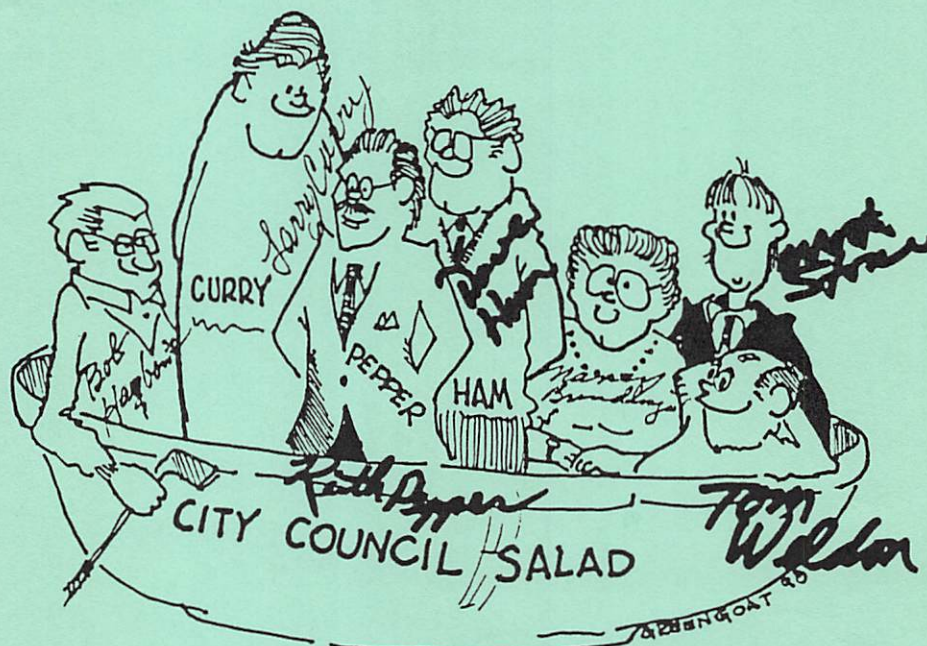


agenda
City of Brookings
Common Council Meeting
City Hall Council Chambers
898 Elk Drive
Brookings, Oregon, 97415 - 7:00 p.m.
February 23, 1998



"INGREDIENTS" FOR SUCCESS....
INCLUDING 'HAM, CURRY & PEPPER'

Welcome
Councilor Pepper!

agenda

CITY OF BROOKINGS
COMMON COUNCIL MEETING
Brookings City Hall Council Chambers
898 Elk Drive, Brookings, Oregon
February 23, 1998
7:00 pm

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. ROLL CALL
- IV. CEREMONIES/APPOINTMENTS/ANNOUNCEMENTS
 - A. State of the City address - Mayor Brendlinger (no handout)
 - B. Council Liaison appointments (yellow)
- V. PUBLIC HEARING
- VI. SCHEDULED PUBLIC APPEARANCES
 - A. Curry County Recycling Committee 1997 Report (Ken Burns, Chair, Brookings representative) (orange)
 - B. School District Curriculum Director - Tom Adsit (blue)
- VII. ORAL REQUESTS AND COMMUNICATIONS FROM THE AUDIENCE
 - A. Committee and liaison reports
 - 1. Planning Commission
 - 2. Chamber of Commerce
 - 3. Council liaisons
 - B. Unscheduled
- VIII. STAFF REPORTS
 - A. City Manager
 - 1. Rural Investment Fund - grant application (purple)

IX. CONSENT CALENDAR

A. *Approval of Council Meeting Minutes*

1. *Minutes of February 9, 1998 Regular Meeting (cream)*
2. *Minutes of February 13, 1998 Special Meeting (pink)*

(end Consent Calendar)

X. ORDINANCES/RESOLUTIONS/FINAL ORDERS

XI. REMARKS FROM MAYOR AND COUNCILORS

A. *Mayor*

B. *Council*

XII. ADJOURNMENT

COUNCIL APPOINTMENTS

Revised 1-9-98

ORGANIZATION	MEETING DATES AND TIMES	DATE APPOINTED	MEMBER DESIGNATE	TERM EXPIRES
Council President Student Representative	Same as Council	January 9, 1995 October 27, 1997	Councilor Curry Shiloh Thom	January 9, 1999 Sept. 1, 1998
Systems Development Charge Review Board	Quarterly on Tuesday afternoons	January 25, 1993 October 9, 1989 November 11, 1997 October 9, 1989 March 13, 1995 February 10, 1997	Mayor Brendlinger, Liaison Jim Collis, Chair Larry Smith Bob Krebs Ross Shawaker Russ Fritz	No specific Term October 31, 1999 October 31, 2001 October 31, 1999 October 31, 1998 October 31, 2000
Planning Commission	Monthly on first Tuesday at 7 P.M.	January 25, 1993 April 13, 1971 March 16, 1987 March 13, 1989 March 20, 1993 April 10, 1995 February 10, 1997 October 27, 1997	Mayor Brendlinger, Liaison Earl Breuer Ted Freeman, Jr. Judi Krebs George Ciapusci Marvin Lindsey Richard Dentino Mary Ball, Student Rep	No Specific Term April 1, 2000 April 1, 1999 April 1, 1998 April 1, 2001 April 1, 2000 April 1, 1999 April 1, 2001 Sept. 1, 1998
Parks & Recreation Commission	Monthly on fourth Thursday at 7 P.M.	January 25, 1991 November 9, 1992 February 10, 1997 February 9, 1998 Sept. 14, 1995 January 12, 1998 October 14, 1996 October 27, 1997	Councilor , Liaison Don Higginson Olivia Abbott Craig Mickelson Chair Nina Canfield Gro Lent Mike Smith Paul Prevenas Sheena McKay, Student Rep.	February 1, 2001 February 1, 2000 February 1, 2002 February 1, 2002 February 1, 2001 February 1, 1999 February 1, 2000 Sept. 1, 1998

Budget Committee	As set by Council	February 9, 1998 March 13, 1995 February 9, 1998 February 10, 1997 February 12, 1996	Harold Thiesen Lorraine Kuhn Lee Rogers Reily Smith Keith Hislop	February 1, 2001 February 1, 1999 February 1, 1999 February 1, 2001 February 1, 2001
Curry County Solid Waste Advisory Committee	Meet on Thursday afternoons in Gold Beach	June 27, 1994		No Specific Term
Curry County Recycling Committee	Meet second Thursday of month in afternoon in Gold Beach	February 10, 1997	Ken Burns	No Specific Term
Oregon Coastal Zone Management Association	Meet on Thursdays and Fridays - usually in Newport or Salem	Sept. 9, 1996	Councilor Curry Alt.: Councilor Hagbom	September, 1998 September, 1998
Coos-Curry-Douglas Business Development Corp.	Meet monthly on a Thursday morning in Coquille	June 13, 1994	Councilor Curry	No Specific Term
Curry Tri-Cities Council	As needed, location varies between Brookings, Gold Beach and Port Orford		Full Council	
IPCC - State of Oregon	Unknown	February 1, 1993	Councilor Curry	No Specific Term
Harbor Sanitary District	Meets monthly on Tuesday evening at HSD at 7:30 P.M.	January 25, 1993	Mayor Brendlinger Alt: Councilor Curry	No Specific Term
Chamber of Commerce	Meets monthly on Thursday at noon at B/W Brookings Inn Conference Room	February 1, 1993	Councilor Hagbom	No Specific Term
Southern Oregon Watershed Coordinating Council		<u>January 14, 1994</u>	Councilor Curry Alt.: Councilor Hagbom	<u>No Specific</u> Term
Chetco River Watershed Council	First Wednesday of month 7:00 P.M., Chetco Ranger Station	September 26, 1994	Councilor Hagbom	No Specific Term
Southwestern Oregon Community Action Committee			Vacant	No Specific Term

OCZMA/ODOT Coastal Policy Advisory Committee on Transportation (CPACT)	Unknown	April 24, 1995	Councilor Curry Alt. Councilor Hagbom	No Specific Term
Senior Center			Councilor Hagbom	No Specific Term
League of Oregon Cities Legislative Committee	As Set by LOC	November 15, 1995	Councilor Hagbom	No Specific Term
Senate Bill 357 - Tsunami Zone Issue		December 11, 1995	Councilor Hagbom	No Specific Term
Student Government Day Committee	As Set by Committee			No Specific Term
Falcon Cable Methodology Committee	As Set by Committee	October 28, 1996	Mayor Brendlinger, City Manager Tom Weldon, Citizen Wanda Kimbel	No Specific Term
Port of Brookings-Harbor	Monthly on third Wednesday			No Specific Term
School Board (District 17C)	Monthly on third Monday			No Specific Term

1997 RECYCLING REPORT

City of Brookings
February 23, 1998
Outline of Presentation

Ken Burns, Chair, Curry County Recycling Committee

Curry County Recycling Committee

- Composition
- CTR representative
- Commissioners representative

1997 Activities

- Met 6 times
- Highlights
 - Bob Guerra-DEQ
 - Ashland tour of recycling facilities
 - Oregon Green Schools-training, first level Brookings, Gold Beach

1996 recycling report

- 1995 Goal-15%
- 1995 actual-31.37%
- 1996 actual-35%

Current recycling program

- 11,000 households, 3,500 CTR customers
- Curbside and recycling centers
- Recycled items
 - Glass, plastic (1-7), tin cans, newspapers, magazines, cardboard, aluminum cans
 - Confidential office paper
 - Aluminum cans-Fred Meyer's and Ray's
 - Plastic bags-Fred Meyer's (library use)
- Grant-tire turn in program
- Grant-school composting
- Telephone book advertisement

Future of recycling efforts

- Expand recycling to make more cost effective, volume through education
- Mail flyers to Brookings residents to promote recycling

Attachment

1996 State Recycling Ranking

Published by The DEQ

Watershed	Tons Disposed	Tons Recovered	Recovery Rate (%)	1995 Goal	By 1995 Goal	Ranking In State
Metro	1,097,246	752,470	40.68%	40%	15	1
Lane	239,310	153,843	39.13%	30%	10	2
Josephine	35,873	21,688	37.68%	25%	1	3
Benton	50,840	30,352	37.38%	30%	11	4
Curry County	11,121	6,011	35.09%	15%	1	5
Yamhill	48,909	26,116	34.81%	30%	12	6
Jackson	115,011	60,292	34.39%	25%	2	7
Linn	69,506	33,201	32.33%	30%	13	8
Wasco	17,480	7,519	30.08%	25%	3	9
Coos	36,436	14,972	29.12%	15%	2	10
Marion	219,182	85,731	28.12%	25%	4	11
Union	14,676	5,203	26.17%	15%	3	12
Douglas	87,325	30,945	26.16%	25%	5	13
Tillamook	15,212	5,246	25.64%	15%	4	14
Baker	10,897	3,644	25.06%	15%	5	15
Harney	2,128	678	24.16%	7%	1	16
Jefferson	8,380	2,667	24.14%	7%	2	17
Crook	10,646	3,156	22.87%	15%	6	18
Deschutes	103,397	30,222	22.62%	25%	6	19
Columbia	22,650	6,258	21.65%	25%	7	20
Milton-Freewater	4,332	1,186	21.49%	15%	7	21
Sherman	987	264	21.10%	7%	3	22
Malheur	18,776	4,808	20.39%	15%	8	23
Clatsop	28,671	7,118	19.89%	25%	8	24
Wheeler	763	185	19.51%	7%	4	25
Umatilla	51,388	12,454	19.51%	15%	9	26
Gilliam	1,176	284	19.45%	7%	5	27
Polk	28,655	6,787	19.15%	30%	14	28
Grant	3,492	687	16.44%	7%	6	29
Lincoln	42,443	7,822	15.56%	15%	10	30
Klamath	66,874	11,171	14.31%	15%	11	31
Morrow	5,883	842	12.52%	7%	7	32
Wallowa	4,024	503	11.11%	7%	8	33
Lake	7,468	601	7.45%	7%	9	34
Hood River	16,016	333	2.04%	25%	9	35
Oregon Total	1,160,617	428,946	26.99%			

Memorandum

TO: Mayor, City Council

FROM: City Manager Tom Weldon *Tom*

DATE: February 18, 1998



Issue:

Should the City approve serving as a consortium partner with the School District and other governments in the proposed Brookings-Harbor 21st Century Community Learning Program?

