

## Exhibit 1

### Lease

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LEASE AGREEMENT

THIS AGREEMENT made and entered into this 6th day of January, 1969, by and between SISKIYOU COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a political subdivision of the State of California, hereinafter called "DISTRICT", and G. L. PATTERSON and FREDERICK T. WEBBER, hereinafter referred to as "LESSEE".

W I T N E S S E T H:

WHEREAS, on September 2, 1966, an agreement was made and entered into between State of California, Department of Water Resources, and SISKIYOU COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT entitled "Contract Between State of California Department of Water Resources and Siskiyou County Flood Control and Water Conservation District for recreation and fish enhancement grants under the Davis-Grunsky Act:" whereby DISTRICT would administer the recreation facilities upon the public lands of the reservoir area of Box Canyon Reservoir in Siskiyou County, which said agreement is numbered Contract #DGGR16 and is on file in the office of the County Clerk of the County of Siskiyou, Yreka, California, and made a part hereof by reference as if fully set forth at this point; and,

WHEREAS, State of California and the DISTRICT have not provided complete facilities and services for the public visiting the area, desire the LESSEE to establish and operate the same at reasonable rates within the area leased, as shown by the map marked Exhibit "A" annexed hereto and made a part hereof as if fully set forth at this point; and,

WHEREAS, the premises subject to this Lease as designated in Exhibit "A" attached hereto, may from time to time be expanded to meet the public demands as may be determined by the DISTRICT; and,

WHEREAS, DISTRICT will give consideration to the performance of LESSEE in determining further expansion of the premises subject to this Lease as aforesaid; and,

WHEREAS, the establishment and maintenance of such facilities and services involve a substantial investment of capital and the assumption of the risk of operating loss; and it is therefore proper that the LESSEE be given assurance of security of said investment and of a reasonable opportunity to make a fair profit;

NOW, THEREFORE, the said parties, in consideration of the mutual promises herein expressed, covenant and agree to and with each other as follows:

1. As provided for in the contract between State of California, Department of Water Resources and SISKIYOU COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT (Box Canyon Reservoir Area) DISTRICT may issue and administer licenses, permits, and contracts to persons or associations making available services and facilities for the use of the public and for the purpose of regulating the privileges to be exercised in the area. All licenses, permits and contracts affecting the lands within the primary jurisdiction of the State of California, Department of Water Resources as defined in the Contract between the State of California, Department of Water Resources and SISKIYOU COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT shall be submitted to the State before issuance and all instruments used for such purposes throughout the area shall be subject to applicable terms of this agreement, and that therefore, this agreement shall not be binding upon the DISTRICT to the extent that this agreement may violate the Davis-Grunsky contract hereinabove referred to. However, it is mutually agreed between the parties that this agreement is solely between DISTR

and LESSEE and nothing shall be interpreted herein that the DISTRICT is acting as an agent of the State of California or that the State of California is in any manner a party to this contract. It is only the intention of the parties not to in any manner violate the contract between the DISTRICT and the State of California, and for that reason only is any reference made to the State of California in this agreement.

2. DESCRIPTION OF PROPERTY SUBJECT TO LEASE: The property described in Exhibit "A" annexed hereto and made a part hereof as if fully set forth at this point shall be the property subject to this Lease agreement.

3. LESSEE recognizes that the primary purpose of the Box Canyon project is recreation and fish enhancement, and therefore LESSEE agrees to operate such premises subject to this Lease consistent with such primary purpose.

4. RIGHT OF FIRST REFUSAL FOR CAMPGROUNDS, TRAILER PARKS OR COMMERCIAL FACILITIES COMPETITIVE TO CONCESSIONER:

In the event that DISTRICT shall desire to grant campgrounds, trailer parks or commercial facilities competitive to LESSEE from the area North of the Sacramento River to Wagon Creek along the North side of the Box Canyon Dam and Reservoir or from the East side of the leased area along the south side of the Box Canyon Dam and Reservoir to the dam itself during the term of this contract, before it shall have the right to do the same, it shall submit to LESSEE any bonafide offer so received by DISTRICT from a third party and LESSEE shall have the right of first refusal for a period of ninety (90) days to determine whether it wishes to accept such contractual right on terms no less favorable than set forth in such offer. Inasmuch as the State of California is not a party to this contract, this provision is not intended to cover any recreation facilities required to be completed in the future under such Davis-Grunsky contract.

There shall be no other boat ramps except the one constructed on the leased premises without giving LESSEE right of first refusal as shown in this paragraph.

