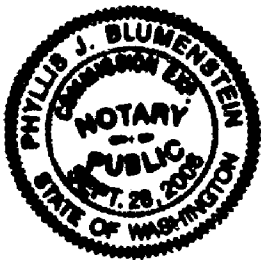
STATE OF Washington

ss.

County of Klickitat

On this 13th day of January, 2003, before me personally appeared Jason S. Spadaro, to me personally known to be the President of S.D.S. CO., L.L.C., a Washington limited liability company, the company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.



Signature: Phyllis J. Blumenstein

Name (Print): Phyllis J. Blumenstein

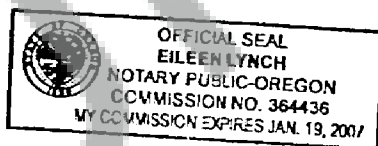
NOTARY PUBLIC in and for the State of
Washington, residing at White Salmon
My appointment expires: 9.28.06

STATE OF OREGON)

)ss.

County of MULTNOMAH)

This instrument was acknowledged before me this 29th day of January, 2003, by Peter C. van Alderwerelt, Vice President of PacifiCorp Power Marketing, Inc., an Oregon corporation, on its behalf.



Eileen Lynch
Notary Public for Oregon
My commission expires: January 19, 2007
Commission No.: 364436

EXHIBIT "A"

Description of Property

Real property situated in the County of Skamania, State of Washington, hereby described as follows:

SKAMANIA COUNTY, WASHINGTON

PARCEL I: Government Lots 1, 2 and 6, the South Half of the Northeast Quarter, the Southeast Quarter and the East Half of the Southwest Quarter all in Section 6, Township 3 North, Range 10 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL II: The Northeast Quarter of the Northwest Quarter and the East Half all in Section 7, Township 3 North, Range 10 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL III: The Northwest Quarter of Section 6, Township 3 North, Range 10 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL IV: Government Lots, 1, 2 & 4, the Southeast Quarter of the Northwest Quarter and the East Half of the Southwest Quarter all in Section 7, Township 3 North, Range 10 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL V: All of Section 5, Township 3 North, Range 10 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL VI: All of Section 8, Township 3 North, Range 10 East of the Willamette Meridian, in the County of Skamania, State of Washington.