Background:

1. The School District is submitting a grant request to operate a three year program coordinated with our summer recreation program.
2. This program will considerably expand learning opportunities for young people in our community, both during the summer and after school.
3. There is no financial or staffing commitment requested of the City.

Recommendation:

Council agree City will serve as a consortium partner and support this program and grant request.

Options: Listed below are options we have reviewed and are not recommending.

1. Not participating

Brookings-Harbor School District 17-C

District Office - 564 Fern Avenue

Brookings, Oregon 97415

541-469-7443 - Fax: 541-469-6599

"Good Schools Are a Wise Investment "

February 13, 1998

Tom Weldon, City Manager
City of Brookings
898 Elk Drive
Brookings, OR 97415

Dear Tom:

This letter requests that you, the Mayor, and the City Council approve of the City Parks and Recreation Department serving as a consortium partner in the proposed Brookings-Harbor 21st Century Community Learning Center Program.

The school district is proposing to form a consortium between the City of Brookings, the Chetco Community Public Library, the Literacy Council, the Azalea Park Foundation, Southwestern Oregon Regional Health Education Center, and Southwestern Oregon Community College. **Each of the consortium partners will have a clearly documented role and contribution.**

In the case of the City, we are simply asking that you support the idea of an enriched summer recreation program that not only will offer what the current program offers, but will also offer a summer school component funded by the school district through a proposed grant.

Three proposed school employees would provide summer school programs focused on improving student achievement and preventing violence and substance abuse. These programs would be scheduled along with the Parks and Recreation Department's regular slate of offerings.

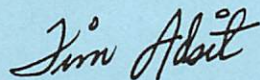
Needs to be addressed by these three, proposed, full-time, grant-funded employees include the following: Increased literacy programs for kids ages 5-14; Increased student achievement in reading, math, and science for kids ages 5-14; Enhanced access to telecommunications and technology education programs for individuals of all ages; Expanded parenting skills education programs designed for joint attendance by parents and children to help reduce incidence of violence ; Implementation of new employment counseling, training and job placement programs for young people ages 10-17; Expanded after school and summer learning opportunities for early adolescents and middle school students designed to help reduce crime, delinquency, and victimization of children and youth; and increased tobacco, alcohol and drug abuse prevention programs to help reduce the incidence of drug use and abuse among kids ages 8-17.

We anticipate requesting a grant budget of \$112,000 per year for three years from the federally funded program. The funds would be used to hire three full-time staff people to carry out programs designed to meet the needs outlined above. Limited funds will also be budgeted for materials, supplies, grant related travel, and staff development.

We are also requesting that on behalf of the City, you write a letter of support for the program on your letter head. We need this letter of support on or before March 1, 1998 for inclusion into the official grant application. The letter should specify your support for and commitment to the project and clearly document the role and contribution you are willing to make as a consortium partner.

Thank you for your support of the proposed program.

Respectfully yours,

A handwritten signature in cursive script, reading "Tim Adsit". The signature is written in dark ink and is positioned above the printed name.

Tim Adsit, Curriculum Director and Grant Writer

Memorandum

TO: Mayor, City Council
FROM: City Manager Tom Weldon *Tom*
DATE: February 18, 1998



Issue: Should the City apply for a \$50,000 Rural Investment Grant for technical assistance (engineering) for the Jack Creek Golf Course road?

Background:

1. The golf course road needs to be improved.
2. An engineering study should be done to provide plans and estimates and final engineering.
3. There could be money available from the Rural Investment Fund Program for this type of technical assistance for economic development project improvements.
4. We would need to put up \$10,000 to go with the \$50,000 grant to do this work. Our share could be budgeted in next year's budget.

Recommendation: Authorize submittal to Rural Investment Funds of a request for a \$50,000 Technical Assistance Grant, with a \$10,000 match from the City out of the 1998/99 budget.

Options: Listed below are options we have reviewed and are not recommending.

1. Not apply for this grant.

**CITY OF BROOKINGS
COUNCIL MEETING MINUTES
City Hall Council Chambers
898 Elk Drive, Brookings, Oregon
February 9, 1998
7:00 pm**

I. CALL TO ORDER

Mayor Brendlinger called the meeting to order at 7:04 pm.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Council Present: Mayor Nancy Brendlinger, Councilors Larry Curry, Bob Hagbom, Dave Ham, Ex-officio Shiloh Thom

Staff Present: City Manager Tom Weldon, City Attorney Martin Stone, Community Development Director Leo Lightle, Planning Director John Bischoff, Public Works Supervisor Dennis Barlow, Municipal Court Judge Richard Harper, Accounting Clerk Denise Bottoms

Media Present: Chuck Hayward, Curry Coastal Pilot; Martin Kelly, KCRE; Bill Lundquist, The World

IV. CEREMONIES/APPOINTMENTS/ANNOUNCEMENTS

A. Appointments

1. Parks and Recreation Commission

Councilor Ham moved, Councilor Hagbom seconded and the Council voted unanimously to appoint Nina Canfield to the Parks and Recreation Commission with a term expiration of 02/01/2002.

2. Budget Committee

Councilor Hagbom moved, Councilor Ham seconded and the Council voted unanimously to appoint Harold Thiesen to the Budget Committee with a term expiration of 02/01/2001.

Councilor Ham moved, Councilor Hagbom seconded and the Council voted unanimously to appoint Lee Rogers to the Budget Committee with a term expiration of 02/01/1999.

3. SWOCAC

Councilor Hagbom moved, Councilor Curry seconded and the Council voted unanimously to appoint Gerry Livingston to South Western Oregon Community Action Council for a term of six months at her request.

B. Council applicant interviews

1. Francis Johns
2. Keith Pepper
3. Sandy Hislop
4. Lorraine Kuhn

Mary Anderson withdrew her request as she lives outside city limits.

Each applicant was interviewed, Council discussion followed.

Councilor Ham moved, Councilor Curry seconded and the Council voted unanimously to appoint Keith Pepper to the City Council with a term expiration of 12/31/2000.

Judge Harper swore Keith Pepper in and Councilor Pepper took his seat at the Council bench.

V. PUBLIC HEARINGS

None

VI. SCHEDULED PUBLIC APPEARANCES

A. Public Facilities Plan update

Brett Arvidson of W & H Pacific gave a presentation on the Public Facilities Plan.

VII. ORAL REQUESTS AND COMMUNICATIONS FROM THE AUDIENCE

A. Committee and Liaison Reports

1. Planning Commission

Keith Pepper indicated that the minutes will reflect Planning Commission business, as he was not able to attend the last meeting.

2. Chamber of Commerce

a. Azalea Festival request

Les Cohen, Executive Director of the Chamber, noted one change in the original map submitted and further explained their request.

Councilor Ham moved, Councilor Pepper

seconded and the Council voted unanimously to approve the Chamber of Commerce Azalea Festival request with the amended map and the waiver of Azalea Park use and stage use fees.

3. Council Liaisons

Councilor Hagbom reported on the League of Oregon Cities Board of Directors meetings he attended regarding legislative issues.

He also gave an update on progress with The Claveran Group lease negotiations regarding Jack Creek Golf Course.

City Attorney Martin Stone reported that a draft lease document will be distributed to the Council prior to the meeting scheduled for Friday, February 13, 1998.

Councilor Curry reported on progress regarding the State's efforts to obtain a grant to draw plans for a welcome and visitor center at Crissey Field. Councilor Pepper added that this grant is possible because of the Scenic Byway which the Council approved.

Councilors will review Council liaison list and choose which ones they want to be involved with and a decision will be made at the next meeting.

B. Unscheduled

VIII. STAFF REPORTS

A. Community Development Director

1. BHHS Booster Club request to waive SDC's

Community Development Director Leo Lightle reviewed this request.

Comments or questions regarding this item were heard from the following people:

Don Perry
Mac Mazzettia

Councilor Curry moved that Council accept staff's recommendation to deny the request of the BHHS Booster Club to waive the SDC's for snack shacks and additional restrooms. Motion died for lack of a second.

Councilor Pepper moved, Councilor Ham seconded and the Council voted unanimously to accept staff's recommendation to deny the Booster Club's request for a waiver of the sewer fees for snack shacks and additional restrooms, to waive city building permit fees and to

donate \$1,000 to the Booster Club from Council/Community Relations line item to help offset costs for the proposed snack shacks and restrooms.

Council took a break from 9:07 pm to 9:15 pm.

2. Public Works street sweeper

Councilor Ham moved, Councilor Pepper seconded and the Council voted unanimously to authorize, through contract review process, the sole source purchase of a 1994 Elgin street sweeper from Ben-Ko-Matic of Portland, Oregon for \$43,500.

Councilor Curry moved, Councilor Ham seconded and the Council voted unanimously to approve Resolution No. 98-R-631 as amended.

3. City/Curry County Inter Governmental Agreement

Councilor Ham moved, Councilor Curry seconded and the Council voted unanimously to authorize entering into an intergovernmental agreement with Curry County to provide coverage when either official is on vacation, extended sick leave or work related absences as amended.

4. Acceptance of storm drain easement - John & Candye Herzog

Councilor Ham moved, Councilor Hagbom seconded and the Council voted unanimously to table this item to allow staff to make clarifications.

IX. CONSENT CALENDAR

- A. Approval of Council Meeting Minutes
 - 1. Minutes of January 26, 1998 Regular Council Meeting

(end Consent Calendar)

Councilor Ham moved, Councilor Hagbom seconded and the Council voted unanimously to approve the consent calendar as amended.

X. ORDINANCES/RESOLUTIONS/FINAL ORDERS

- A. Resolutions
 - 1. Resolution No. 98-R-631 - A resolution exempting from competitive bidding the purchase of a street sweeper.

This item was addressed earlier in the meeting.

XI.

REMARKS FROM MAYOR AND COUNCILORS

A. Mayor

Mayor Brendlinger mentioned that staff is planning the Council Goal Session.

City Manager Tom Weldon recommended it be held on March 7, 1998 at 9:00 am at the Best Western Conference Center.

B. Council

Councilor Pepper thanked the Council for their support and asked if the Council would consider sending a letter of support for Skylift. City Manager Tom Weldon mentioned that this is already in the works.

XII.

ADJOURNMENT

Councilor Hagbom moved, Councilor Ham seconded and the Council voted unanimously to adjourn at 9:50 pm.

ATTEST:

Nancy Brendlinger
Mayor

Beverly Adams
Finance Director/Recorder

CITY OF BROOKINGS
SPECIAL COUNCIL MEETING MINUTES
City Hall Council Chambers
898 Elk Drive, Brookings, Oregon
February 13, 1998
7:00 pm

I. CALL TO ORDER

Mayor Brendlinger called the meeting to order at 7:05 pm.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Council Present: Mayor Nancy Brendlinger, Councilors Larry Curry, Bob Hagbom, Dave Ham, Keith Pepper

Council Absent: Ex-officio Shiloh Thom

Staff Present: City Manager Tom Weldon, City Attorney Martin Stone, Public Works Supervisor Dennis Barlow, Park Maintenance II Dave Lentz , Accounting Clerk Denise Bottoms

Media Present: Chuck Hayward, Curry Coastal Pilot; Martin Kelly, KCRE

IV. JACK CREEK PROPERTY GOLF COURSE LEASE

Councilor Hagbom explained the process taken to get to this point with a proposed lease for a golf course at Jack Creek.

