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AGREEMENT BETWEEN THE CITY
OF PATEROS AND PUBLIC UTILITY DISTRICT NO. 1
OF DOUGLAS COUNTY, WASHINGTON

This Agreement is made and entered into this 16th day of March, 2010, by and between the City of Pateros, Washington, a Municipal corporation ("City"), and Public Utility District No. 1 of Douglas County, Washington, a Municipal corporation ("District").

RECITALS

1. The District operates the Wells Hydroelectric Project ("Wells Project") on the Columbia River under License No. 2149 ("Original License"), from the Federal Energy Regulatory Commission, ("FERC"). The District is pursuing a new license ("Second License") for the Wells Project using the FERC Integrated Licensing Process.

2. In compliance with the Original License, the City and the District entered into an Agreement dated June 15, 1987, regarding the construction, ownership and operation of recreational facilities located on adjoining City and District property ("Prior Agreement"). Recreational facilities known as Pateros Memorial Park, Pateros Peninsula Park, Winter Boat Launch, Methow Boat Launch, and Riverside Drive Recreation Access were constructed pursuant to the Prior Agreement. This Agreement shall replace and supersede that Prior Agreement.

3. The District has the responsibility of ensuring that the Wells Project's recreation facilities are operated and maintained in a manner that is consistent

with the FERC license and consistent with the operation and maintenance standards in Exhibit A.

4. The District has expressed interest in compensating the City for providing administration, operation, and maintenance services for the Pateros Memorial Park, Pateros Peninsula Park, Winter Boat Launch, Methow Boat Launch, and Riverside Drive Recreation Access.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein provided, the parties agree as follows:

AGREEMENT

1. Property. The City represents that it owns or has the right to use the real property described in Exhibits B and C, attached hereto, upon which exist certain recreational facilities. The District owns certain property abutting the Columbia River and contiguous with the City's real property that contains additional recreational facilities. The District's property is described in Exhibits D, E and F attached hereto. The facilities located on the property constitute the Memorial Park, Peninsula Park, Winter Boat Launch, Methow Boat Launch and Riverside Drive Recreation Access. The City agrees to grant an easement in the form attached as Exhibit G to the District to use the parks as Wells Project recreation sites.

2. Permits. If the District constructs additional recreational facilities for the property described above then the District shall be solely responsible for obtaining all necessary permits and easements from the appropriate governmental agencies for the construction of such recreational facilities. The District shall further act as the lead agency insofar as environmental laws and regulations are concerned.

3. FERC Compliance. This entire Agreement is effective immediately but District funding and/or implementation of measures herein shall be contingent upon FERC approval and the issuance of a Second License to the District for the operation of the Wells Hydroelectric Project. The City shall support the District's application for a new 50-year license, refrain from seeking additional measures associated with the relicensing of the Wells Project, and ensure that all documents filed with FERC or any other agency or forum are consistent with this Agreement. Nothing in this agreement shall prohibit the City from advocating for new or additional measures during the term of the Second License. This Agreement shall be effective throughout the term of a Second License and the City shall not remove any of the park facilities or shut down the parks during that period. In the event the FERC does not approve or issue such a license, this entire Agreement shall be null and void and the District shall be excused from performance hereunder.

4. Operation, Maintenance and Administration. The District shall compensate the City for all reasonable administration, operation, and maintenance to the recreational facilities within the property described in Exhibits B, C, D, E and F, including, but not limited to, parking, lawns, restrooms, lights, water, power, sewer/septic, playground equipment, shelters and playfields for the term of the District's Second License.

The District shall be responsible for major maintenance items through the Recreation Management Plan update process. The Plan will be updated every six years based on documented changes in visitor use and needs (including facility upgrades) and/or new regulations relevant to recreation at the Wells Project. The District shall also

be responsible for any unanticipated major maintenance in excess of \$10,000 and for capital improvements related to those same facilities. This cap shall be adjusted according to the following schedule and will not be deducted from the annual O&M compensation described in Section 7:

<u>Year</u>	<u>Capital Improvement Cap</u>	<u>Year</u>	<u>Capital Improvement Cap</u>
2012	\$10,000	2042	\$19,000
2022	\$13,000	2052	\$22,000
2032	\$16,000		

The District shall be responsible for all maintenance, repair and improvements of the Wells Hydroelectric Project assets such as docks, piers, boat launch ramps, riprap and bank protection. The City agrees that it will administer, operate and maintain all the recreational facilities described above to the standards contained in Exhibit A, and in a manner that is consistent with the Second License. The District shall inspect these recreation facilities quarterly to ensure that maintenance standards are being met.

5. Performance. In the event the District determines that the City is not performing to the aforementioned standards, the District shall have the option to demand that the City cure any alleged deficiencies in performance. To invoke this option, the District shall provide the City a written demand detailing the alleged performance deficiencies. The City shall have thirty (30) days from receipt to cure any deficiencies. Should the District be dissatisfied with any attempted cure, it shall have the right to terminate this Agreement and arrange an alternative means to administer, operate and maintain the recreational facilities described above. The District shall provide the City a 90-day notice prior to termination of this Agreement. In this event, the parties acknowledge that the easement attached as Exhibit G shall remain in effect to allow the

District and/or its assigns the ability to administer, operate and maintain the recreational facilities as a Wells Project recreation site of the District.

6. Administration. The City shall, without expense to the District, retain sole responsibility for administration of recreation facilities located on City property including, but not limited to, hours of operation, scheduling of reservations and special events, and rules and regulations. Administration of the recreation facilities shall be consistent with the City's municipal code and with the maintenance standards defined in Exhibit A.

7. Compensation.

7.1 The City will provide the District with a proposed annual budget, not exceeding \$60,000 (2010 dollars), and will provide a scope of work of how the proposed budget addresses the standards contained in Exhibit A by March 1st of each year. The City and the District shall meet annually to discuss the proposed budget and scope of work. The budget cap shall be adjusted for inflation on the 1st day of January of each year based upon the Consumer Price Index for all Urban Consumers, U.S. City Averages, All Items, Not Seasonally Adjusted. The price index is published by the U.S. Department of Labor, Bureau of Labor Statistics. If said index is discontinued or becomes unavailable, a comparable index, mutually agreed upon by both Parties, will be substituted.

7.2 At its option, the District shall either make a single, annual lump-sum payment equal to the mutually agreed upon budget less any carryover from the previous year or monthly payments to the City equal to one-twelfth of the same amount.

7.3 The City shall maintain a clear and accurate record of actual expenses related to operation and maintenance of facilities managed under this Agreement. A report of monthly and year to date expenses shall be provided to the District on a quarterly basis.

7.4 Any excess of payments made by the District above the actual expenses of maintaining the facilities managed under this Agreement shall be carryover and shall be applied against the following year budget as described in 7.2.

7.5 Upon request the City shall provide any documentation in support of reported actual expenses related to operation of the facilities managed under this Agreement.

7.6 Upon mutual written consent of both parties, funds in excess to the needs of the actual O&M activities in the parks may be accrued and used toward the purchase of specific and agreed upon capital assets required for the maintenance of the recreation facilities, including but not limited to, landscaping equipment, mowers, irrigation upgrades, etc. Capital assets purchased under this provision of the Agreement shall be returned to the District upon termination of this Agreement or when each asset has reached the end of its useful life.

8. Legal Responsibility. Any additional recreational facilities constructed by the District pursuant to this Agreement shall be the property of and under the exclusive ownership of the entity that owns the underlying real property as denoted in Exhibits B through F. The City shall continue to bear the sole risk of loss of or damage to any additional facilities which are located on the property described in Exhibits B and C. The District shall have no responsibility or legal liability whatsoever arising out of the City's

administration, operation or maintenance of any recreational facilities on the property described in Exhibits B through F.