5. INDEMNIFICATION: LESSEE shall indemnify and shall hold DISTRICT and State of California harmless from all loss, costs, claims, suits and judgments for property damage and personal injury, including death, arising out of the negligent acts of LESSEE, its agents, employees or permittees, however caused.

6. TERM OF LEASE: This Lease shall be for and during the term of fifty (50) years from the date hereof, unless sooner terminated as herein provided.

7. ACCOMMODATIONS, FACILITIES AND SERVICES AUTHORIZED: LESSEE may, with the consent of DISTRICT, construct and operate additional facilities which are required by the contract between DISTRICT and the State of California heretofore referred to from the area north and west of the leased area to the Sacramento River.

8. LESSEE agrees to construct within the calendar years 1969-1970, upon the premises subject to this lease substantially in accordance with the requirements of the Davis-Grunsky contract with DISTRICT the following improvements:

(a) Floating boat berths, bait shop and gas dock, in accordance with the plans and specifications hereto attached, which plans and specifications are hereby approved.

(b) Commercial building of a design as shown upon drawing number 919 dated July 5, 1968, entitled Plan "A" Box Canyon", a copy of which is on file with the District Engineer of DISTRICT and made a part hereof as if fully set forth at this point, all in accordance with the plans and specifications hereto attached, which plans and specifications are hereby approved.

(c) LESSEE agrees that they shall not construct commercial facilities in the recreation area which may be inconsistent with camping and picnic uses of this area.

9. MAINTENANCE OF IMPROVEMENTS: All improvements within the leased area whether constructed by LESSEE under the provisions of paragraph 8 above or constructed by DISTRICT upon the land so leased, shall be maintained by LESSEE in a good state of improvement and repair during the term of this agreement. Without limiting the generality of the foregoing, LESSEE recognizes and agrees that it is responsible for the operation and maintenance of the water and sewage systems, roads, camping areas, parking areas, picnic areas and boat ramp, lying within boundaries subject to this Lease and is responsible to maintain such improvements in a state of good repair; and which area is described in Exhibit "A" attached hereto. In the event that the water and sewer systems provided here are not adequately constructed and shall break down to such an extent that they are unusable, LESSEE shall not be responsible for replacing or reconstructing such water and sewage systems and the same shall not be considered part of maintenance under this paragraph. At the termination of this lease all permanent improvements shall be considered a part of the real property and shall belong to DISTRICT.

10. PERSONNEL AND RATES:

(a) LESSEE shall maintain and operate said leased premises and the facilities thereon and services in connection therewith, in a good business-like manner and to the reasonable satisfaction of DISTRICT. Provided, that LESSEE shall not be required to make investments inconsistent with an opportunity to make a fair and reasonable profit based on the total investment of LESSEE'S business operations hereunder.

(b) All rates and prices charged to the public by LESSEE for accommodations, services or goods sold or furnished shall be in accordance with approved regulations of the DISTRICT.

provided that such rates and prices shall not be inconsistent with LESSEE'S right to make a fair profit from the total investment in the operation of said premises and business. In determining fair profit for the purpose, consideration shall be given to the rate of return required to encourage the investment of private capital and to justify the risk assumed on the hazard attached to the enterprise, the cost, and the current sound value of capital assets used in the business and operation, the rate of profit on investment and percentage profit in gross revenue considered normal in the type of business involved, the future prospects of the enterprise, and other significant factors ordinarily taken into consideration in the determination of a fair profit or return upon investment. Reasonableness of rates and prices will be judged primarily by the comparison with those currently charged for comparable accommodations, services or goods furnished or sold outside of the area under similar conditions with due allowance for length of season, provision for peak loads, accessibility, availability and cost of labor and material type of patronage, and other conditions customarily considered in determining charges. Anything to the contrary notwithstanding any rates charged shall be in accordance and subject to that certain contract No. D-GCR16 entitled "Contract between State of California Department of Water Resources and Siskiyou County Flood Control and Water Conservation District for recreation and fish enhancement grants under the Davis-Grunsky Act", the initial rates and charges permissible under the terms of the within lease for accommodations and services rendered by LESSEE, unless hereafter otherwise modified with approval of the DISTRICT and the State of California, shall be as set forth in Exhibit "B", attached hereto.

DISTRICT agrees consistent with the within paragraph to make necessary applications to the State of California for all changes in rates which may be necessary under the terms of this paragraph.

11. ACCOUNTING RECORDS AND REPORTS: LESSEE shall maintain such accounting records as may be prescribed by DISTRICT, or directed by the Davis-Grunsky contract, and will submit reports semi-annually pertaining to its operation as may be prescribed by the DISTRICT. DISTRICT shall have the right to verify all such reports from the books, correspondence, memoranda and other records of the LESSEE and the records pertaining thereto or any affiliated company, if any, during the period of the contract.