City Attorney Martin Stone went over some details of the lease with the Council and audience. Mayor Brendlinger mentioned that the agreement with Oregon Department of Fish & Wildlife needs to be added to Appendix C. Councilor Ham mentioned that Parcel 2 Exhibit A needs to be amended to read 25.40 acres rather than feet. The Claveran Group will provide a schedule to be added to Exhibit B which will outline the specific start and finish dates of this project as well as steps taken in between those dates. "Lakes and roughs" will be added to the modified language proposed for Article 6, Section 1, paragraph 1 on the Performance Bond. Marty also explained the proposed modifications to the Liability Insurance section and mentioned a few cosmetic changes that need to be made to the proposed lease.

City Manager Tom Weldon reminded the Council that at the end of the lease, the golf course will become the city's.

There was further discussion regarding the proposed lease by the Council. Questions or comments regarding this issue were heard from the following people:

Harold Thiesen
Jim Cole

Frank Rowlin
Don Jackson

Peter Spratt

Councilor Hagbom moved, Councilor Ham seconded and the Council voted unanimously to approve the lease as submitted and amended and direct the Mayor to sign it. Motion carried unanimously.

V.

ADJOURNMENT

Councilor Pepper moved, Councilor Curry seconded and the Council voted unanimously to adjourn at 8:26 pm.

ATTEST:

Nancy Brendlinger
Mayor

Beverly Adams
Finance Director/Recorder

TRANSFER STATIONS

Curry Transfer & Recycling operates 5 transfer stations in Curry County where your recyclables are welcomed during scheduled hours, except on major holidays

Brooking Recycling Only Center

17498 Carpenterville Road

Brookings, Oregon

Monday Thru Friday, 10 a.m. - 5 p.m.

Nesika Beach Transfer Station

6 miles North of Gold Beach

1/4 mile off Highway 101

Tuesday thru Saturday, 10 a.m. - 5 p.m.

Port Orford Transfer Station

1 mile North-Northwest of City Hall

Tuesday thru Saturday, 10 a.m. - 5 p.m.

Agness Transfer Station

28 miles Northeast of Gold Beach

Saturday, 10 a.m. - 4 p.m.

Wridge Creek Transfer Station

9 miles North of Brookings off Highway 101

Tuesday thru Saturday, 10 a.m. - 5 p.m.

CURBSIDE RECYCLING

Residents within the Brookings/Harbor Urban Growth Boundary, Port Orford City Limits, Gold Beach City Limits, Rogue Hills, Hunter Creek and Wedderburn: Please call Curry Transfer & Recycling for details about curbside pickup of recyclables.

Curry Transfer & Recycling

Post Office Box 4008

Brookings, Oregon 97415

Brookings/Harbor Phone (503) 469-2425

Gold Beach/Port Orford 1-800-826-9801

CURRY TRANSFER & RECYCLING

**RECYCLING
INFORMATION
BROCHURE**




**Member Collectors
for Recycling**

CURRY COUNTY

WHAT CAN YOU RECYCLE ?

GLASS

ACCEPTABLE




Clear, Green or Brown Colored "Jar Glass" only.
Glass **must** be clean, **lids removed**. Labels may be left on.

UNACCEPTABLE

Window or auto glass, light bulbs, dishes, ceramics or blue colored glass.

PLASTICS

ACCEPTABLE




All plastics bottles with recycling numbers 1 Thru 7 on the bottom of the bottles. Must be **PROPERLY PREPARED. "REMOVE LIDS"** (wrong kind of plastic) and rinse thoroughly. Jugs may be flattened to save space.

Plastic Tubs & Butter Dishes Can Be Accepted.

**** **NO LIDS , NO OIL , NO ANITIFREEZE & NO PESTISIDES** ****

CANS


ACCEPTABLE



Any tin(Steel), Aluminum, or Aerosol Cans. Lids & Bottoms must be removed on the Tin (Steel) Cans, then flattened. All cans must be cleaned thoroughly, labels removed. Aersol Cans must be EMPTY.

NEWSPAPERS

ACCEPTABLE



Newsprint and inserts which normally come in newspapers. Leave flat and bundled, tied securely OR fit neatly into grocery type paper bags.

UNACCEPTABLE

Any paper other than newsprint. **NO JUNK MAIL!**

RECYLING INFORMATION

WHAT CAN YOU RECYCLE ?

CARDBOARD

ACCEPTABLE

Corrugated cardboard and grocery styled bags.

* CARDBOARD MUST BE FLAT*

UNACCEPTABLE

Cereal boxes, waxed cardboard or egg cartons.

OILS & Anti-Freeze

ACCEPTABLE

Used motor oil, gear oil. Oil & Anti-Freeze Must be placed in non-breakable container with a screw-on lid. At the Recycling Station you will pour the oil into a special tank and take home the container you brought the oil in for you to reuse. Containers with oil residue cannot be accepted for recycling. Oil **CAN NOT** be taken at the curb by the Recycle Truck. Must be taken to a transfer station.

UNACCEPTABLE

Cooking oil. Any oil which is not in liquid form. Gasoline is NOT accepted.

ALL MAGAZINES ACCEPTABLE



Printed on Recycled Paper

agenda

CITY OF BROOKINGS
SPECIAL COUNCIL MEETING
Brookings City Hall Council Chambers
898 Elk Drive, Brookings, Oregon
February 13, 1998
7:00 p.m.

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. ROLL CALL
- IV. JACK CREEK PROPERTY GOLF COURSE LEASE
- V. ADJOURN



LEASE AGREEMENT

DRAFT

ARTICLE 1

IDENTIFICATION OF PARTIES/ENTITIES AND
DESCRIPTION OF LEASED PREMISES

Section 1.00 - Identification of Parties:

Lessor: CITY OF BROOKINGS, OREGON, a Municipal Corporation; 898 Elk Drive, Brookings Oregon 97415

Lessee: THE CLAVERAN GROUP, LLC, an Oregon Limited Liability Company.

Section 2.00 - Oregon Agent For Notice and Service of Process on Lessee: [To be determined]

Section 3.00 - Description of Leased Premises:

The real property described on attached Exhibits "A" and "B", incorporated herein by this reference.

ARTICLE 2

RECITALS

THIS LEASE AGREEMENT made and entered into on this _____ day of _____, 1998, by and between CITY OF BROOKINGS, OREGON, hereinafter referred to as "Lessor," and Lessee, THE CLAVERAN GROUP, LLC, an Oregon Limited Liability Company, hereinafter referred to as "Lessee";

WHEREAS, Lessor is the owner of approximately 182 acres of land located four miles east of Brookings in Jack Creek Valley, a tributary of the Chetco River, all property being described more particularly in Article 1, Section 3.00 above, and desires to lease the entire 182 acres to Lessee for the purpose of constructing, developing and operating a public golf course and related structures (as specified herein or later approved in writing by Lessor), including RV pad sites, at Jack Creek. The construction, buildings and related improvements are referred to herein as the "Golf Course" or the "Project".

WHEREAS, Lessee wishes to lease the 182 acres of land for the purpose of constructing, developing and operating the Golf Course, from Lessor according to certain specified terms and conditions;

DRAFT

NOW, THEREFORE, it is agreed between the parties as follows:

ARTICLE 3

TERM

Section 1.00 - Term of Lease:

The term of this lease shall commence on _____, 1998, and continue for a period of fifty (50) years, unless sooner terminated as hereinafter specified. Lessee's right to occupancy and possession of the leased premises are subject to the requirements of Article 30 of this lease agreement. If this lease agreement is not then in default, Lessee shall have the option to renew the lease as set forth in Article 28.

ARTICLE 4

PAYMENTS TO LESSOR

Section 1.00 - Rent:

Base rent shall commence to be paid by Lessee to Lessor after the initial construction financing debt incurred by Lessee has been paid, but no later than twelve (12) years from the date of execution of this lease agreement. The amount of the initial construction financing debt is \$_____. Lessee shall not increase the amount of the construction financing debt, or extend the terms for repayment of the debt without Lessor's prior written consent. Upon complete repayment of the original construction financing debt, the following rent payment schedule shall become effective and rent shall be paid to Lessor at 898 Elk Drive, Brookings, Oregon:

Annual Rent Payment Schedule

Year 1:	\$20,000
Year 2:	\$25,000
Year 3:	\$30,000
Year 4:	\$35,000
Year 5:	\$40,000
Year 6:	\$45,000
Year 7 and thereafter	(Yet to be determined)

Annual rent payments shall be payable in advance and shall begin on the first day of the first month after Lessee has completely repaid the original construction financing debt, or twelve (12) years from the month of execution of this lease

agreement, whichever occurs first. Rent shall be paid in lawful money of the United States of America.

Section 2.00 - Late Payment of Rent:

If Lessee fails to pay any rent when due and payable, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the rate of seven and one-half percent (7.5%) per annum.

ARTICLE 5

[ARTICLE INTENTIONALLY LEFT BLANK]

ARTICLE 6

CONSTRUCTION AND ALTERATIONS

Section 1.00 - Lessee's Obligation:

Lessee shall, at no cost to Lessor, be responsible for making all reasonable Golf Course site improvements, and designing, developing and constructing all reasonably appropriate structures that are necessary to create a successful Golf Course operation. Lessee will extend its best efforts to utilize, as available and appropriate, businesses within the Brookings area provided such items are cost competitive with other bids. All constructions, installations, improvements, additions, alterations and decorations made by Lessee to and upon the leased premises shall become the sole property of Lessor upon termination of this lease.

Section 2.00 - Right to Review Construction/Alterations and Improvements:

All Lessee's designs, improvements and construction plans allowed by this lease agreement as well as any new proposals, alterations, or improvements that may occur in the future shall be reviewed with Lessor before Lessee commences the project, and are subject to Lessor's prior written consent. Lessee shall strictly comply with all plans and specifications approved by Lessor. Lessee may, at any time and at its sole expense, install and place business fixtures and equipment within any building constructed by Lessee. Lessor shall not unreasonably withhold consent as to construction proposals, alterations or improvements.

Section 3.00 - Construction Requirements:

Improvements and construction shall consist of at least, but not be limited to, the following:

3.01 18-hole regulation-length golf course of approximately 6,500 yards in length, with par of 70 to 72, having ample space for multiple tees stations to fit players of various skill levels and providing variation in the playing distances of the Golf Course;

3.02 Permanent automatic irrigation system for all fairways, tees, greens, and quick coupler irrigation system for all fairways and other landscaped areas;

3.03 Maintenance building of permanent construction with sufficient space for office and work area for the Golf Course superintendent and crew and sufficient storage space for seed, fertilizers, chemicals, golf course maintenance equipment and any other item(s) needed or required for Golf Course operation;

3.04 Putting greens of 6,000 to 6,500 square feet developed according to United States Golf Association (USGA) specification and seeded with the specie of bent grass suited to the area;

3.05 Tees and fairways seeded with a mixture of moderate weather grasses best suited to the area;

3.06 Driving range with 25 to 30 tees with grass and artificial turf mats to accommodate practice during most weather conditions. The driving range will also include putting, pitching and chipping facilities and practice areas;

3.07 Full-service clubhouse including at a minimum 4,000 square feet, providing at a minimum a pro shop, a dining area and kitchen, display areas, men's and women's handicap accessible restrooms and management offices.

3.08 All construction work shall be performed in accordance with legal requirements and in a good and reasonable manner. The term "legal requirements" includes all present and future laws, ordinance, orders, rules, regulations and requirements of all federal, state and municipal entities, departments and agencies. Lessor, and Lessor's agents, shall have the right to inspect the work at reasonable times and in a manner that minimizes any interference with work. Lessee shall not suffer or permit any liens to attach to the leased premises by reasons of any work, labor, services or materials done for or supplied to the premises during the term of this lease agreement.