9. Liability Insurance. The City shall at the City's expense maintain commercial general liability insurance on the parks in an amount not less than Three Million Dollars (\$3,000,000.00). This level of liability insurance shall be adjusted over time according to the following schedule:

<u>Year</u>	<u>Liability Coverage</u>	<u>Year</u>	<u>Liability Coverage</u>
2022	\$4 million	2042	\$6 million
2032	\$5 million	2052	\$7 million

The District shall be an additional insured on such policy. The City shall deliver a copy of any such insurance certificate to the District annually or upon renewal. The District's requirements for insurance limits do not establish a dollar limit on the liability of the City if it is the financially responsible party for an incident, accident or injury.

10. Indemnity. The City hereby releases and agrees to hold harmless, indemnify and defend the District and its officers, agents, employees and contractors from, against and for any and all liabilities, obligations, suits, claims, demands, actions, costs and expenses of any kind which may be imposed upon or asserted against the District by reason of any accident, injury or damage to any person and/or property arising from the administration, operation, maintenance or use of the recreational facilities, except to the extent such accident, injury or damage arises from the negligence of the District or its officers, agents, employees or contractors. The City shall name the District as an additional insured on any commercial general liability policy covering the administration, operation, maintenance or use of the recreational facilities, provided that naming the District as an additional insured does not significantly increase the cost of that

insurance. In the event that it does significantly increase the cost of that insurance the City agrees (1) to provide the District at least thirty (30) days notice before the District is no longer an additional insured under that policy and (2) allow the District to bear the cost of it being an additional insured. This indemnity agreement was mutually negotiated by the parties to this Agreement.

11. Future Development. Any future additional development and landscaping performed by the City on the property described in Exhibits B through F shall be in accordance with first-class construction and landscaping practices and shall be compatible with all existing facilities and landscaping. New facilities shall be permitted on City-owned properties described in Exhibits B and C, provided the facilities meet the above construction standards, are for the purpose of enhancing public recreation, and have been approved by the City.

12. Water Rights. The District shall pursue the acquisition of adequate water rights, and explore the potential for using recycled City water, to provide irrigation for recreation facility properties described herein. If water rights for the recreation facilities cannot be acquired by May 31, 2017, then the parties shall meet to determine the final solution to the existing use of the city's water to irrigate the District's recreation facilities.

13. No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the parties or to impose any partnership obligations or liability upon any party. Further, no party shall have any right, power or authority to enter into any contract or commitment for or on behalf of, to act as or be an agent or representative of, or otherwise to bind any other party.

14. Notices. All notices to be given pursuant to this Agreement shall be addressed to the Mayor of the City of Pateros, Washington, City Hall, 113 Lakeshore Drive, P.O. Box 8, Pateros, Washington 98846; and to the General Manager, Public Utility District No. 1 of Douglas County, Washington, 1151 Valley Mall Parkway, East Wenatchee, Washington, 98802, or as may from time to time be directed by written notice from the other party. Notice shall be in writing and deemed to have been given when enclosed in a properly sealed envelope or wrapper, addressed as aforesaid and deposited, postage prepaid, in a post office or branch post office of the United States Government or served in person.

15. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Neither the City's rights nor duties under the terms of this Agreement shall be delegable or assignable without prior written approval of the District. No delegation of the City's rights shall relieve the City of its obligations under this Agreement.

16. Law-Venue. The parties hereto agree that this Agreement shall be governed by the laws of the State of Washington, and that in the event legal action becomes necessary to enforce any provisions hereof, venue shall be in Chelan County, Washington. The parties consider Chelan County to be a neutral venue.

17. Attorney Fees and Costs. In the event any party employs legal counsel to enforce any covenant of this Agreement, or to pursue any other remedy on default as provided herein, or by law, the substantially prevailing party shall be entitled to recover all reasonable attorneys' fees and all other costs and expenses not limited to court action. Such sum shall be included in any judgment or decree entered.

18. Compliance. The parties, in fulfilling their obligations hereunder, shall conform to and comply with all laws, rules, regulations, conditions or restrictions promulgated by the FERC or any other governmental agency or other governmental entity having jurisdiction over the Wells Project.

19. Non-Waiver. The failure of any party to insist upon or enforce strict performance by the other party of any of the provisions of this Agreement or to exercise any rights under this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such provisions or rights in any other instance.

20. Implementation. Each party shall, upon written request of the other party, take such action (including, but not limited to, the execution, acknowledgment and delivery of documents) as may be reasonably required for the implementation or continuing performance of this Agreement.

21. Invalid Provision. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions of this Agreement, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

22. Survival. The obligations of the City which may reasonably be interpreted or construed as surviving the completion, termination or cancellation of this Agreement shall survive the completion, termination or cancellation of this Agreement so long as the District is the licensee of the Wells Project.

IN WITNESS WHEREOF, the said parties have hereunto set their hands on this __

15 day of March, 2010.

CITY OF PATEROS, WASHINGTON
A Municipal Corporation

By Gail A. Howe
Gail A. Howe, Mayor

PUBLIC UTILITY DISTRICT NO. 1 OF
DOUGLAS COUNTY, WASHINGTON
A Municipal Corporation

By _____
T. James Davis

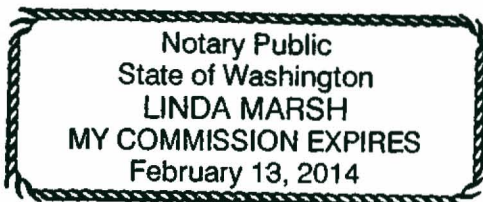
By Lynn M. Heminger
Lynn M. Heminger

By Ronald E. Skagen
Ronald E. Skagen

STATE OF WASHINGTON)
) ss.
COUNTY OF Okanogan)

I certify that I know or have satisfactory evidence that Gail A. Howe, is the person who appeared before me and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Mayor of City of Pateros to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 16 day of March, 2010.



Linda Marsh
Typed/Printed Name Linda Marsh
NOTARY PUBLIC
In and for the State of Washington
My appointment expires 2-13-2014

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that T. James Davis, is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Commissioner of Public Utility District No. 1 of Douglas County, Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2010.

Typed/Printed Name _____
NOTARY PUBLIC
In and for the State of Washington
My appointment expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF Douglas)

I certify that I know or have satisfactory evidence that Lynn M. Heminger, is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Commissioner of Public Utility District No. 1 of Douglas County, Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 15 day of March, 2010.



Gary R. Ivory
Typed/Printed Name Gary R. Ivory
NOTARY PUBLIC
In and for the State of Washington
My appointment expires 11-19-13

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that Ronald E. Skagen, is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Commissioner of Public Utility District No. 1 of Douglas County, Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2010.

Typed/Printed Name _____
NOTARY PUBLIC
In and for the State of Washington
My appointment expires _____

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Exhibit A

Exhibit A

Operation and Maintenance Standards

Maintenance Activity	Frequency
Buildings/restrooms/shelters: Structures will be sanitary and maintained in good repair. If a structure is deemed in need of repair, it will be closed until repairs are completed.	<p>During the high-use season (April – October), all facilities will be inspected at regular intervals (several times per week, as necessary). During the low-use season, facilities such as those located in the cities will be inspected less frequently but at regular intervals, and dispersed facilities will be inspected periodically.</p> <p>The interior and exterior of all structures will be painted as needed; this is expected to be about every three years.</p> <p>Buildings will receive structural inspection at least once in 10 years, unless a safety issue is reported and confirmed sooner.</p>
Boat Ramps: Surfaces are to be kept in good and serviceable condition, and free of debris.	Boat ramps will be inspected at regular intervals during the high-use season of April through November.
Boat Docks and swimming platforms: Dock and platform surfaces, hardware, bumper strips, and other components will be maintained to provide safe and effective use.	Docks will be inspected for wear, obstacles, and damage/vandalism at regular intervals. Maintenance and repairs will be performed on an as-needed basis.
Picnic sites/camp sites: Inspect for cleanliness, damage, and vandalism. Tables will be sturdy and ready for use. Grills and fire pits will be in good working condition.	Picnic sites/camp sites will be inspected frequently (daily or weekly) during April through September, weekly or as needed in October and November and intermittently during the remainder of the year.
Trash/litter collection: The park areas will be kept clean. Trash containers will be emptied regularly.	Trash containers will be emptied at least once per week at city facilities and at least once every two weeks at dispersed facilities. Trash containers will also be emptied following holiday weekends during April through November.
Trails: Trail surfaces will be maintained in good condition and barriers will be removed to allow use of the trail. Trees and shrubs along the trails will be trimmed or removed seasonally and weeds will be controlled as needed.	Trails will be inspected weekly during the April through November season and intermittently the remainder of the year.
Park grounds/turf: Grass areas and gardens will be kept up through use of irrigation, fertilization, weed removal, and pesticide application where necessary. Grass will be mowed based on need. Signs will be installed during and after application of pesticides. Trees will be trimmed as needed.	Grass in parks will be mowed regularly. Roadsides and other natural areas at park facilities will be mowed as needed.
Snow removal: Snow will be removed from roads, parking areas, and the boat launch.	Snow will be removed within one day or as soon as feasible following a snow event.