12. FRANCHISE FEES: LESSEE shall pay to DISTRICT quarterly in each year during the term of this contract a franchise fee for the privileges authorized herein as follows:

A sum equal to ten (10) percent of LESSEE'S gross receipts but excluding the receipts derived from the sale of gasoline; the LESSEE shall pay to DISTRICT as a part of the franchise fee a sum equal to one (1) cent per gallon on all gasoline sold within the concession area. For said purpose, the quarters of the year shall begin January 1, April 1, July 1, and October 1 and said fees shall be payable in the 10th day of each month following the close of the quarter. Gross receipts as used here shall not include sales tax, use tax, or any other tax imposed upon the sale of goods or services.

13. RECOGNITION OF PUBLIC ROAD: LESSEE recognizes that the road indicated on Plat 4 to the Davis-Grunsky contract and shown on Exhibit "A" as "Access Road" shall be a County road and the public has the right to use the same. It is further understood that LESSEE has no obligation to maintain such or any County road, notwithstanding any provisions herein to the contrary. Such road is labeled "Access Road" on Exhibit "A" and runs into the project area at the northeast corner thereof and it extends across the dam through the leased area in a northwesterly direction joining the old existing road.



14. ASSIGNMENT OR SUBLEASING: LESSEE shall not assign this lease, nor sublease the area subject to this agreement, or any part thereof, without obtaining the prior written consent of DISTRICT, and a consent to one assignment or sublease shall not be construed as a consent to any subsequent assignment or sublease. However, DISTRICT agrees not to unreasonably withhold consent to such assignment and/or sublease, and further agrees that the prohibition of this paragraph shall not be construed to prohibit an assignment or transfer between the several LESSEE in the event either of them shall retire from the business operation conducted on said leased premises. However, such retiring person shall continue to be liable hereunder unless written consent is given by DISTRICT to the contrary. Further, provided that the prohibition of this paragraph shall not be construed to prohibiting LESSEE from granting sub-concessions to other person It is further agreed that the prohibition of this paragraph shall not be construed to prohibiting LESSEE from assignment of an interest to additional partners or to a corporation formed by LESSEE parties to this agreement, provided that the original signators herein remain personally liable for the performance of the terms and conditions herein.

15. LIABILITY AND FIRE INSURANCE: LESSEE shall maintain and keep in force at all times during the term hereof public liability insurance in such an amount as the DISTRICT may direct but which amount shall not exceed One Million Dollars, without the written consent of LESSEE. LESSEE further agrees to maintain and keep in force at all times Workmen's Compensation Insurance with respect to any and all employees employed by LESSEE in the conduct of the latter's business on said leased premises. LESSEE further agrees to maintain and keep in force fire insurance with respect to all improvements situated on the leased premises in an amount as the DISTRICT may direct, but which amount shall not

exceed the replacement costs of the improvements so insured. In the event of the total or partial destruction of any improvements situated on said leased premises, the proceeds of such fire insurance policy payable pursuant to its terms shall be used to replace the improvements so damaged or destroyed, to the extent the same may permit. In the event such fire insurance proceeds shall be insufficient to replace such damage or destruction and LESSEE shall elect to provide the additional funds in order to repair such damage, then LESSEE shall be entitled to credit against future rental thereafter accruing. Such repairs shall be made forthwith, due allowance being given for adjustment of claims and payment of insurance proceeds. District shall be provided with a duplicate copy of all insurance policies procure in accordance with this paragraph and notice from the insurance carrier or carriers in the event there is a cancellation of any policy or policies.

16. NONDISCRIMINATION: LESSEE agrees to conform with all the requirements entered into by DISTRICT with the United States Department of Commerce, Economic Development Administration with regard to nondiscrimination, and that LESSEE will not discriminate against any employee or applicant for employment because of race, color, national origin or religion.

17. BOATING AND SWIMMING AREAS: LESSEE shall maintain in boating and swimming areas covered by this agreement such buoys, markers, and safety devices as may be required by law or by regulations of DISTRICT.

18. DEFAULT: In the event LESSEE shall default in the performance and compliance with the terms and conditions herein, or if the leasehold estate shall be taken on execution, or if LESSEE shall be declared bankrupt, or shall make an assignment for the benefit of creditors, then with respect to any claimed default for failure to comply with the terms and conditions here:

said DISTRICT shall give LESSEE thirty (30) days notice setting forth such claimed default, and LESSEE shall have sixty (60) days thereafter within which to remedy and rectify such claimed default, and if not so rectified with said period of time as herein set forth, then and thereafter DISTRICT may declare the within lease agreement terminated and thereupon enter upon said premises and take immediate possession, and without prejudice to any other remedies which might otherwise be afforded to DISTRICT.