Section 4.00 - Construction Schedule:

Subject to Section 6.00, construction shall proceed according to the schedule set forth in Exhibit "B" which is attached hereto and incorporated herein by this reference.

Section 5.00 - Performance (Completion) Bonds:

Lessee shall provide a performance (completion) bond, hereinafter "performance bond", in a form and by a company satisfactory to Lessor in the amount of the cost of the proposed golf course and facility design, development, improvement and construction, plus ten percent (10%), to assure satisfactory completion of the construction phase of the project. The bond shall be issued by a surety company authorized to issue such bonds in the State of Oregon.

The bond shall be delivered by Lessee to Lessor no later than the earliest of the following events: (1) Sixty (60) days following Curry County's issuance of all required building permits for the project; or, (2) Ten (10) days before Lessee occupies the property for the purpose of the commencement of construction. Construction may not begin until Lessor has reviewed and approved the performance bond.

Within ninety (90) days of completion of the golf course construction, Lessee shall provide Lessor an audited statement of Lessee's total costs to project completion together with the total of the construction financing incurred by lessee. The audited statement shall be prepared by a certified public accountant based upon generally accepted accounting principles consistently applied.

Lessor shall release the surety from the obligation of the bond required by this section upon Lessor's acceptance of Lessee's audited statement of final construction costs, and proof of the payment of those costs.

Section 6.00 - Occupancy and Use of the Property by Lessee:

Lessee shall strictly adhere to the requirements of Article 30 of this lease agreement relating to occupancy and use of the leased premises.

Section 7.00 - Modifications to Schedule:

No modifications in the construction schedule shall be allowed without the prior written consent of Lessor. Lessee shall

notify Lessor in writing thirty (30) days prior to modifying the construction schedule set forth in Section 4.00 of this Article. Lessor and Lessee must agree in writing as to a modified construction schedule. Time is of the essence and, at all times, Lessee shall proceed with due diligence in adhering to the schedule.

Section 8.00 - RV Park and Residential Housing:

Lessee shall be entitled to develop as part of its project two (2) residential buildings and a Recreational Vehicle (RV) park with 16 full hook-up spaces. Lessee may, at its option, add up to an additional 32 RV spaces as necessary to accommodate clientele, when allowed by Curry County. Lessee must receive Lessor's written design and architectural approval in accordance with Article 6, Section 2.00 prior to construction of the RV park and/or residential housing units. The following restrictions shall be enforced by Lessee in the management of its RV park:

8.01 The facility shall be designated for short-term use with a maximum rental use time limit of ten (10) consecutive days in any one space; and

8.02 Priority in rental use shall be given to persons who intend to make use of the Golf Course facility.

ARTICLE 7

EQUIPMENT

Section 1.00 - Minimum Equipment to be Provided:

Lessee shall provide and maintain in good working order all personal property that is necessary to successfully operate the Golf Course. Lessee shall provide at a minimum, the following:

1.01 Golf Course maintenance equipment as described in Exhibit "D" which is attached hereto and incorporated herein by reference;

1.02 Pro shop and clubhouse furnishings, fixtures and equipment.

1.03 Driving range tees and mats for alternate use during bad weather, enhanced by good quality balls;

1.04 Rental equipment including used clubs for beginners, pull carts, rental sets and power golf carts.

Section 2.00 - Replacement of Defective or Worn Equipment:

Lessee shall at all times maintain the equipment described in Section 1.00 above in good condition and repair and shall replace all defective or worn out equipment.

ARTICLE 8

OPERATIONS AND SERVICES

Section 1.00 - Lessee's Scope of Management:

Lessee shall, under the terms and conditions of this lease agreement, be responsible for all Golf Course and other operations occurring on the leased premises, including, but not limited to, control and regulation of play, clubhouse services, food and beverage services. Lessee shall continuously operate all of the leased premises during the entire lease term with the ultimate purpose of providing the public with complete and continuous access to the leased premises and with sound business practice, due diligence and efficiency so as to produce the maximum gross receipts which may be produced by such manner of operation. Lessee shall provide a level of operation and service equal to standards set by other championship quality Oregon public golf courses.

Section 2.00 - Business Hours/ Staff:

Lessee shall operate and keep the Golf Course facilities open to the public during such days and hours as are prudent and compatible for championship quality public golf courses in Oregon. The dining facilities and/or a snack bar will be open for lunch seven days a week and dining facilities for dinner will be available as demand permits. For the entire term of this lease agreement, a professional manager, or competent representative acting for and on Lessee's behalf, shall be present and on duty at said Golf Course each and every day that the Golf Course is open.

Section 3.00 - Safety:

Lessee shall at all times during the term of this lease agreement provide adequate security and safety measures necessary to protect the property and any persons, including Lessee's employees, invitees, agents, and members of the general public,

from risk of harm arising from Lessee's use of the leased premises.

Section 4.00 - Non-Discrimination:

Lessee, or any agent or person claiming under or through Lessee, shall not discriminate against any person or group of persons based on race, color, sex, creed, marital status, national origin, ancestry, religion, political belief or physical handicap in employment practices, contracting and subcontracting practices or in making the leasehold facilities and services available to any person or group of persons.

Section 5.00 - Limitations on Operation of Business:

Lessee's operation of the Golf Course is limited solely to the terms and conditions of this lease agreement. No modifications of the terms and conditions of this lease agreement are permitted without the express written consent of Lessor.

Section 6.00 - Minimum Services Requirements:

Lessee shall provide the following minimum services to the public:

6.01 Instructional programs by qualified professional staff trained by course professional/manager;

6.02 Rules and instructional clinics;

6.03 Support staff, recruited and trained from the local area by course professional/manager;

6.04 Attractively priced high quality food and service to accommodate customer demand;

6.05 Club fitting and repair.

ARTICLE 9

PROGRAMS

Section 1.00 - Minimum Program Requirements:

Lessee shall actively sponsor and maintain the following programs during its operation of the leased premises:

1.01 Brookings area citizen discount golf fees;

1.02 Lifetime golf green fee and other privileges program for certain "Charter Members", as to be later determined by Lessee;

1.03 Senior citizen annual and monthly passes;

1.04 Use of course for practice and matches for schools;

1.05 Use of and private storage of individually owned golf carts on premises at Lessee's standard charges;

1.06 Organized men's, women's and couples events;

1.07 Mens and women's club for events and handicapping;

1.08 Junior golf instruction and competition;

1.09 Interclub activities/promotions;

1.10 At least one annual Pro-Am tournament;

1.11 Invitation to women professionals from Players West;

1.12 One invitational per year for the benefit of local citizenry, plus monthly events;

1.13 Fund raising events for schools, service clubs and local needs available on request;

1.14 A free "clubs for kids" program provided through the Professional Golf Association (PGA);

1.15 Special consideration to private owners of golf carts for the duration of the golf cart's life. Owners must register their carts soon after the Golf Course opens and they will be charged an annual fee or a per round trail fee established by Lessee. Lessee shall have sole discretion to refuse access to the golf course by any older or unsightly golf cart.

ARTICLE 10

FINANCING

Lessee shall invest sufficient funds so as to develop a Golf Course/facility as may be approved pursuant to Article 6,

Section 2.0 of this lease agreement. Lessee shall finance the Golf Course project, at no cost to Lessor. In no event shall such financing impair the property ownership interest of Lessor in the leased premises, or result in a lien on the leased premises.

Lessor shall have access to all financing records of Lessee until such time as Lessee has fully paid any construction financing debt. In this regard, Lessor may access information directly from the lender who provides the construction financing to Lessee.

ARTICLE 11

RECORDS, EXAMINATIONS AND AUDITS

Section 1.00 - Lessee's Records: The following sections apply with respect to Lessee's records:

Section 1.01 - Records Maintained:

Lessee agrees to keep on the leased premises for a period of not less than three (3) years following any year of lease activity, adequate records for such period. Such records shall show inventories and receipts of merchandise at the leased premises and monthly receipts from all sales and other transactions on or from the leased premises by Lessee and any other persons conducting any business upon or from the leased premises.

Section 2.00 - Lessor's Right to Examine Lessee's Records:

Lessor shall have the right to examine Lessee's books and records during regular business hours. Lessor shall also have the right to examine all books and records relating to construction financing of the project, including but not limited to the amount of the original debt and the history of repayment.

Section 3.00 - Audit:

At its option, and at any reasonable time upon thirty (30) days prior written notice to Lessee, Lessor may cause a complete audit to be made of Lessee's entire business affairs and records relating to the leased premises. For purposes of this audit provision, Lessee shall make all books and records available in Brookings, Oregon, for Lessee's conduct of any requested audit.

ARTICLE 12

MAINTENANCE AND REPAIR

Section 1.00 - Lessee's Obligation:

Lessee shall keep all Golf Course and leasehold grounds and facilities in a clean, safe, sanitary condition and reasonably free from rubbish at all times, and in connection therewith shall assume complete responsibility for such janitorial service as may be necessary. Lessee shall be responsible for any and all repairs, maintenance and upkeep of the leased premises and shall not let the condition of the leased premises and/or its facilities deteriorate or fall into disrepair.

Lessee shall specifically be responsible for maintenance and repair of the following:

1.01 All Golf Course grounds;

1.02 All Golf Course maintenance equipment described in Exhibit "D";

1.03 All buildings, structures and improvements;

1.04 All rental and other equipment.

Section 2.00 - Lessor's Right to Repair:

In the event Lessee fails or neglects to maintain and repair the Golf Course grounds as confirmed by a USGA Turf Official selected by Lessor, or fails to maintain and repair the buildings, fixtures and equipment, Lessor may, at its option, elect to make the repairs at the sole cost and expense of Lessee and Lessee shall reimburse Lessor for any such expenditures on demand, with interest at the statutory rate then provided by Oregon law from the date of expenditure until repaid. The exercise of Lessor's right to repair as provided in this section shall be without waiver of Lessor's other rights in the event of Lessee's default as provided in this lease agreement.

ARTICLE 13

WASTE AND NUISANCE/TIMBER REMOVAL

Section 1.00 - Waste and Nuisance Not Permitted:

Lessee shall not commit or suffer to be committed any waste upon the Golf Course or any nuisance, unreasonable noise, odor, or other act or thing which may disturb the quiet enjoyment of any other person(s) or entities located on or near the Golf Course. Lessee shall not at any time, without prior written consent of Lessor, cut down any healthy trees on the leased premises and/or sell or remove from the leased premises any sand, gravel, soil, or minerals of any kind.

Section 2.00 - Tree Removal and Log Disposal:

During the process of development and construction of the Golf Course and any other development approved under Article 6, Section 2.00, upon Lessee's receipt of written permission from Lessor for the removal of any trees from the leased premises, said trees shall be removed at the Lessor's expense. Any proceeds received from disposal of logs as permitted by this section shall be the sole property of Lessor.

ARTICLE 14

GOVERNMENTAL REGULATIONS

Section 1.00 - Licenses and Permits:

On the date of execution of this lease agreement, Lessor shall provide Lessee, at no cost to Lessee, the permits and governmental approvals identified on attached Exhibit "E" incorporated herein by this reference. Lessee has reviewed and fully understands the requirements of such permits and approvals. Lessee shall continue all such permits in full force and effect during the entire term of this lease, including renewal periods, and comply with all terms, requirements and conditions thereof. Lessor will assist Lessee in the acquisition of any additional permits, or governmental approvals as may be needed to construct the golf course facility and related structures. Lessor will assist Lessee in determining whether wetlands mitigation will be required for the anticipated Golf Course development. Lessee shall bear the expense of continuation of existing permits and approvals, acquisition of additional permits or approvals and any required mitigation determination and implementation.