Exhibit B



210 N Bridge Street
P.O. Box 739
Brewster, WA 98812

Phone: 509.689.2529
Fax: 509.689.2520

www.erlandsen.com

Pateros Memorial Park

City of Pateros Ownership

All distances and areas shown on the following described parcel of land are grid values per NAD 83/1991 adjustment, Washington State Coordinate System, North Zone. To obtain ground distances and areas multiply by a factor of 1.00009184.

Block 6 of Pateros Replat No. 3, as shown on a map recorded in Book 'G' of Plats, at Page 29 thereof, records of the Auditor of Okanogan County, Washington.

EXCEPT that portion of said Block 6 being more particularly described as follows:

BEGINNING at the most Easterly corner of said Block 6;

Thence South 39°25'29" West along the Southeasterly line of said Block 6, a distance of 45.15 feet;

Thence North 50°44'48" West, a distance of 89.82 feet to the Northwesterly line of said Block 6;

Thence North 39°24'22" East along the Northwesterly line of said Block 6, a distance of 45.39 feet to the most Northerly corner of said Block 6;

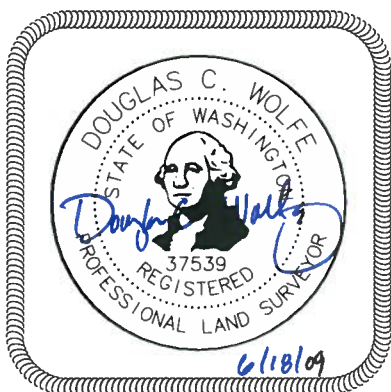
Thence South 50°35'38" East along the Northeasterly line of said Block 6, a distance of 89.84 feet to the most Easterly corner of said Block 6 and the POINT OF BEGINNING.



210 N Bridge Street
P.O. Box 739
Brewster, WA 98812

Phone: 509.689.2529
Fax: 509.689.2520

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Prepared by: DCW
Checked by: RCS
Date: 6/18/2009

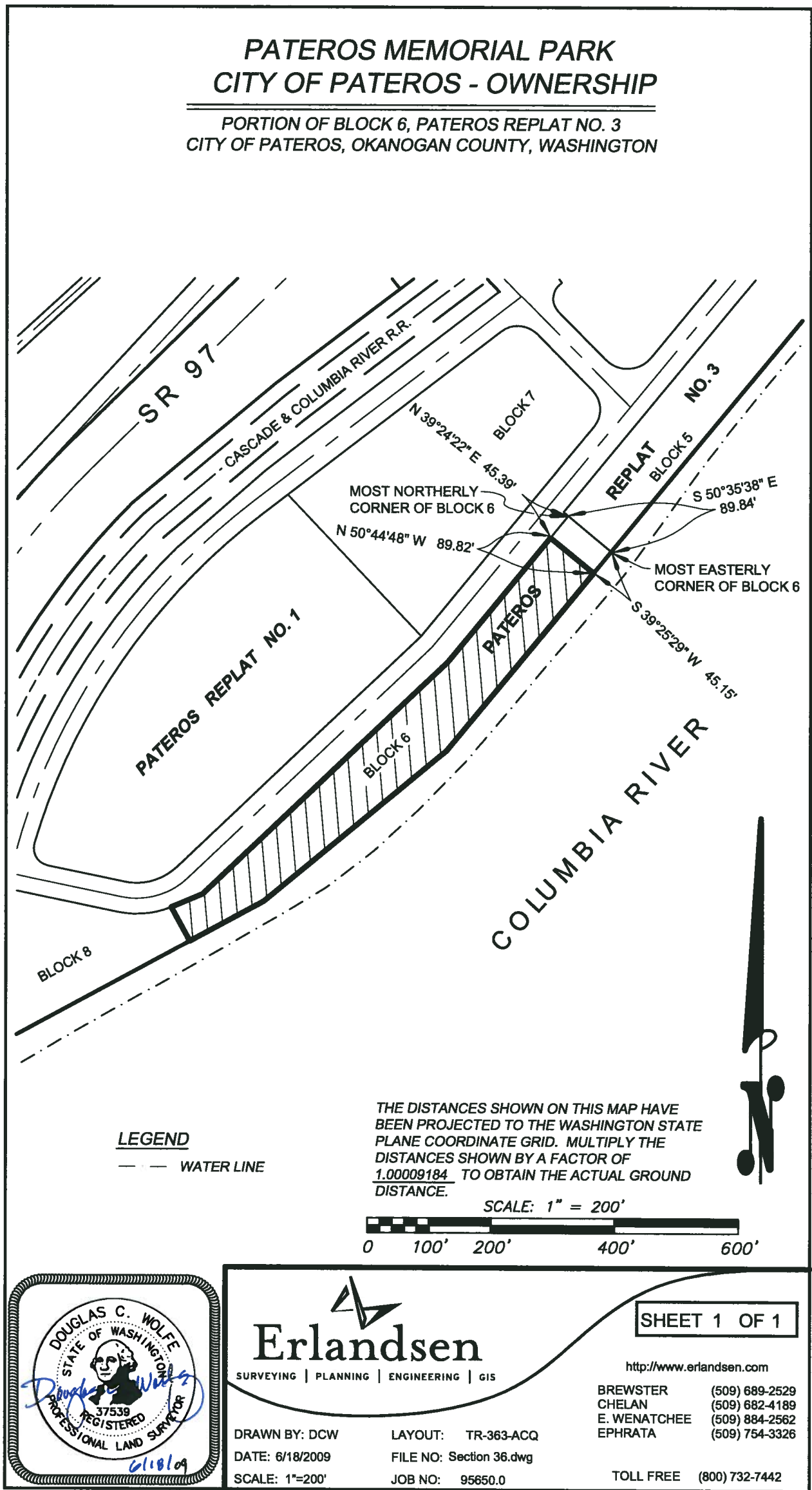


Exhibit C



210 N Bridge Street
P.O. Box 739
Brewster, WA 98812

Phone: 509.689.2529
Fax: 509.689.2520

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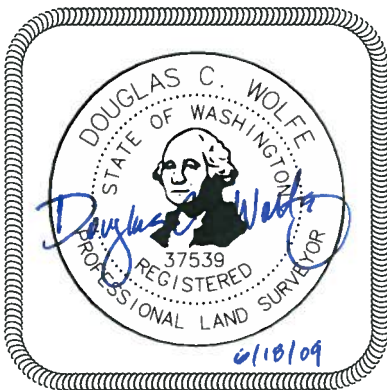
Pateros Peninsula Park

City of Pateros Ownership

Blocks 9, 11, and 16 of Pateros Replat No. 4 as shown on a map on file in Book 'G' of Plats, at Page 30 thereof, records of the Auditor of Okanogan County, Washington, TOGETHER WITH that portion of Riverside Drive as shown on said map of Pateros Replat No. 4, lying Northeasterly of the following described line:

BEGINNING at the most Southerly corner of said Block 11;

