

A G R E E M E N T

THIS AGREEMENT made and entered into in triplicate this 22 day of June, 1966, by and between THE SANTIAM WATER CONTROL DISTRICT, a municipal corporation of the State of Oregon, hereinafter referred to as "District", BOISE CASCADE CORPORATION, a Delaware corporation, hereinafter referred to as "Boise", and the CITY OF SALEM, a municipal corporation of the State of Oregon, hereinafter referred to as "City";

## W I T N E S S E T H:

For and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. The parties hereto shall bear and share the costs of maintaining, repairing, reconstructing or modifying, when reasonably necessary or required by governmental order or decree, the two diversion dams, fish ladders and such other dams or appurtenances presently installed or which may be installed in the future and the cost of clearing the channel of that portion of the North Santiam River, known as the "North Channel", all of which are located in that area shown on Exhibit "A", attached hereto and incorporated herein, between points A and C, as follows:

a. All such costs relating to work done between points A and B on Exhibit "A" shall be shared and paid for equally by the parties hereto.

b. All such costs relating to work between points B and C on Exhibit "A" shall be paid for and shared equally by Boise and District.

c. That area referred to as the "North Channel" has been colored blue on Exhibit "A".

2. The District at its discretion shall accomplish or arrange for carrying out all repairs, maintenance, reconstruction and modification of said dams, facilities, the channel clearing referred to above and the new construction which may be necessary; provided, however, that any such work which is estimated by the District to involve more than the expenditure of \$100.00 shall not be accomplished without the proposal first being submitted to Boise and the City, and securing from such parties their written approval for such work prior to its commencement. In the event the District (1) fails to carry out any of its duties or obligations relating to the aforementioned work within a reasonable time after such duty or obligation arises, or (2) is unable to do such work in a reasonable manner, either or both of the other parties hereto may assume the responsibility for such work and carry out the accomplishment of that work; provided, however, that the party or parties assuming such work shall first submit to the District for its approval any proposal where the estimated cost of the work is more than \$100.00.

In any emergency, or where an act of God is involved such as floods, windstorm, earthquake, etc., any of the parties hereto may make necessary emergency repairs, which may include reasonable construction or reconstruction of the facilities, and do emergency channel clearing without receiving prior approval of the other parties hereto, regardless of the cost, and the apportionment of such cost shall be borne by the parties in the same proportions as heretofore indicated.

3. Each of the parties hereto shall be and hereby is allowed such reasonable access, as is necessary for the purpose of carrying out its rights or duties provided for under the terms hereof or for making reasonable inspections of the facilities and rights of way referred to herein, across any land or facilities owned, controlled or available to either of the other parties herein.

4. Whenever Boise or the District finds it necessary to utilize the other's channel for the flow of its water between what appears as "Salem Water Commission Foot Bridge" and points K, H and I on Exhibit "A" attached hereto, that party shall have the right to use the other's ditch up to the capacity of that ditch. The owner, however, shall have first right to flow its water and the other shall have only the right to flow water in the excess capacity then existing at that time. The necessity referred to herein relates to the clearing of headgates, channel clearing, ditch maintenance, etc.

5. In the event any other firm, person, public body or government agency shall hereafter share or contribute in any manner to any of the costs referred to herein, the balance of said cost for such work shall be assumed and paid for by the parties as set forth in paragraph 1 above.

6. Any party obligated to pay any of the costs referred to herein shall make such payment within 30 days after written demand is made therefor. Written demand shall be accompanied by reasonable itemization of the work done and costs incurred. In the event any party hereto refuses, withholds or fails to give its consent or approval for any proposed work, estimated to cost over \$100.00, as hereinbefore provided, for more than 30 days after being requested to give such consent or approval, or does not fulfill or comply with its duties in accordance with the terms of this agreement, either or both of the other parties hereto may assume the responsibility for said work under the terms hereof and proceed to do said work and thereafter upon written demand delivered to such non-approving, non-consenting or non-complying party said party shall be under a duty to transfer without cost therefor all of its interest in and to the facilities referred to herein to the remaining party or parties, without charge and at such time the conveying party shall no longer be bound under the terms of this agreement and

shall have no further rights or duties hereunder. If during the term or terms of this agreement any of the parties hereto desires to withdraw from this agreement, it or they shall be under a duty to convey without cost therefor to the remaining party or parties the withdrawing party's interest in the property and facilities referred to herein, and at such time the withdrawing party's interest shall terminate in its entirety.

7. The original term of this agreement shall be for a period of fifty (50) years from the date hereof, unless sooner terminated by consent of all the parties hereto or in accordance with the foregoing provisions hereof. Thereafter, the term of this agreement shall be automatically extended for two successive periods of twenty-five (25) years each, unless five years prior to the end of the original term hereof, or five years prior to the end of the first twenty-five year extension hereof (70 years from the date hereof), any party gives written notice of cancellation of this agreement to the other parties hereto. In the event less than all of the parties give said written notice of cancellation preventing such automatic extension of the term hereof, the remaining party or parties shall be entitled to demand that such cancelling party or parties transfer to it or them all the interest of such cancelling party or parties in and to the said dams, without charge, prior to such cancellation becoming effective; provided, however, as to City, this Paragraph 7 is modified to the extent that City shall have the right to terminate this agreement at the end of each and every five (5) year period during the duration of this agreement or any extension thereof, by giving to the other parties sixty (60) days prior written notice of intention to cancel. In the event City shall exercise such right to terminate, the remaining party or parties shall be entitled to demand that City transfer to it or them

all the interest of City in and to the said dams, without charge,  
prior to such termination becoming effective.

THE SANTIAM WATER CONTROL DISTRICT,  
a municipal corporation of the  
State of Oregon

By Harvey L. Stewart

Attest: Harvey L. Stewart

CITY OF SALEM, a municipal corporation  
of the State of Oregon

Approved:

Director of Utilities

Approved as to form:

William J. Jorgensen  
City Attorney

By Vern H. Miller  
Mayor

ATTEST:

Rea M. Linn  
Deputy Recorder

BOISE CASCADE CORPORATION

By Charles E. Whitcomb