19. NOTICE: Any notice required to be given by either party to the other under the terms of the within agreement, shall be given in writing, postage prepaid, and deposited in the U. S. Mail, and directed and addressed as follows:

TO DISTRICT  
Siskiyou County Flood Control and  
Water Conservation District  
% County Administrator  
Court House, Yreka, Calif.

TO LESSEE  
Patterson & Webber  
207 Patricia Way  
Dunsmuir, California

20. The within agreement shall be binding upon the respective parties and their successors in interest.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands the day and year first above written.

ATTEST:

Norma P. [Signature]  
Clerk

SISKIYOU COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

By: [Signature]  
Chairman, Board of Directors

[Signature]  
G. L. PATTERSON

[Signature]  
FREDERICK T. WEBBER

Fees for recreational use of the reservoir and for use of the onshore recreation facilities and recreation areas shall not exceed those set forth in the following schedule and the same fee shall be charged to all members of the general public for such usage:

FEE SCHEDULE

Overnight Camping	\$2.50 per car per day
Picnicking	\$0.75 per car per day
Boat Launching	\$0.50 per boat per day 5.00 per boat per year

Upon approval of the State, the above fee schedule may be revised to reflect fees being currently charged in the general area for similar services, to reflect reasonable operation and maintenance expenses of the Agency, and to allow for compensation for any additional services that may be provided in connection with the onshore recreation facilities.

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AGREEMENT REGARDING ONE YEAR REDUCTION  
IN FRANCHISE FEES CONTAINED IN THAT  
LEASE AGREEMENT OF JANUARY 6, 1969,  
BETWEEN THE SISKIYOU COUNTY FLOOD  
CONTROL AND WATER CONSERVATION DISTRICT  
AND G. L. PATTERSON AND FREDERICK T.  
WEBBER PROVIDING FOR THE CONCESSION AT  
THE CAMPGROUND AREA AT LAKE SISKIYOU,  
SISKIYOU COUNTY, CALIFORNIA

WHEREAS, the Siskiyou County Flood Control and Water Conservation District did enter into a lease agreement on January 6, 1969, with G. L. Patterson and Frederick T. Webber as Lessees to operate the campground at Lake Siskiyou, Siskiyou County, California; and

WHEREAS, that lease subsequently been assigned to the Lessee in possession, Donald D. Moore, Jr.; and

WHEREAS, said lease agreement in Paragraph 12 provides for a franchise fee of ten percent (10%) of Lessee's gross receipts to be paid by Lessee to the Flood Control District; and

WHEREAS, the present Lessee, Donald D. Moore, Jr., has made a request to the Board of Directors of the Flood Control District to reduce the franchise fee from the aforesaid ten percent (10%) to four percent (4%) on all sales except food and beverage sales and on the said food and beverage sales the franchise fee would be two percent (2%). In exchange for the reduction in the franchise fee, the Lessee in possession would eliminate the boat launch fee, would maintain the day use fee at ONE DOLLAR (\$1.00) per person, ages 6 and over, per day except that the Lessee shall reduce the day use to one-half price on one day of each week, and would reduce the season pass rate from TWENTY DOLLARS (\$20) to TWELVE AND 50/100 (\$12.50) per person age 6 and over if a season pass is purchased during a specific three week period; and

WHEREAS, the parties hereto desire to implement a trial period to see if the maintenance or reduction of user fees would serve a public purpose in that more people would be able to avail themselves of the opportunity to use the public recreation facilities at Lake Siskiyou,

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS  
HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:

1. For a period ending December 31, 1983, the franchise fee payable to the District by the Lessee in possession of the Lake Siskiyou Campground, Donald D. Moore, Jr., shall be reduced from the ten percent (10%) on all sales as set forth in Paragraph 12 of the aforesaid lease agreement of January 6, 1969, to four percent (4%) of gross sales on all sales except food and beverage and the franchise fee for food and beverage sales would be reduced to two percent (2%) of gross sales.

2. During the period ending December 31, 1983, the Lessee in possession, Donald D. Moore, Jr., shall eliminate the boat launch fee at Lake Siskiyou, shall maintain the day use fee at ONE DOLLAR (\$1.00) per person age 6 and over per day during the life of this agreement except that the Lessee shall reduce the day use fee to one-half price on one day of each week, and shall reduce the season pass from TWENTY DOLLARS (\$20) per person to TWELVE AND 50/100 (\$12.50) per person age 6 and over if purchased during a three week period as specified by the Lessee in possession.