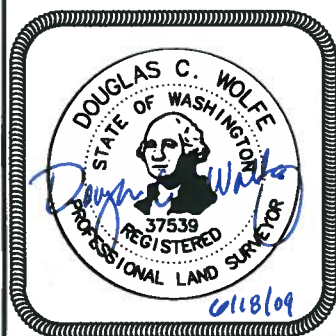
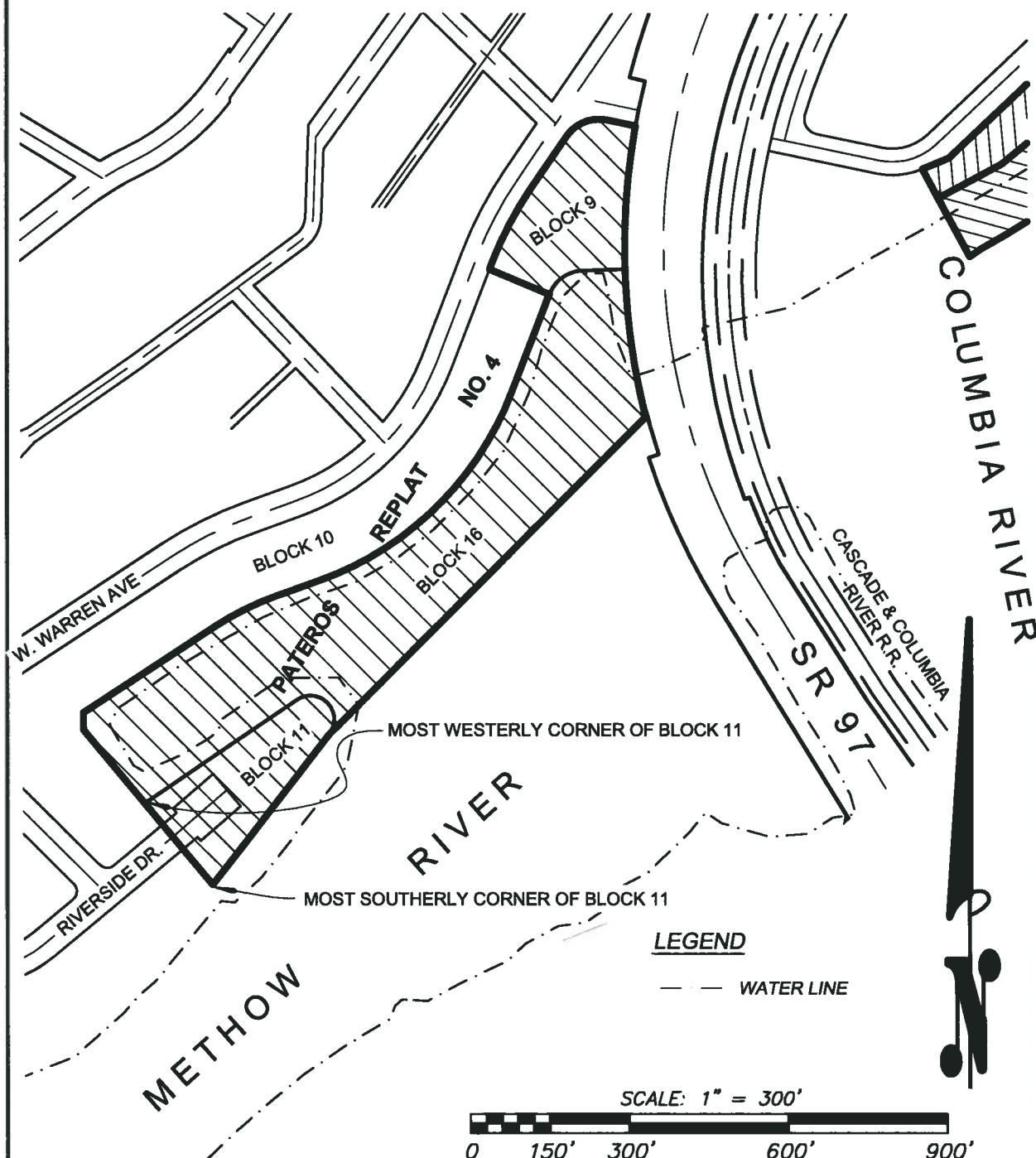
Thence Northwesterly to the most Westerly corner of said Block 11 and the TERMINUS of this line.



Prepared by: DCW
Checked by: RCS
Date: 6/18/2009

**PATEROS-PENINSULA PARK
CITY OF PATEROS OWNERSHIP**

PORTIONS OF PATEROS REPLAT NO. 4
CITY OF PATEROS, OKANOGAN COUNTY, WASHINGTON



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SHEET 1 OF 1

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BREWSTER (509) 689-2529
CHELAN (509) 682-4189
E. WENATCHEE (509) 884-2562
EPHRATA (509) 754-3326
OMAK (509) 422-1781

TOLL FREE (800) 732-7442

DRAWN BY: DCW

DATE: 6/18/2009

SCALE: 1"=300'

LAYOUT: TR-344-ACQ

FILE NO: Section 36.dwg

JOB NO: 95650.0

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Exhibit D



210 N Bridge Street
P.O. Box 739
Brewster, WA 98812

Phone: 509.689.2529
Fax: 509.689.2520

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Pateros Memorial Park

P.U.D. No. 1 of Douglas County Ownership

All distances and areas shown on the following described parcel of land are grid values per NAD 83/1991 adjustment, Washington State Coordinate System, North Zone. To obtain ground distances and areas multiply by a factor of 1.00009156.

That portion of Government Lot 5 of Section 36, Township 30 North, Range 23 East of the Willamette Meridian, being bound on the Southeasterly side by the line of ordinary high water as shown on Sheets 6 and 7 of 39, Wells Hydroelectric Project Revised Exhibit 'K' drawings dated April 1, 1981 on file with Public Utility District No. 1 of Douglas County, bounded on the Northwesterly side by the Southeasterly line of Blocks 6 and 8 of Pateros Replat No. 3, as shown on a map recorded in Book 'G' of Plats, at Page 29 thereof, records of the Auditor of Okanogan County, Washington, together with the proposed Wells Hydroelectric Boundary lying Westerly of said Block 8 as shown on a Record of Survey recorded September 11, 2009 in Book 'S' of Surveys, at pages 219 through 226 thereof, AFN 3148282, records of the Auditor of Okanogan County, Washington, bounded on the Southwesterly side by Westerly right-of-way line of S.R. 97 and bound on the Northeasterly side by the following described line:

COMMENCING at the most Easterly corner of said Block 6;

Thence South 39°25'29" West along said Southeasterly line of said Block 6, a distance of 45.15 feet to the POINT OF BEGINNING;

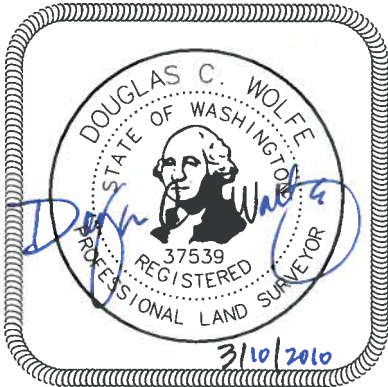
Thence South 50°44'48" East to the line of ordinary high water as shown on said Sheet 7 of 39, Wells Hydroelectric Project Revised Exhibit 'K' drawings dated April 1, 1981 and the TERMINUS of this line.