Section 2.00 - Signs:

Lessee shall acquire all required signs pertaining to the operation of Lessee's business and at all times be in compliance with ordinances or regulations then currently in effect governing the posting or placement of a sign. Subject to

the requirements of municipal ordinances, Lessee may place directional signs to the golf course property within City limits. Furthermore, subject to city, county and state regulations, Lessee may place, at Lessee's expense two (2) city-approved signs (one at each end of the main highway city limits).

Section 3.00 - Governmental Regulations:

Lessee shall, at no cost to Lessor, comply with and faithfully observe all requirements of all county, municipal, state, federal and other applicable governmental authorities, now in force, or which may hereafter be in force, that pertain to the Golf Course premises and the activities of Lessee on those premises. Lessee shall meet or exceed the standards of the U.S. Army Corps of Engineers for wetlands protection and the standards of the Oregon Department of Fish and Wildlife (ODFW) for the protection of salmonid spawning and rearing habitat on the Golf Course site. Lessee shall cooperate with ODFW on the siting and construction of fish enhancement and demonstration projects on the Golf Course site. Lessee shall maintain all water rights and sources for irrigation of the Golf Course in accordance with county, state and federal requirements. Lessee shall indemnify, defend and hold Lessor harmless from any suits, actions, legal or administrative proceedings, demands, claims, penalties, fines, losses, damages, expenses, costs, assessment(s), fees or charges of any kind in the event of violation of any county, municipal, state, federal or other applicable governmental entity's standards, regulations, statutes or any other enforceable rule or law.

Section 4.00 - Environmental Concerns:

4.01 Lessee shall endeavor to retain the natural golf features and aesthetic beauty of Jack Creek Valley. Lessee shall work closely with various agencies and local citizen groups including, but not limited to, the Department of Fish & Wildlife, Water Resources, Environmental Quality, Salmon/Trout Enhancement Program (STEP) and the Army Corps of Engineers. Lessee shall not use any pesticides or fertilizers which require a permit, or allow any pesticides or fertilizers to run into Jack Creek.

4.02 Lessee shall at all time act in accordance with all environmental laws, including, but not limited to the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Solid Waste Disposal Act or any comparable state or federal statute or regulation promulgated under any state or federal law relating to protection of human health or protection for the environment.

4.03 Lessee shall indemnify, defend and save harmless Lessor from and against any suits, actions, legal or administrative proceedings, demands, or against all suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorney fees, in any way connected with any injury to any person or damage to any property (including costs of studies, surveys, clean-up and any other environmental claim expense) or any loss to Lessor occasioned in any way by Lessee on the leased premises relating to hazardous substances on the leased premises, or by the negligent or intentional activities of Lessee during or after its occupation of the leased premises.

4.04 The indemnity provision specified in Section 4.03 above, as well as the indemnity provisions in all other sections of this lease agreement, include the obligation of Lessee to perform any remedial work, activity or other obligation required, ordered or requested by any agency, governmental authority or third person, or otherwise necessary to avoid injury or liability to any person or property, or to prevent the spread of pollution on or from the leased premises. This indemnity shall only apply to contamination caused by Lessee or Lessee's sub-tenants.

4.05 In the event Lessor incurs costs as described by Section 4.03 above or under any other indemnity provision of this lease agreement, Lessee shall, within thirty (30) days of the receipt of notice thereof, reimburse Lessor for all such expenses together with interest from the date of the expenditure at the rate of seven and one-half percent (7.5%) per annum.

Section 5.00 - Compliance with Americans with Disabilities Act:

5.01 Lessee, in addition to compliance with all other laws, rules and regulations, shall comply with the provisions of Americans with Disabilities Act, 42 USC §12101 et seq and 42 USC 12111 et seq.

ARTICLE 15

TAXES, ASSESSMENTS AND FEES

Upon completion of the Golf Course construction, Lessee shall pay when due and before delinquency and the assessment of penalties or the accrual of interest, all taxes, fees, assessments, license fees, and other charges, hereinafter referred to as "taxes," that are levied and assessed against the leased real property and that are levied and assessed against

personal property installed or located in or on the leased premises. Lessor shall pay real property taxes and assessments to the date of project completion.

Lessor covenants not to assess special fees or taxes on Lessee or Lessee's activities on the leased premises other than those which may be already provided for in Lessor's current assessments and taxes.

Lessee shall pay any applicable general business license taxes that may be required by a governmental unit.

Lessee shall furnish proof of payment of taxes to Lessor following the date of payment.

ARTICLE 16

UTILITIES AND SERVICES

Lessee shall be solely responsible for and promptly pay all charges for heat, water, gas, electricity or any other utility used or consumed in or on the leased premises. In no event shall Lessor be liable for an interruption or failure in the supply of any such utilities to the leased premises, except for Lessor's negligent conduct.

ARTICLE 17

INSURANCE AND INDEMNIFICATION

Section 1.00 - Liability Insurance:

Lessee shall, during the lease term, keep in full force and effect policies of public liability and real and personal property damage insurance with respect to the leased premises and the business conducted by Lessee and any subtenants of Lessee on the leased premises, including, but not limited to, Lessee's improvements, equipment and/or alterations. The public liability limits of insurance shall be not be less than 1 million dollars per person and 3 million dollars per accident. The property damage coverage providing standard fire and extended coverage insurance shall have limits of not less than 100% of the property's actual cash value. The policy shall include covenants for environmental/pollution liability to the full extent of the limits of liability. The policy shall name Lessor, any person(s) designated by Lessor, and Lessee as the named insured, and shall contain a clause that the insurer shall not cancel or change the scope, amount or coverage of the policy without first giving Lessor thirty (30) days prior written notice. The insurance

shall be with an insurance company approved by Lessor and authorized to do business in the State of Oregon, with a financial rating of at least a contingent "A" status as rated in the most recent edition of Best's Insurance Reports. A copy of the policy or a certificate of insurance shall be delivered to Lessor at the commencement of the lease term. Renewals of the policy shall be delivered to the Lessor not less than 15 days before expiration of the current policy then in effect. If Lessee refuses or neglects to secure and maintain insurance policies complying with the provisions of this Section, Lessor may, but shall not be required to do so, secure and maintain such insurance policies and Lessee shall pay the cost thereof to Lessor, together with interest at the statutory rate then provided by Oregon law, as additional rent, upon demand, which action by Lessor shall be made without waiver of Lessor's other rights in the event of Lessee's default as provided in this agreement.

Section 2.00 - Review and Increase in Liability

Coverage:

Lessee shall review and update the levels of the public liability and property damage insurance on an annual basis and shall, if Lessor deems the levels insufficient for current practices, increase the coverage as necessary to reflect adequate and sufficient coverage for businesses similar to Lessee's location operation.

Section 3.00 - Workers' Compensation:

Lessee shall maintain at all times workers' compensation insurance for all employees and shall comply with all workers' compensation rules, regulations, statutes and any other applicable laws.

Section 4.00 - Indemnification of Lessor:

Lessee shall indemnify Lessor and save Lessor harmless from and against any and all claims, actions, damages, liability and expense, including attorney fees, in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the leased premises, or the occupancy or use by Lessee of the leased premises and common areas or any part thereof, or occasioned wholly or in part by any act or omission of Lessee, its agents, contractors, employees, servants, lessees or concessionaires, invitees and guests. In case Lessor shall be made a party to any litigation commenced by or against Lessee, then Lessee shall protect and hold Lessor harmless and shall pay all costs, expenses and reasonable

attorney's fees incurred or paid by Lessor in connection with such litigation. Lessee shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Lessor in enforcing the covenants and agreements of this lease.

ARTICLE 18

ASSIGNMENTS AND SUBLETS

Section 1.00 - Consent Required:

Lessee shall not voluntarily or involuntarily assign, mortgage, pledge, hypothecate or sublet this lease in whole or in part, nor license, franchise or sublet all or any part of the leased premises, without the prior written consent of Lessor in each instance. Lessor shall not unreasonably withhold such consent. Lessor's consent to any assignment or subletting shall not constitute a waiver of the necessity for such consent for any subsequent assignment or subletting. This prohibition against assigning, mortgaging, pledging, hypothecating, licensing, franchising or subletting shall be construed to include a prohibition against any such act by operation of law, legal process, receivership, bankruptcy or otherwise. Lessee shall pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Lessor in processing, reviewing, documenting or administering any request of Lessee for Lessor's consent required pursuant to this section. Lessor's consent to any subletting or assignment as contemplated herein does not in any way release Lessee from the payment requirements of Article 4. Notwithstanding any assignment or sublease, Lessee shall remain fully liable on this lease and shall not be released from performing any of the terms, covenants and conditions of this lease. Lessee shall have the right to pledge its interest in this lease agreement to a project lender, with the prior written consent of Lessor, for the sole purpose of security for financing the construction of the project contemplated by the lease, provided however that no pledge or assignment for construction financing shall create any rights, liens or interests in the leased premises superior to the interests of Lessor.

Section 2.00 - Ownership:

If at any time during the lease term any part or all of the LLC membership interests of Lessee shall be transferred by sale, assignment, bequest, inheritance, operation of law or other disposition so as to result in a change in the present effective control of Lessee by the person, persons or entities owning a majority of said interests on the date of this lease, Lessee

shall promptly notify Lessor in writing of such change, and Lessor's consent to such change shall be required as provided in Section 1.00 above.

ARTICLE 19

SUCCESSORS

This lease agreement shall be binding on Lessor and Lessee and their heirs, executors, administrators, successors and to the extent assignable, Lessee's assigns. If there shall be more than one, all shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Lessee unless the assignment to such assignee has been approved by Lessor in writing as provided in Article 18, Section 1.00 hereof. Nevertheless, Lessor, at any time, may make an assignment of its interest in this lease and, in the event of such assignment and the assumption by the assignee of the covenants and agreements to be performed by the Lessor herein, the Lessor and its successors and assigns (other than the assignee of this lease) shall be released from any and all liability hereunder.

ARTICLE 20

LIENS, CLAIMS AND ENCUMBRANCES

Lessee shall not create or permit to be created or to remain any lien, claim, encumbrance, tax or assessment against or upon the leased premises, improvements and fixtures, and will discharge immediately any such lien, claim, encumbrance, tax or assessment, including, but not limited to, liens of mechanics, laborers or materialmen for work or materials alleged to be done or furnished in connection with the design, construction, development, improvement, alteration and/or operation of the leased premises.

Lessee shall have the right to pledge its leasehold interest in this lease agreement for construction financing, subject to the requirements of Article 18.

Lessee shall have the right to contest, in good faith and by appropriate legal proceedings, the validity or amount of any mechanics', laborers' or materialmen's lien or claimed lien. In the event of such contest, Lessee shall give to Lessor reasonable security as may be demanded by Lessor to insure payment thereof and to prevent any sale, foreclosure or forfeiture of the leased premises or any part thereof by reason

of such nonpayment. On final determination of such lien or such claim for lien, Lessee shall immediately pay any judgment rendered, with all proper costs and charges, and shall have such lien released or judgment satisfied at Lessee's expense, and upon such payment and release or satisfaction, Lessor will promptly return to Lessee such security as Lessor shall have received in connection with such contest. Lessor reserves the right to enter the leased premises to post and keep posted notices of non-responsibility for any such lien. Lessee shall pay, protect, defend and indemnify Lessor within ten (10) days after demand therefor, from and against all liabilities, losses, claims, damages, costs and expenses, including reasonable attorney's fees, incurred by Lessor by reason of the filing of any lien and/or the removal of the same.