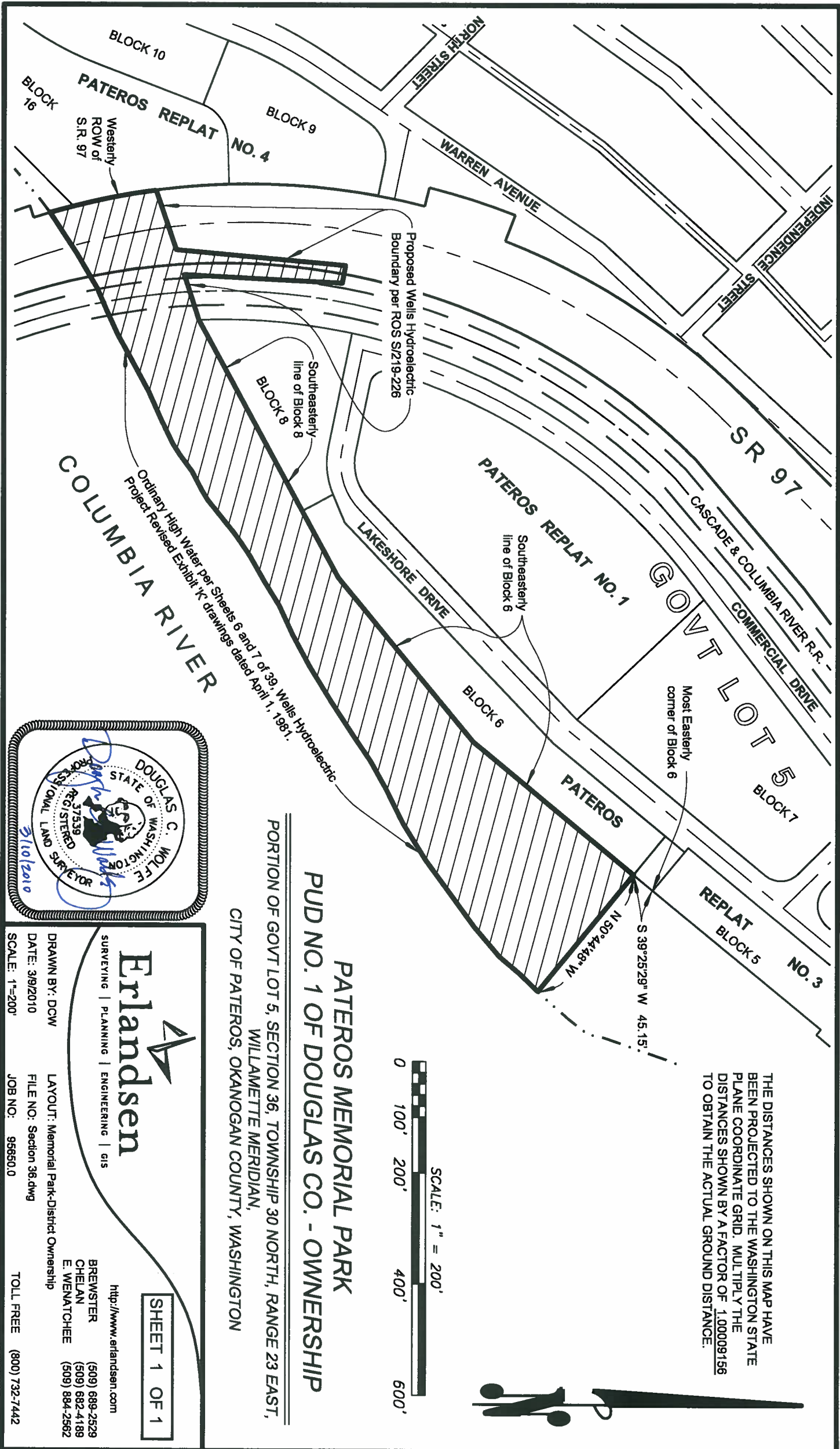
210 N Bridge Street
P.O. Box 739
Brewster, WA 98812

Phone: 509.689.2529
Fax: 509.689.2520

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Prepared by: DCW
Checked by: DKG
Date: 3/9/2010



Erlandsen

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SHEET 1 OF 1

DRAWN BY: DCW
DATE: 3/9/2010
SCALE: 1"=200'

LAYOUT: Memorial Park-District Ownership
FILE NO: Section 36.dwg
JOB NO: 95650.0

http://www.erlandsen.com
BREWSTER (509) 689-2529
CHELAN (509) 682-4189
E. WENATCHEE (509) 884-2562

TOLL FREE (800) 732-7442

Exhibit E



250 Simon Street SE
East Wenatchee, WA 98802

Phone: 509.884.2562
Fax: 509.884.2814

www.erlandsen.com

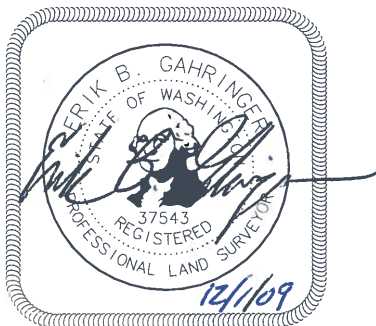
Riverside Drive Recreation Site Boundary Description (Pateros)

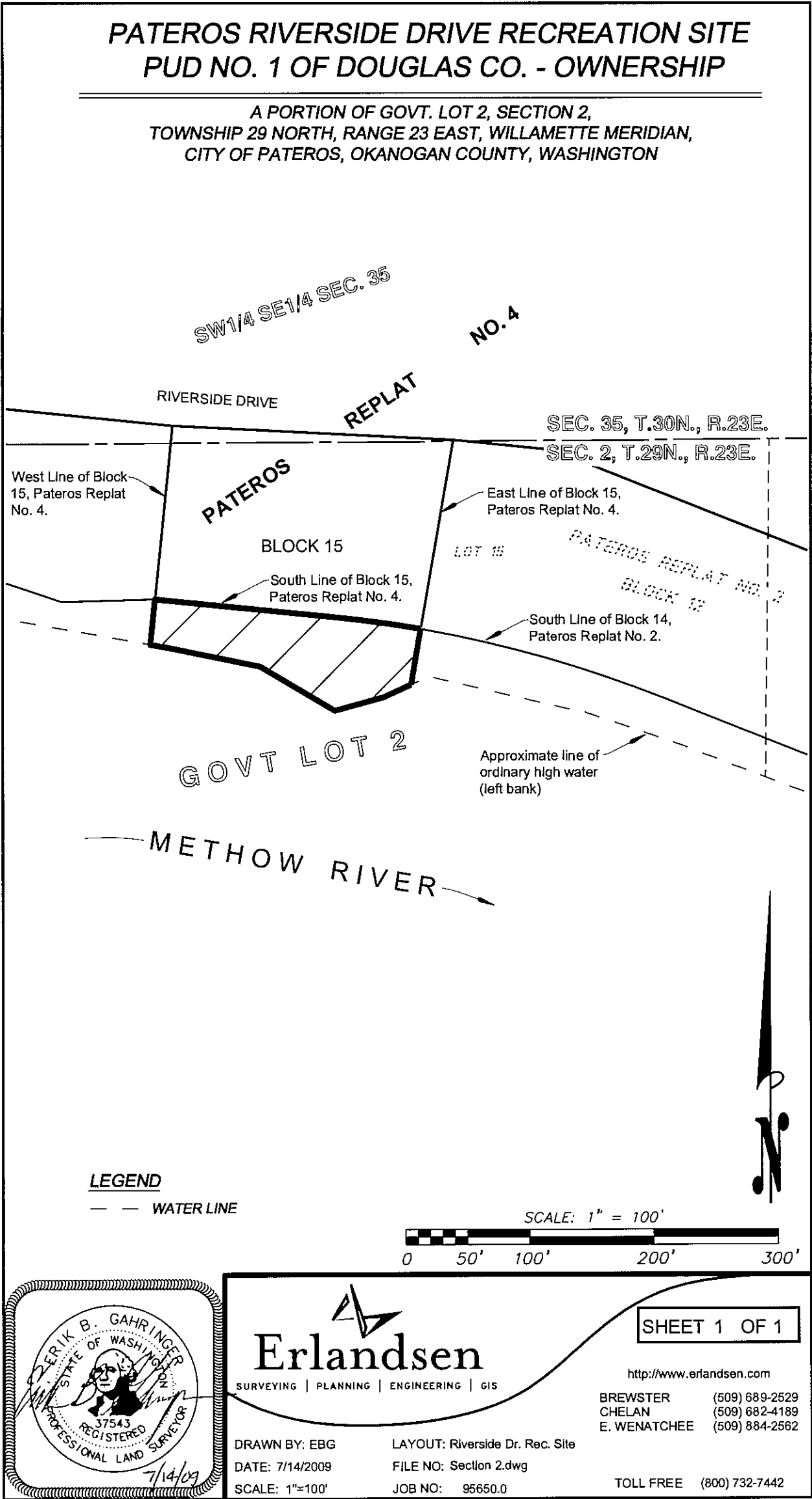
Public Utility District No. 1 of Douglas County Ownership

Note: The following description has been prepared for use in a Park Agreement between the City of Pateros and Public Utility District No.1 of Douglas County and should only be used for that purpose. This description is based on documentation acquired from Public Utility District No.1 of Douglas County without benefit of a Chain of Title and/or Title Report. Should this description be used for any other purpose, a Chain of Title and Title Report should be obtained to confirm ownership.

A parcel of land located within a portion of Government Lot 2, Section 2, Township 29 North, Range 23 East of the Willamette Meridian, City of Pateros, Okanogan County, Washington, said parcel being bound on the North side by the South line of Block 15, Pateros Replat No. 4, according to the plat thereof recorded in Volume 'G' of Plats, at page 30, records of said County; bound on the East side by the East line of said Block 15 extended southerly; bound on the West side by the West line of said Block 15 extended southerly; and bound on the South side by the line of ordinary high water on the left bank of the Methow River.

Prepared By: Erik B. Gahringer, PLS
Checked By: Danny K. Gildehaus, PLS
Date: December 1, 2009





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Exhibit F



250 Simon Street SE
East Wenatchee, WA 98802

Phone: 509.884.2562
Fax: 509.884.2814

www.erlandsen.com

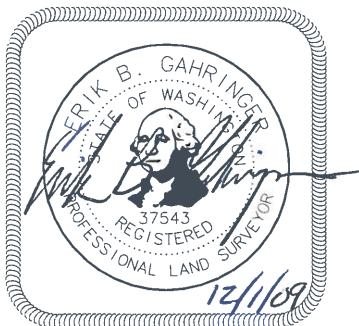
Winter Boat Launch Boundary Description (Pateros)

Public Utility District No. 1 of Douglas County Ownership

Note: The following description has been prepared for use in a Park Agreement between the City of Pateros and Public Utility District No.1 of Douglas County and should only be used for that purpose. This description is based on documentation acquired from Public Utility District No.1 of Douglas County without benefit of a Chain of Title and/or Title Report. Should this description be used for any other purpose, a Chain of Title and Title Report should be obtained to confirm ownership.

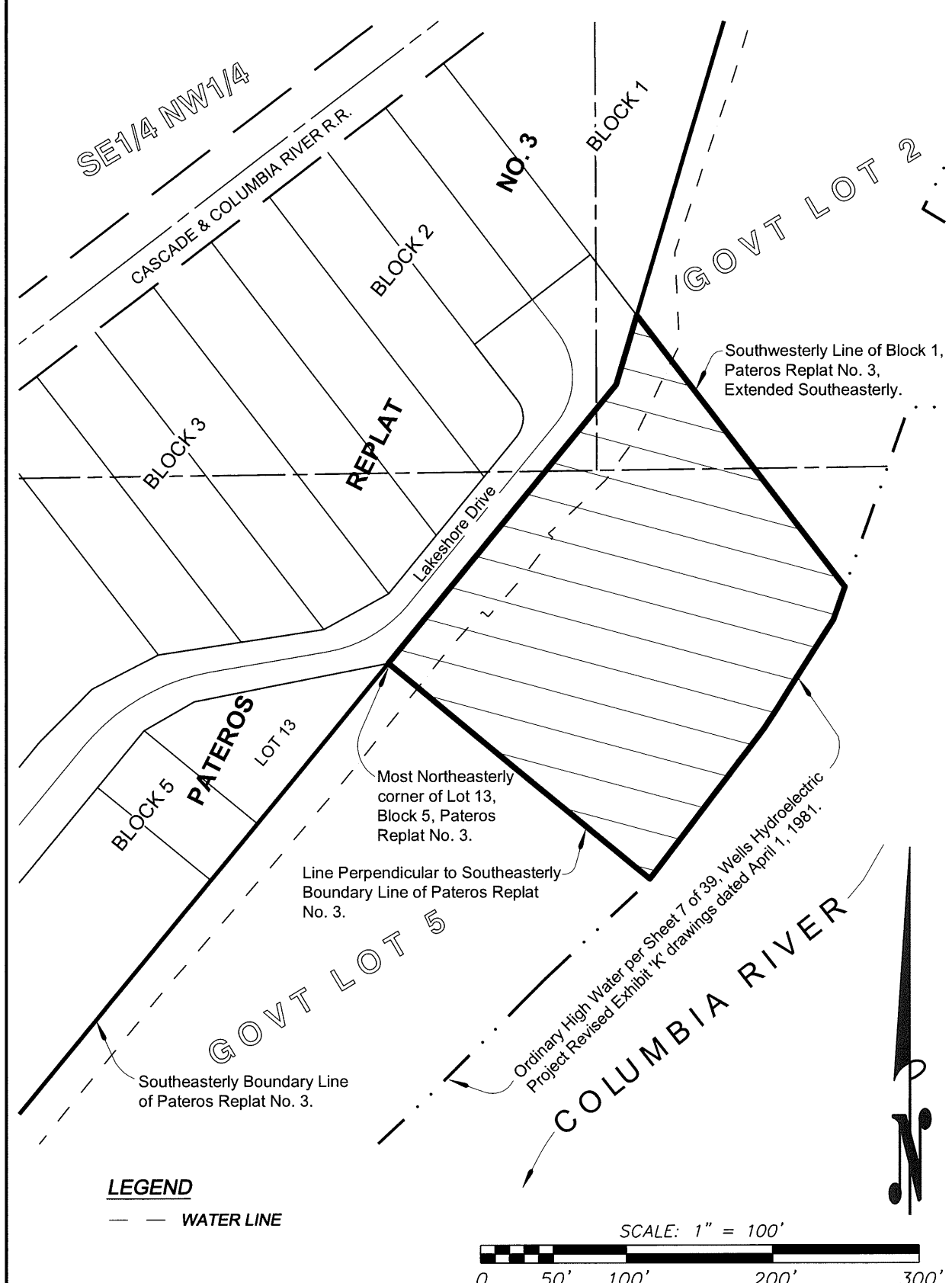
A parcel of land being that portion of the southeast quarter of the northwest quarter and Government Lot 2 and 5, Section 36, Township 30 North, Range 23 East of the Willamette Meridian, Okanogan County, Washington, bound on the northwesterly side by the southeasterly boundary line of Pateros Replat No. 3, according to the plat thereof recorded in Volume 'G' of Plats, at page 29, records of said County; bound on the northeasterly side by the southeasterly extension of the southwesterly line of Block 1, said Replat; bound on the southwesterly side by a line perpendicular to the southeasterly boundary line of said Pateros Replat No. 3, and extending southeasterly from the most northeasterly corner of Lot 13, Block 5, said Replat; and bound on the southeasterly side by the line of ordinary high water as shown on Sheet 7 of 39, Wells Hydroelectric Project Revised Exhibit 'K' drawings dated April 1, 1981 on file with Public Utility District No. 1 of Douglas County.