ARTICLE 21

DEFAULT OF LESSEE

Section 1.00 - Right to Re-enter:

In the event of the occurrence of any of the events listed below, Lessor, in addition to other rights or remedies it may have under Oregon law, including the right to declare a default, shall have the immediate right to re-entry and may remove all persons and property from the leased premises and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Lessee, all without service of notice or resort to legal process and without being deemed guilty of trespass, or becoming liable for any loss or damage which may occur thereby:

1.01 Failure to pay rental payments or all required insurance premiums within thirty (30) days of the date due, or to continuously maintain all required insurance;

1.02 Failure to perform any other term(s), condition(s) or covenant(s) under this lease for more than sixty (60) days after Lessee receives written notice of such default; provided however no notice of default and opportunity to cure shall be required if during any twelve (12) consecutive month period, Lessor has already sent notice to Lessee concerning failure to perform the same covenant.

1.03 Lessee or Lessee's agent's falsification of any report or statement required to be furnished to Lessor pursuant to the terms of this lease;

1.04 If Lessee becomes bankrupt or insolvent, or files for reorganization or for the appointment of a receiver or trustee of all or a portion of Lessee's property, or if Lessee makes an assignment for the benefit of creditors;

1.05 Lessee's abandonment of the leased premises or failure to operate the leased premises for a period of thirty (30) continuous days following completion of construction;

1.06 If Lessee suffers this lease or the leased premises to be taken under any writ of execution.

1.07 If Lessee fails to commence construction of the Project by June 1, 1998, or fails to complete construction by August 1, 1999.

1.08 Failure of Lessee to maintain authority and lawful business status in the State of Oregon. Lessee shall furnish to Lessor, from time to time on request of Lessor, evidence of continued authority and business status.

1.09 Failure of Lessee to obtain prior written consent from Lessor as to any requirement of this lease agreement when such consent is required before Lessee undertakes action.

Each of the events set forth in this section shall be considered an event of default and may result in exercise of remedies by Lessor.

Section 2.00 - Right to Re-let:

Should Lessor elect to re-enter as herein provided, or should Lessor take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may either terminate this lease or relet the leased premises or any part thereof for such term or terms (which may be for a term extending beyond the lease term) and at such rental or rentals and upon such other terms and conditions as Lessor in its sole discretion may deem advisable. Upon each such reletting all rentals received by Lessor from such reletting shall be applied as follows:

2.01 To the payment of any indebtedness other than rent due hereunder from Lessee to Lessor;

2.02 To the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees, and of costs of any alterations and repairs;

2.03 To the payment of rent due and unpaid hereunder;

2.04 Any residue shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder.

Section 3.00 - Deficiency:

If any such rentals received from such reletting during any period are less than that to be paid during that period by Lessee hereunder, Lessee shall pay any such deficiency to Lessor.

Section 4.00 - Termination/Remedies:

No such re-entry or taking possession of the leased premises by Lessor shall be construed as an election on its part to terminate this lease unless a written notice of such intention is given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Lessor may at any time thereafter elect to terminate this lease for such previous breach. Should Lessor at any time terminate this lease for any breach, in addition to any other remedies it may have, Lessor may recover from Lessee all damages it may incur by reason of such breach, including the cost of recovering the leased premises, reasonable attorneys' fees, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this lease for the remainder of the lease term over the then reasonable rental value of the leased premises for the remainder of the lease term. All of such amounts shall be immediately due and payable from Lessee to Lessor. Lessor's remedies are cumulative, not exclusive; the election of one remedy does not constitute a waiver of any other remedies available to Lessor at law or equity.

Section 5.00 - Legal Expenses:

In the event of suit, action or proceeding to collect any sums due hereunder or to enforce any of the provisions of this lease, the prevailing party shall be entitled to collect from the losing party all expenses therefor, including reasonable attorney fees.

Section 6.00 - Mitigation of Damages and Right to Cure Defaults:

Lessor shall have no duty to mitigate damages arising in any way out of Lessee's failure to comply with any term,

condition, covenant or agreement of this lease. At Lessor's election, Lessor may cure, at any time, with thirty (30) days notice, any default by Lessee under this lease. If Lessor so elects, all costs and expenses incurred by Lessor, including reasonable attorney's fees, together with interest thereon at the statutory rate then provided by Oregon law, shall be paid by Lessee to Lessor on demand.

Section 7.00 - Miscellaneous Provisions Relating to Default of Lessee:

Section 7.01 - Ownership of Real Property Improvements:

In the event of default by Lessee and the re-entry of Lessor to the leased premises as provided in this Article, all of Lessee's right, title and interest in and to the improvements and fixtures constructed on the real property shall cease and those improvements and fixtures shall thereupon become the property of Lessor. Lessee shall have no further right to occupy or possess those improvements or fixtures on the real property in the event of such default.

Section 7.02 - Right to Sue More Than Once:

Lessor may sue Lessee to recover damages periodically during the remainder of the term of the lease in the event of default and no action for damages shall bar a later action for damages subsequently accruing.

Section 7.03 - Remedies Not Exclusive:

The remedies for default provided in this Article shall be in addition to and shall not exclude any other remedy available to Lessor under Oregon law. Upon termination of the lease, Lessee shall join with Lessor in the execution of any instruments necessary to remove Lessee's interest in the lease and property from the record title, as well as the interest of any construction lender in the lease as allowed hereunder, and Lessee shall bear the cost of preparation of all such documents and recording.

ARTICLE 22

SURRENDER OF LEASED PREMISES

Section 1.00 - Removal of Personal Property:

At the termination of this lease, or any renewal term thereof, Lessee shall remove all personal property, goods and

effects from the leased premises which are not the property of Lessor, and shall surrender the leased premises, fixtures connected therewith, and all alterations, additions or improvements to or upon the leased premises, in good repair, order and condition, reasonable wear and tear excepted, and shall surrender all keys for the leased premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor of all combinations on locks, safes, and vaults, if any, in the leased premises. Lessee authorizes Lessor to store in any public warehouse or elsewhere and in the name and at the risk and expense of the Lessee any of Lessee's personal property not so removed, or to sell at public or private sale, without notice, any or all of said property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property in the event Lessee has failed to retrieve the same following thirty (30) days written notice by Lessor requiring removal by Lessee. Lessor, by written notice, may elect to require Lessee, at its sole cost and expense, to perform the removal of such of Lessee's personal property.

ARTICLE 23

LESSEE HOLDING OVER

If Lessee remains in possession of the leased premises after the expiration of the lease term, or any renewal or extension thereof, and without the execution of a new lease, Lessee, at the option of Lessor, shall be deemed to be occupying the leased premises as a tenant from month to month at a rental amount to be determined at the time of the holdover. Lessee shall remain subject to all conditions, provisions and obligations set forth in this lease agreement in so far as the same are applicable to a month-to-month tenancy.

ARTICLE 24

DESTRUCTION OF LEASED PREMISES

Section 1.00- Total Destruction:

In the event that the leased premises and buildings shall be totally destroyed by fire, flood or other casualty to the extent that the damage cannot be materially restored with due diligence within twelve (12) months from the date of destruction, Lessee may terminate this lease agreement by giving written notice to Lessor within thirty (30) days following such damage or destruction. If Lessee elects to terminate, this lease agreement

shall cease and come to an end as of the date of such damage or destruction as though such date were the date originally fixed for the expiration of the term of this agreement. In the event of the termination of the lease agreement under this section, the proceeds of insurance received for damage or loss to the structures and improvements on the real property, if any, shall be paid to the parties in accordance with the following formula: Lessee's interest in the proceeds of insurance for damage or loss to structures or improvements shall be calculated by multiplying the amount of the insurance proceeds by a fraction, the denominator of which is 50 and the numerator of which is the number of years and parts of years remaining on Lessee's interest in the lease under the terms of this agreement (the maximum value of the numerator being 50). Lessor's interest in such insurance proceeds is the remainder of the insurance proceeds after application of the formula set out herein.

Section 2.00 - Partial Destruction: In the event the leased premises and/or buildings are damaged by fire, flood or other casualty and such damage can be materially restored with due diligence in twelve (12) months following the date of destruction, Lessee shall have the obligation to repair the building or premises, as the case may be, as nearly as practicable to the same condition prior to such damage. The Lessee shall cause such repair to be commenced with all reasonable speed so as to complete the same at the earliest possible date. The Lessee agrees that any insurance proceeds received in connection with the damage shall be used for repairing and rebuilding the leased premises and buildings and structures.

ARTICLE 25

EMINENT DOMAIN

Section 1.00 - Total Taking:

If the leased premises is taken by power of eminent domain by any public or quasi-public authority, this lease shall terminate as of the date of possession of such condemning authority. Lessee shall pay rent up to that date and Lessee shall be entitled to a refund of advanced payment of rent as of that date. Lessor covenants not to participate in favor of any condemnation of the property.

Section 2.00 - Partial Taking:

If less than all of the leased premises are taken by power of eminent domain, this lease shall terminate only as to

the parts so taken as of the date of possession by the public authority. Rent for the leased premises shall be equitably adjusted, where applicable, to the extent that the taking by eminent domain has reduced the useable area required for Lessee's activities on the leased premises.

Section 3.00 - Eminent Domain Proceeds Division:

The proceeds received from the condemning public authority as compensation for the value of the property taken under power of eminent domain shall be distributed between Lessor and Lessee as follows:

3.01 Any portion of a damage award made for improvements to the leased premises shall be distributed between Lessee and Lessor in accordance with the same formula specified for distribution of insurance proceeds set out in Article 24, Section 1.00.

3.02 Any portion of a damage award made under power of eminent domain for the value of land only (without consideration of golf course improvements) shall be paid to Lessor and Lessee shall have no claim to such proceeds.

ARTICLE 26

DISPUTE RESOLUTION

Lessor and Lessee agree that any disputes arising as a result of the terms and conditions of this lease agreement shall be resolved by arbitration. Each party shall designate the name of an arbitrator and the two arbitrators shall choose a third arbitrator. The arbitration shall proceed according to the Oregon statutes governing arbitration. (Oregon Revised Statutes Chapter 36). The arbitration proceeding shall be conducted in Brookings, Curry County, Oregon. Each party shall pay the fee of the arbitrator selected by that party and one-half of the fee of the third arbitrator.

ARTICLE 27

QUIET ENJOYMENT

Upon Lessee's payment of the rents herein provided and upon Lessee's observance and performance of all the covenants, terms and conditions, Lessee shall peaceably and quietly hold and enjoy the leased premises for the lease term without hindrance or interruption by Lessor or any other person(s) lawfully or equitably claiming by, through or under Lessor, subject,

nevertheless, to the terms and conditions of this lease agreement.

ARTICLE 28

OPTION TO RENEW

At the conclusion of the initial lease term of fifty (50) years, and provided that the Lessee is not in default under the terms of this lease, Lessee shall have the option of renewing this lease for four (4) periods of five (5) years each, provided that Lessee gives written notice to lessor of its intent to renew at least ninety (90) days prior to expiration of the preceding lease term. The option shall be for all of the leased premises. If Lessee exercises its option to renew, all terms of the lease for the ensuing term shall be the same as the preceding term except for rent which shall be set either by agreement of the parties or by dispute resolution pursuant to Article 26. In no event shall rent be less than the rent specified for the preceding term.

ARTICLE 29

MISCELLANEOUS

Section 1.00 - Time Is Of The Essence:

Time is of the essence of each and every provision and obligation of this lease agreement.

Section 2.00 - Entire Agreement:

This lease agreement and the exhibits attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between Lessor and Lessee concerning the leased premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth. Except as provided herein, no subsequent alteration, amendment, change or addition to this lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by the parties.

Section 3.00 - Applicable Law:

The laws of the State of Oregon shall govern the validity, construction, interpretation, performance and enforcement of this lease agreement.