Prepared By: Erik B. Gahringer, PLS
Checked By: Danny K. Gildehaus, PLS
Date: December 1, 2009



**PATEROS WINTER BOAT LAUNCH
PUD NO. 1 OF DOUGLAS CO. - OWNERSHIP**

A PORTION OF GOVT. LOTS 2 & 5 AND SE1/4 NW1/4, SECTION 36,
TOWNSHIP 30 NORTH, RANGE 23 EAST, WILLAMETTE MERIDIAN,
CITY OF PATEROS, OKANOGAN COUNTY, WASHINGTON



LEGEND

--- WATER LINE



Erlandsen
SURVEYING | PLANNING | ENGINEERING | GIS

SHEET 1 OF 1

DRAWN BY: EBG
DATE: 7/8/2009
SCALE: 1"=100'

LAYOUT: Winter Launch-District Ownership
FILE NO: Section 36.dwg
JOB NO: 95650.0

<http://www.erlandsen.com>
BREWSTER (509) 689-2529
CHELAN (509) 682-4189
E. WENATCHEE (509) 884-2562
TOLL FREE (800) 732-7442

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Exhibit G

Return Address:

Donald L. Dimmitt
 Jeffers, Danielson, Sonn & Aylward, P.S.
 P.O. Box 1688
 Wenatchee, WA 98801

EASEMENT (for Recreational Resources)

Grantor (City): City of Pateros, a Washington municipal corporation

Grantee (District): Public Utility District No. 1 of Douglas County, Washington, a Washington municipal corporation

Legal Description (abbreviated): Burdened Property: Portions of Block 6 of Pateros Replat No. 3 and Blocks 9, 11 and 16 of Pateros Replat No. 4, Okanogan County, Washington.

Additional legal description on page 2.

Assessor's Tax Parcel ID#: Burdened Property:

Parties

1.1 City. City of Pateros, a Washington municipal corporation.

1.2 District. Public Utility District No. 1 of Douglas County, Washington, a Washington municipal corporation.

Easement

2.1 Grant of Easement. City hereby conveys and warrants to District a nonexclusive easement as described herein of the type described herein for the purposes described herein.

2.2 Purpose. The purpose of this easement is for use of recreational facilities known as Pateros Memorial Park and Pateros Peninsula Park as project recreation sites of the District.

EASEMENT (For Recreational Resources)

Page 1

Pateros Parks O&M Easement[1].doc

Jeffers, Danielson, Sonn & Aylward, P.S.
 Attorneys at Law
 2600 Chester Kimm Road / P.O. Box 1688
 Wenatchee, WA 98807-1688
 (509) 662-3685 / (509) 662-2452 FAX

2.3 Consideration. This easement is for and in consideration of the District's agreement to compensate the City for operation, maintenance and capital improvements to the facilities as detailed by separate agreement between the parties.

2.4 Benefited Property. This easement is to benefit the Wells Hydroelectric Project No. 2149.

2.5 Burdened Property. This easement is to burden the following described real property situated in the County of Okanogan, State of Washington:

The property described on Exhibits A and B.

2.6 Location of Easement. The location of the easement is described as follows:

The property described on Exhibits A and B.

2.7 Term of Easement. The term of this easement is for the term of the District's License No. 2149 from the Federal Energy Regulatory Commission, any extension of that license and any new license granted to the District.

2.8 Maintenance and Repair. The cost of any maintenance and repair of the above easement is covered by separate agreement.

2.9 Attorney Fees and Costs. In the event any party employs legal counsel to enforce any covenant of this easement, or to pursue any other remedy on default as provided herein or by law, the substantially prevailing party shall be entitled to recover all reasonable attorneys' fees, appraisal fees, title search fees, other necessary expert witness fees and all other costs and expenses not limited to court action. Such sum shall be included in any judgment or decree entered.

2.10 Appurtenant Easement. The benefits and burdens granted and imposed by this instrument shall run with the lands described herein.

2.11 Venue. The venue of any action taken to enforce any part of this easement shall be in Okanogan County, Washington.

EASEMENT (For Recreational Resources)

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Pateros Parks O&M Easement[1].doc

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2.12 Number, Gender, Permissive Versus Mandatory Usage. Where the context permits, references to the singular shall include the plural and vice versa, and to the neuter gender shall include the feminine and masculine. Use of the word "may" shall denote an option or privilege and shall impose no obligation upon the party which may exercise such option or privilege; use of the word "shall" shall denote a duty or an obligation.

2.13 Captions and Construction. The captions in this Easement are for the convenience of the reader and are not to be considered in the interpretation of its terms.

"CITY"

CITY OF PATEROS
A Washington Municipality

By

Gail A Howe, Mayor

Date:

March 15, 2010

"DISTRICT"

PUBLIC UTILITY DISTRICT NO. 1
OF DOUGLAS COUNTY
A Washington Municipality

By

W C Dobbins
William C. Dobbins, General Manager

Date:

March 22, 2010

1 STATE OF WASHINGTON)
 2) ss.
 3 COUNTY OF _____)

4 I certify that I know or have satisfactory evidence that _____
 5 is the person who appeared before me and said person acknowledged that he/she signed this
 6 instrument, on oath stated that he/she was authorized to execute the instrument and
 7 acknowledged it as the _____ of City of Pateros to be the free and voluntary
 8 act of such party for the uses and purposes mentioned in the instrument.

9 Dated this _____ day of _____, 2010.

10 _____
 11 Typed/Printed Name _____
 12 NOTARY PUBLIC
 13 In and for the State of Washington
 14 My appointment expires _____

15 STATE OF WASHINGTON)
 16) ss.
 17 COUNTY OF _____)

18 I certify that I know or have satisfactory evidence that William C. Dobbins is the
 19 person who appeared before me and said person acknowledged that he signed this instrument,
 20 on oath stated that he was authorized to execute the instrument and acknowledged it as the
 21 General Manager of Public Utility District No. 1 of Douglas County, Washington, to be the free
 22 and voluntary act of such party for the uses and purposes mentioned in the instrument.

23 Dated this _____ day of _____, 2010.

24 _____
 25 Typed/Printed Name _____
 26 NOTARY PUBLIC
 In and for the State of Washington
 My appointment expires _____

EXHIBIT A



210 N Bridge Street
P.O. Box 739
Brewster, WA 98812

Phone: 509.689.2529
Fax: 509.689.2520

www.erlandsen.com

Pateros Memorial Park

City of Pateros Ownership

All distances and areas shown on the following described parcel of land are grid values per NAD 83/1991 adjustment, Washington State Coordinate System, North Zone. To obtain ground distances and areas multiply by a factor of 1.00009184.

Block 6 of Pateros Replat No. 3, as shown on a map recorded in Book 'G' of Plats, at Page 29 thereof, records of the Auditor of Okanogan County, Washington.

EXCEPT that portion of said Block 6 being more particularly described as follows:

BEGINNING at the most Easterly corner of said Block 6;

Thence South 39°25'29" West along the Southeasterly line of said Block 6, a distance of 45.15 feet;

Thence North 50°44'48" West, a distance of 89.82 feet to the Northwesterly line of said Block 6;

Thence North 39°24'22" East along the Northwesterly line of said Block 6, a distance of 45.39 feet to the most Northerly corner of said Block 6;

Thence South 50°35'38" East along the Northeasterly line of said Block 6, a distance of 89.84 feet to the most Easterly corner of said Block 6 and the POINT OF BEGINNING.

EASEMENT (For Recreational Resources)

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Pateros Parks O&M Easement[1].doc

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EXHIBIT A



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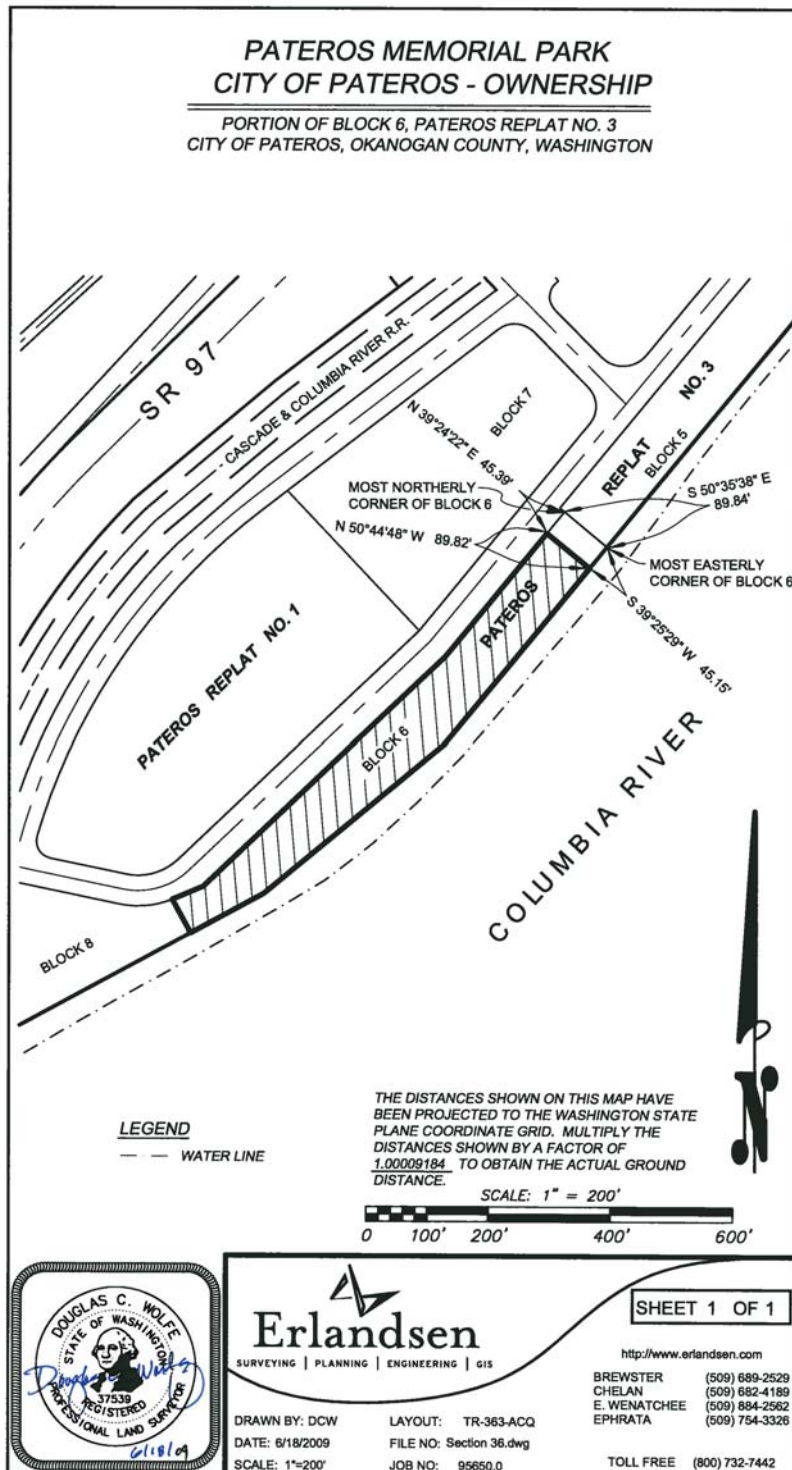
Prepared by: DCW
Checked by: RCS
Date: 6/18/2009

EASEMENT (For Recreational Resources)
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Pateros Parks O&M Easement[1].doc

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EXHIBIT A



EASEMENT (For Recreational Resources)
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EXHIBIT B



210 N Bridge Street
P.O. Box 739
Brewster, WA 98812

Phone: 509.689.2529
Fax: 509.689.2520

www.erlandsen.com

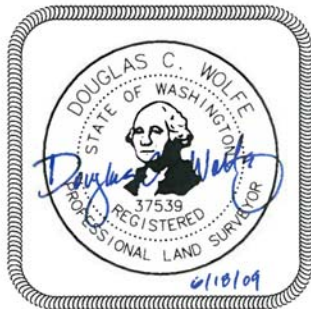
Pateros Peninsula Park

City of Pateros Ownership

Blocks 9, 11, and 16 of Pateros Replat No. 4 as shown on a map on file in Book 'G' of Plats, at Page 30 thereof, records of the Auditor of Okanogan County, Washington, TOGETHER WITH that portion of Riverside Drive as shown on said map of Pateros Replat No. 4, lying Northeasterly of the following described line:

BEGINNING at the most Southerly corner of said Block 11;

Thence Northwestery to the most Westerly corner of said Block 11 and the TERMINUS of this line.



Prepared by: DCW
Checked by: RCS
Date: 6/18/2009

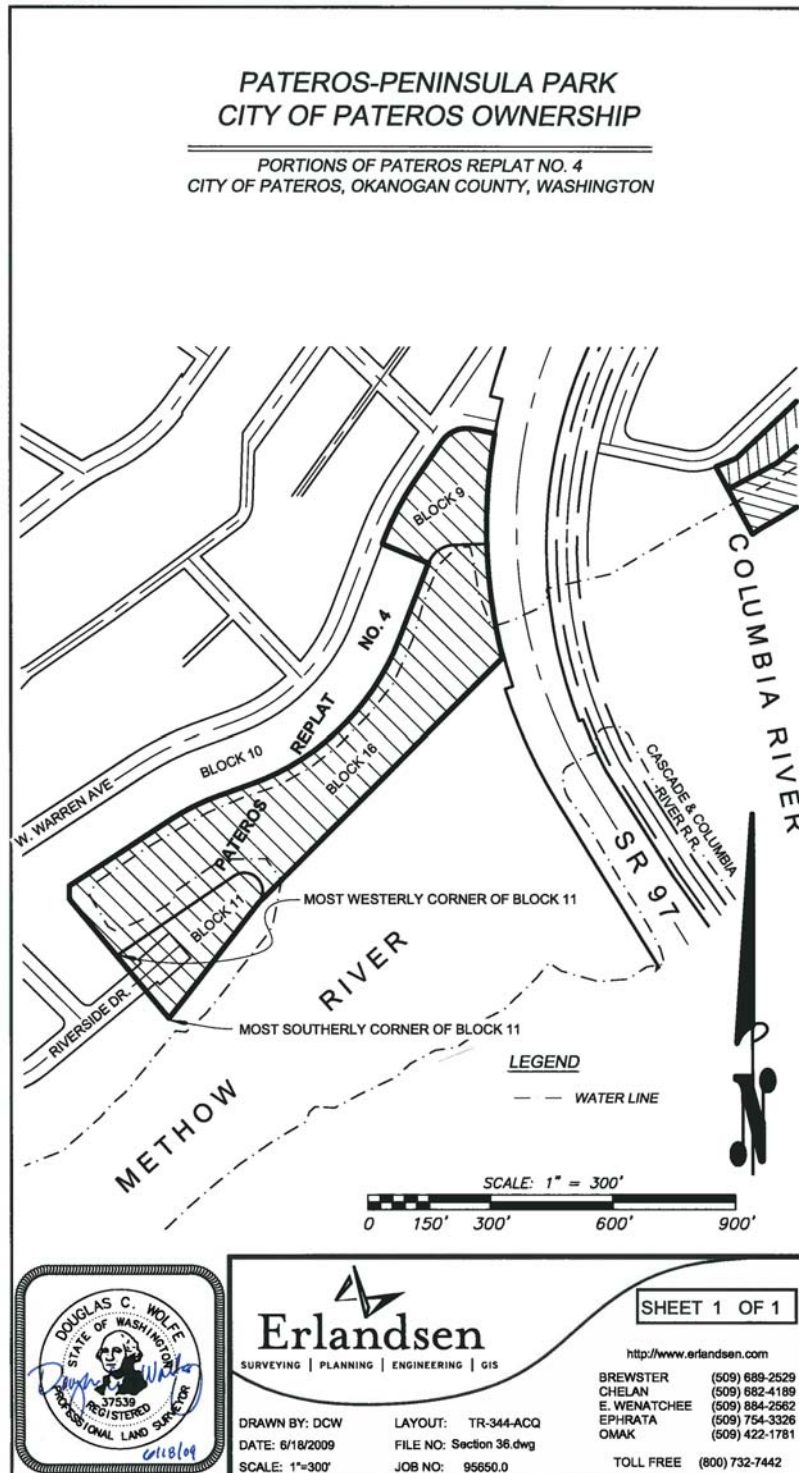
EASEMENT (For Recreational Resources)

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EXHIBIT B



EASEMENT (For Recreational Resources)
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