Section 4.00 - Waiver:

The waiver by Lessor of any breach of any term, covenant or condition herein shall not be deemed a waiver of such term, covenant or condition or any subsequent breach of such term or any other term, covenant or condition herein. The subsequent acceptance of rent hereunder by Lessor shall not be deemed a waiver of any preceding breach by Lessee of any term, covenant or condition of this lease agreement, other than the failure of Lessee to pay the particular rental so accepted, regardless of the Lessor's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or conditions of this lease agreement shall be deemed waived by Lessor, unless such waiver is in writing and signed by Lessor.

Section 5.00 - Accord and Satisfaction:

No payment by Lessee or receipt by Lessor of a lesser amount than the rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement or any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such rent or pursue any other remedy provided for in this lease agreement.

Section 6.00 - No Partnership:

Lessor does not, in any way or for any purpose, become a partner of Lessee in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with Lessee. Provisions of this lease pertaining to rent payable hereunder are included solely for the purpose of providing a method whereby the rent is to be measured and ascertained.

Section 7.00 - Notices:

7.01 At all times when this lease agreement is in force, Lessee shall maintain and designate in writing to Lessor an agent for receipt of notices and service of process which agent shall be located within the state of Oregon.

7.02 Any notice, demand, request or other instrument which may be or are required to be given under this lease agreement shall be delivered personally or sent by United States certified mail postage prepaid and shall be addressed (a) if to Lessor at 898 Elk Drive, Brookings, Oregon 97415, or such address as Lessor may designate, and (b) if to Lessee at such address as Lessee has designated as their agent within Oregon for receipt of notice and service of process.

Section 8.00 - Partial Invalidity:

If any term, covenant or condition of this lease or the application thereof to any person(s) or circumstance(s) shall, to any extent, be invalid or unenforceable, the remainder of this lease, or the application of such term, covenant or condition to person(s) or circumstance(s) other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this lease shall be valid and enforceable to the fullest extent permitted by law.

Section 9.00 - Execution Of Lease:

The submission of this lease for examination does not constitute a reservation of or option for the leased premises and this lease becomes effective as a lease only upon execution and delivery thereof by Lessor and Lessee. If Lessee is a corporation, limited liability company or partnership, this lease becomes effective only upon delivery to Lessor of certified resolutions of Lessee's directors or members authorizing the execution and delivery of this lease.

Section 10.00 - Certificate of Good Standing:

Each party hereto certifies that it is lawfully created and existing and authorized to enter into this lease agreement.

Section 11.00 - Recording:

Lessor and Lessee agree to execute and deliver a memorandum or "short form" of this lease agreement in recordable form for the purpose of recordation, at Lessee's expense. Said memorandum or short form of this lease agreement shall describe the parties, the leased premises and the lease term and shall incorporate this lease by reference.

Section 12.00 - Limitation on Use:

The premises herein described shall be used by Lessee for purposes of construction and operation of a championship quality public Golf Course and Golf Course related commercial activities, a maximum of two (2) residences and an RV park with an initial amount of 16 full hook-up spaces and the future option of adding another 32 full hook-up spaces when allowed by Curry County. Lessee may explore the option of adding motel or condominium facilities in the future based on providing to Lessor adequate justification for building such facilities for the benefit of increasing business opportunity to the golf facility,

provided any such proposal shall be subject to prior approval by Lessor as set forth in Article 6.

Section 13.00 - Acceptance of Property "As Is":

Lessee hereby acknowledges that it accepts the leased premises in its present condition "as is" and based upon Lessee's own determination of the suitability of the leased premises for Lessee's intended purposes.

ARTICLE 30

TERMINATION OF LEASE AGREEMENT

In the event Lessee is unable

(1) to obtain suitable financing for the proper construction of the Golf Course development, (2) to deliver to City a satisfactory performance bond according to the requirements of this lease agreement, or (3) to commence construction according to the time frame set forth in Article 21, Section 1.07, this lease shall terminate and be of no further force and effect.

Until such time as the conditions stated in this Article are fully satisfied, Lessee's activity on and occupancy of the leased premises shall be limited to site evaluation, testing and such other related activities as may be necessary to secure the approvals of governmental agencies which may be required to issue additional permits and approvals for use of the leased premises as a Golf Course. Upon Lessee's receipt of suitable financing and delivery of a performance bond satisfactory to Lessor, Lessee shall then be entitled to use, occupy and develop the leased premises as contemplated by this lease agreement.

ARTICLE 31

LESSOR WARRANTY

Lessor represents, warrants and covenants to Lessee that:

(a) Lessor has the right, power, legal capacity and authority to execute, deliver and perform this Agreement and any consent required as a condition to Lessor's authority to execute, deliver and perform this Agreement has been obtained;

(b) No violation of any applicable statute, ordinance, regulation, order, or law exists with respect to the leased premises;

(c) There are no existing actions, claims, suits or proceedings pending or, to Lessor's current and actual knowledge, threatened against the leased premises (including without limitation any condemnation, eminent domain, or similar proceeding);

(d) Hazardous Materials/Condition Precedent

For purposes of this section, hazardous material shall include, but not be limited to, the substances defined as "hazardous substances" "hazardous material" or "toxic substances" in the comprehensive environmental response, Compensation Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq.; the Hazardous Material Transportation Act, 40 U.S.C. Sections 1801 et seq.; the Resource Conservation Recovery Act, 42 U.S.C. Section 6901 et seq.

(i) To Lessor's knowledge after due inquiry, no asbestos containing materials were installed or exposed in the leased premises through demolition, renovation or otherwise, at any time during or prior to Lessor's ownership thereof;

(ii) To Lessor's knowledge after due inquiry, no electrical transformers, florescent light fixtures with ballasts or other equipment containing PCB's are or were located on the leased premises during or prior to Lessor's ownership thereof;

(iii) To Lessor's knowledge after due inquiry, no storage tanks for gasoline or any other hazardous substance are or were located on the leased premises at any time during or prior to Lessor's ownership thereof;

(iv) The leased premises and Lessor's operations concerning the leased premises are not in violation of any applicable federal, state or local statute, law or regulation, and no notice from any government body has been served upon Lessor claiming any violation of any law, ordinance, code or regulation, or requiring or calling attention to the need for, any work, repairs, construction, alterations or installation or in connection with the property in order to comply with any laws, ordinances, codes or regulations, with which Lessor has not complied. If there are any such notices with which Lessor has complied, Lessor shall provide Purchaser with copies thereof;

(e) Possession shall be delivered to Lessee free of any leases, tenancies or other third-party possessory interests except easements of record and the interest of South Coast Lumber Co. as to the Exhibit "B" property as described in this lease.

(f) To Lessor's knowledge, there are no applicable building or zoning laws which prevent Lessee's construction on the leased premises of buildings and improvements in accordance with Lessee's intended land use (i.e., zoning) designations except that Lessee obtain approval through the applicable conditional use permit process.

(g) The conditional use permit approved by Curry County and all other required permits including irrigation water, sewage and environmental permits will still be in full force and effect until at least June 1, 1998.

IN WITNESS WHEREOF, Lessor and Lessee have signed this lease as of the day and year first above written.

CITY OF BROOKINGS, OREGON

BY: _____
Nancy Brendlinger
Mayor

ATTEST:

Beverly S. Adams
City Recorder

THE CLAVERAN GROUP, LLC

BY: _____
President

STATE OF OREGON)
) ss.
County of Curry)

Personally appeared Nancy Brendlinger and Beverly S. Adams, who being sworn, stated that they are the Mayor and City Recorder

respectively of the City of Brookings, a Municipal Corporation of the State of Oregon; and that this Lease Agreement was voluntarily signed on behalf of said municipal corporation by authority of the Common Council. BEFORE ME:

Notary Public for Oregon
My Commission Expires:_____

STATE OF OREGON)
) ss.
County of Curry)

Personally appeared _____, who being sworn, stated that he is the President of THE CLAVERAN GROUP, LLC, an Oregon Limited Liability Company; and that this Lease Agreement was voluntarily signed on behalf of said Limited Liability Company. BEFORE ME:

Notary Public for Oregon
My Commission Expires:_____

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B

CONSTRUCTION SCHEDULE

EVENT

CONSTRUCTION COMPLETION DATE

(To be supplied by Lessee)

EXHIBIT C

LIST OF GOLF COURSE MAINTENANCE EQUIPMENT

(To be supplied by Lessee)

EXHIBIT D

DRAFT

EXISTING GOVERNMENTAL PERMITS
(January 20, 1998)

DESCRIPTION OF PERMIT

EXPIRATION DATE

Curry County Conditional Use Permit

(Other Water Permit Information will be provided)

To the City of Brookings Common Council

We have reviewed the lease agreement you've provided and are prepared to execute it in the form faxed to me on February 12, 1998.


Felix Clavaran

2-12-98
Date


Frank Miller

2-12-98
Date

**** TOTAL PAGE.05 ****

**Suggested Modifications to Article 6, Section 5, Paragraph 1
"Performance Bond"**

Please change to read as follows:

Section 5.00 - Performance Bond:

Lessee shall provide a performance bond to Lessor, in a form and by a U.S. Treasury listed surety company satisfactory to Lessor, in the amount of the cost of the Golf Course grading (which includes: heavy earth moving, clearing and grubbing, rough and fine earth sculpting, shaping, rock removal, raking and planting) and irrigation system installed for the fairways, greens and tee boxes (estimated by Lessee to be approximately 80% of the total cost of the Golf Course Project), to assure completion of this construction phase of the Project. The bond shall be issued by a surety company authorized to issue such bonds in the State of Oregon. The bond shall bind the principal and surety to the true and faithful performance of the obligation to complete the design, construction, installation and operation of the grading and irrigation system, to satisfy all claims and demands incurred under this obligation, to indemnify, defend and hold Lessor harmless from all costs, damages and fees it may incur by reason of the failure to do so and to reimburse Lessor for all outlay, cost, expenses and fees which Lessor may incur in making good any default.

**Suggested Modifications to Article 17, Section 1, Paragraph 1
"Liability Insurance"**

After Sentence 4 which concludes "...for environmental pollution liability." add the following:

If the Phase I Environmental Report results in adverse environmental consequences, either party may terminate this lease.

EXHIBIT A

LEGAL DESCRIPTION

A parcel of land lying within the southwest Quarter (SW 1/4) of Section 35, Township 40 South, Range 13 West, Willamette Meridian, Section 2 and the Northeast Quarter (NE 1/4 of Section 11, Township 41 South, Range 13 West Willamette Meridian, Curry County, Oregon, being more particularly described as follows: Beginning at a point described as being South 69.06 feet and East 446.92 feet from the northwest corner of said Section 2;

thence South 81°23'40" East 532.76 feet;
thence North 43°01'27" East 159.17 feet;
thence North 49°57'28" East 292.07 feet;
thence North 77°19'41" East 373.18 feet;
thence South 88°42'58" East 131.41 feet;
thence South 36°11'57" East 98.18 feet;
thence South 05°04'26" East 149.57 feet;
thence South 13°47'19" East 190.63 feet;
thence South 25°43'47" West 454.58 feet;
thence South 14°31'34" East 93.71 feet;
thence South 58°15'59" East 263.48 feet;
thence South 88°12'41" East 304.99 feet;
thence South 71°51'10" East 344.73 feet;
thence South 23°58'03" East 482.40 feet;
thence South 35°21'37" East 126.51 feet;
thence North 65°29'12" East 90.15 feet;
thence South 06°41'08" East 473.33 feet;
thence South 40°38'16" East 208.48 feet;
thence South 29°50'48" East 114.34 feet;
thence South 01°54'27" East 183.18 feet;
thence South 52°33'47" East 106.16 feet;
thence South 65°59'56" East 106.36 feet;
thence South 36°16'54" East 90.63 feet;
thence South 88°47'57" East 109.96 feet;
thence South 85°52'57" East 110.09 feet;
thence North 71°47'24" East 399.03 feet;
thence South 23°48'24" East 242.67 feet;
thence South 85°30'22" West 249.02 feet;
thence South 65°46'10" West 143.47 feet;
thence North 80°36'30" West 90.98 feet;
thence South 05°19'33" West 288.10 feet;
thence South 03°37'17" West 981.41 feet;
thence South 38°36'29" East 393.55 feet;
thence South 29°57'47" East 292.91 feet;
thence South 33°34'12" East 249.01 feet;
thence South 48°32'52" East 461.52 feet;
thence South 24°35'08" East 138.52 feet;
thence South 30°53'25" East 388.72 feet;

thence South 34°32'00" East 181.81 feet;
thence South 02°04'40" East 234.26 feet;
thence South 17°25'16" East 241.17 feet;
thence South 00°09'59" West 82.94 feet;
thence South 30°47'32" West 196.47 feet;
thence South 77°36'23" West 72.03 feet;
thence North 66°51'26" West 206.57 feet;
thence North 82°30'08" West 239.76 feet;
thence North 29°00'56" West 125.11 feet;
thence North 12°23'39" West 237.97 feet;
thence North 28°46'53" West 407.03 feet;
thence North 50°32'55" West 245.18 feet;
thence North 30°54'34" West 783.81 feet;
thence North 26°48'11" West 211.27 feet;
thence North 65°08'02" West 397.18 feet;
thence North 85°44'07" West 245.88 feet;
thence North 07°33'46" East 202.18 feet;
thence North 23°02'55" East 501.32 feet;
thence North 01°01'40" East 273.70 feet;
thence North 05°13'49" West 185.89 feet;
thence North 06°12'57" West 393.39 feet;
thence North 16°50'33" West 692.41 feet;
thence North 28°11'14" West 398.94 feet;
thence North 24°59'15" West 411.45 feet;
thence North 71°39'36" West 434.91 feet;
thence North 63°55'36" West 572.67 feet;
thence North 05°50'56" East 447.16 feet;
thence North 02°29'51" East 175.06 feet;
thence North 52°18'40" West 85.50 feet;
thence North 72°58'12" West 61.44 feet;
thence South 59°14'38" West 100.67 feet;
thence South 77°18'49" West 117.98 feet;
thence North 83°02'14" West 406.98 feet;
thence North 37°14'23" West 300.00 feet;
thence North 30°41'39" West 133.25 feet to the Point of Beginning.
Containing 117.16 acres.

RESERVING THEREFROM a 15.00 foot wide utility easement lying Southerly and Westerly, parallel with, and adjacent to the following described line:

Beginning at the point of beginning of the above described parcel;
thence South 81°23'40" East 532.76 feet;
thence North 43°01'27" East 159.17 feet;
thence North 49°57'28" East 292.07 feet;
thence North 77°19'41" East 373.18 feet;
thence South 88°42'58" East 131.41 feet;
thence South 36°11'57" East 98.18 feet;
thence South 05°04'26" East 149.57 feet;
thence South 13°47'19" East 190.63 feet;
thence South 25°43'47" West 454.58 feet;

thence South 14°31'34" East 93.71 feet;
thence South 58°15'59" East 263.48 feet;
thence South 88°12'41" East 304.99 feet;
thence South 71°51'10" East 344.73 feet;
thence South 23°58'03" East 482.40 feet;
thence South 35°21'37" East 126.51 feet;
thence North 65°29'12" East 90.15 feet;
thence South 06°41'08" East 473.33 feet;
thence South 40°38'16" East 208.48 feet;
thence South 29°50'48" East 114.34 feet;
thence South 01°54'27" East 183.18 feet;
thence South 52°33'47" East 106.16 feet;
thence South 65°59'56" East 106.36 feet;
thence South 36°16'54" East 90.63 feet.

RESERVING THEREFROM a 50 foot wide roadway and utility easement, being 25.00 feet each side of the following described centerline: Beginning at a point described as being South 2533.14 feet and East 3465.82 feet from the northwest corner of said Section 2;
thence South 20°45'07" East 129.01 feet to Point "A";
thence South 31°35'59" East 23.54 feet;
thence South 55°47'54" East 28.34 feet;
thence South 74°31'55" East 24.72 feet;
thence South 71°18'26" East 100.58 feet to a point lying on the easterly boundary of the above described parcel.

Also, RESERVING THEREFROM a 50 foot wide roadway and utility easement being 25 feet each side of the following described centerline:
Beginning at Point "A" described above;
thence South 05°07'02" West 27.44 feet;
thence South 33°02'41" West 35.94 feet;
thence South 42°29'01" West 46.66 feet;
thence South 29°58'08" West 18.73 feet;
thence South 13°10'08" West 30.52 feet;
thence South 05°52'32" East 28.70 feet;
thence South 17°20'21" East 197.34 feet;
thence South 15°50'15" East 137.13 feet;
thence South 24°01'33" East 64.33 feet;
thence South 16°36'11" East 178.27 feet to a point lying on the easterly boundary of the above described parcel.

THESE VARIOUS EASEMENTS DESCRIBED ABOVE RESERVED BY SOUTH COAST LUMBER COMPANY ARE FOR THE BENEFIT OF ADJACENT LANDS OWNED BY SOUTH COAST LUMBER COMPANY AND FOR ANY FUTURE LANDS ACQUIRED BY SOUTH COAST LUMBER COMPANY THAT CAN UTILIZE THESE EASEMENTS. AND FOR ANY PARTITION OR DIVISION OF ADJACENT LANDS AND FOR THE BENEFIT OF SOUTH COAST LUMBER COMPANY'S SUCCESSORS AND ASSIGNS.

AND IN ADDITION THE FOLLOWING PARCELS:

Parcel I:

A parcel of land lying within Section 2, Township 41 South, Range 13 West, Willamette Meridian, Curry County, Oregon, being more particularly described as follows:

Beginning at a point South 422.48 feet and East 696.49 feet from the northwest corner of said Section 2;

thence along the westerly boundary of that property described in Book of Records 139, page 1025, Official Records of Curry County, the following courses: South 83°02'14" East 406.98 feet; North 77°18'49" East 117.98 feet; North 59°14'38" East 100.67 feet; South 72°58'12" East 61.44 feet; South 52°18'40" East 85.50 feet; South 02°29'51" West 175.06 feet; South 05°50'56" West 447.18 feet; South 60°41'03" East 189.87 feet; South 65°31'57" East 383.26 feet; South 71°39'36" East 434.91 feet; South 24°59'15" East 411.45 feet; South 28°11'14" East 398.94 feet; South 16°50'33" East 692.41 feet; South 06°12'57" East 393.39 feet; South 05°13'49" East 185.89 feet; South 01°01'40" West 273.70 feet; South 23°02'55" West 501.32 feet; South 07°33'46" West 202.18 feet; South 85°44'07" East 245.88 feet; South 65°08'02" East 397.18 feet; South 26°48'11" East 211.27 feet;

Thence North 64°06'41" West, leaving said westerly boundary, 856.27 feet to a point lying on the north-south centerline of said Section 2; thence North 00°37'03" East, along said centerline, 1724.91 feet to the center one-quarter corner of said Section 2;

thence North 00°23'15" East, along said centerline, 374.32 feet;

thence North 42°40'54" West 1249.82 feet;

thence North 63°58'37" West 557.46 feet;

thence North 05°47'35" West 369.21 feet;

thence North 45°11'05" West 265.32 feet;

thence North 83°05'02" West 308.24 feet;

thence North 37°14'23" West 119.84 feet to the Point of Beginning.

Containing 20.88 acres.

PARCEL II:

A parcel of land lying within Section 2, Township 41 South, Range 13 West Willamette Meridian, Curry County, Oregon, being more particularly described as follows:

Beginning at a point South 83.25 feet and East 540.67 feet from the northwest corner of said Section 2;

thence South 82°33'30" East, along the southerly right of way

line of the South Bank Chetco River County Road, 229.33 feet to the beginning of a 300.00 foot radius curve to the left, having a central angle of 71°00'00";
thence along said curve the arc length of 371.76 feet, the long chord of which bears North 61°56'30" East 348.42 feet, to the beginning of a 425.00 foot radius reverse curve to the right, having a central angle of 52°20'00";
thence along said curve the arc length of 388.19 feet, the long chord of which bears North 52°36'30" East 374.84 feet, to the beginning of a 725.00 foot radius reverse curve to the left having a central angle of 49°00'00";
thence along said curve the arc length of 620.03 feet, the long chord of which bears North 54°16'30" East 601.31 feet, to the beginning of a 250.00 foot radius reverse curve to the right, having a central angle of 12°56'19";
thence along said curve the arc length of 56.46 feet, the long chord of which bears North 36°14'40" East 56.34 feet;
thence South 08°50'34" East, leaving said right of way, 1362.38 feet;
thence North 81°09'26" East 788.13 feet;
thence South 18°35'37" East 2094.30 feet to a point lying on the easterly boundary of that property described in Book of Records 139, page 1025, Official Records of Curry County;
thence along said boundary the following courses: North 88°47'57" West 109.96 feet; North 36°16'54" West 90.63 feet; North 65°59'56" West 106.36 feet; North 52°33'47" West 106.16 feet; North 01°54'27" West 183.18 feet; North 29°50'48" West 114.34 feet; North 40°38'16" West 208.48 feet; North 06°41'08" West 473.33 feet; South 65°29'12" West 90.15 feet; North 35°21'37" West 126.51 feet; North 23°58'03" West 482.40 feet; North 71°51'10" West 244.73 feet; North 88°12'41" West 304.99 feet; North 58°15'59" West 263.48 feet; North 14°31'34" West 93.71 feet; North 25°43'47" East 454.58 feet; North 13°47'19" West 190.63 feet; North 05°04'26" West 149.57 feet; North 36°11'57" West 98.18 feet; North 88°42'58" West 131.41 feet; South 77°19'41" West 373.18 feet; South 49°57'28" West 292.07 feet; South 43°01'27" West 159.17 feet; and North 81°23'40" West 437.95 feet to the Point of Beginning.

Containing 25.40 feet.

PARCEL III:

A parcel of land lying within Section 2, Township 41 South, Range 13 West, Willamette Meridian, Curry County, Oregon, being more particularly described as follows:
Beginning at a point South 2703.69 feet and East 3668.73 feet from the northwest corner of said Section 2;
thence South 11°59'58" East 1473.07 feet;
thence South 46°46'09" East 584.95 feet;

thence South 41°54'12" East 644.12 feet;
thence South 16°07'53" East 536.74 feet;
thence South 09°18'13" West 348.44 feet;
thence South 06°45'57" West 235.37 feet to a 5/8" iron rod
capped PLS 1868 lying on the easterly boundary of that
property described in Book of Records 139, page 1025,
Official Records of Curry County;
thence along said boundary the following courses: North
17°25'16" West 241.17 feet; North 02°04'40" West 234.26 feet;
North 34°32'01" West 181.82 feet; North 30°53'25" West 388.72
feet; North 24°35'08" West 138.52 feet; North 48°32'52" West
461.52 feet; North 33°34'12" West 249.01 feet; North
29°57'47" West 292.91 feet; North 41°39'48 West 323.52 feet;
North 01°43'29" East 1045.77 feet; and North 05°19'33" East
288.10 feet to the Point of Beginning.

Containing 19.29 acres.

APPENDIX C

EXISTING GOVERNMENTAL PERMITS

(February 10, 1998)

<u>DESCRIPTION OF PERMIT</u>	<u>EXPIRATION DATE</u>
Curry County Conditional Use Permit	July 8, 1998
Oregon Water Resources Department Permit #51383	October 1, 1998
Oregon Water Resources Department Permit #51595	October 1, 1998
Oregon Water Resources Department Permit #R-11535	October 1, 1998