3. On January 1, 1984, unless otherwise mutually agreed by the parties hereto, the franchise fee shall revert to that amount being paid prior to this agreement which is the amount set forth in Paragraph 12 of the lease agreement of January 6, 1969.

4. As further consideration for this reduction, the Lessee in possession, Donald D. Moore, Jr., shall keep adequate records, acceptable to the Auditor of the County of Siskiyou, so that the Siskiyou County Flood Control and Water Conservation District can verify whether the rate reduction has in fact generated significant additional volume, shall provide to District representatives and Auditor all necessary documents and records so that the District can independently verify the Lessee in possession's income and expenditures and volume of use of the facilities, and shall allow District representatives and Auditors access to the Lessee's book and records with regard to his

operations of the said Lake Siskiyou Campground.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the 9<sup>th</sup> day of MARCH, 1983.

Donald D. Moore, Jr.  
DONALD D. MOORE, JR.

LAKE SISKIYOU CAMPGROUND RV PARK  
AND MARINA, INC., A California  
corporation

By Donald D. Moore, Jr.  
DONALD D. MOORE, JR., PRESIDENT

SISKIYOU COUNTY FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT

By Norman Frey  
Chairman, Board of Directors

ATTEST:  
NORMA PRICE, CLERK,  
Board of Directors

By Law Tinkensky  
Deputy

Leases  
#89

FIRST ADDENDUM EXTENDING FOR AN ADDITIONAL  
YEAR THAT AGREEMENT REGARDING ONE YEAR  
REDUCTION IN FRANCHISE FEES CONTAINED IN  
THAT LEASE AGREEMENT OF JANUARY 6, 1969,  
BETWEEN THE SISKIYOU COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT AND G. L.  
PATTERSON AND FREDERICK T. WEBBER PROVID-  
ING FOR THE CONCESSION AT THE CAMPGROUND  
ARE AT LAKE SISKIYOU, SISKIYOU COUNTY,  
CALIFORNIA

WHEREAS, the parties hereto desire to extend the trial  
period for an additional year for a period ending December 31, 1984,  
and;

WHEREAS, the present lessee, Donald D. Moore, Jr., has  
requested the extension through December 31, 1984, and has agreed  
to additional reductions in certain user fees in consideration for  
the extension,

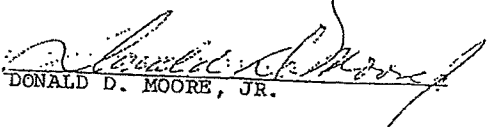
NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS  
HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:

1. That for a period ending December 31, 1984, the franchise  
fee payable to the District by the Lessee in possession of the  
Lake Siskiyou Campground, Donald D. Moore, Jr., shall be as set  
forth in the lease agreement of January 6, 1969, by and between  
the Siskiyou County Flood Control and Water Conservation District  
and G.L. Patterson and Frederick T. Webber and as modified by  
that franchise fee reduction agreement entered into between the  
parties hereto on or about June 7, 1983, except that the daily  
use area season pass shall be reduced from \$12.50 per person to  
\$10.00 per person age 6 and over if purchased during a three week  
period as specified by the Lessee in possession. Further, the  
day use area entry fee shall be reduced from \$1.00 per person to  
\$.50 per person on Wednesday for the 1984 season and children  
under the age of 6 years shall be entitled to day use entry free  
of charge.

2. As further consideration, the boat launch charges  
shall be eliminated for the period of this addendum.



IN WITNESS WHEREOF, the parties hereto have executed this  
First Addendum this 11 day of June, 1984.

  
DONALD D. MOORE, JR.

LAKE SISKIYOU CAMPGROUND RV PARK  
AND MARINA, INC., a California  
Corporation

By   
DONALD D. MOORE, JR., President

SISKIYOU COUNTY FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT

By   
Chairman, Board of Directors

ATTEST:  
NORMA PRICE, CLERK,  
Board of Directors

By   
Deputy

SECOND ADDENDUM EXTENDING FOR AN ADDITIONAL  
YEAR THAT AGREEMENT REGARDING ONE YEAR  
REDUCTION IN FRANCHISE FEES CONTAINED IN  
THAT LEASE AGREEMENT OF JANUARY 6, 1969,  
BETWEEN THE SISKIYOU COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT AND G. L.  
PATTERSON AND FREDERICK T. WEBBER PROVIDING  
FOR THE CONCESSION AT THE CAMPGROUND AT  
LAKE SISKIYOU, SISKIYOU COUNTY, CALIFORNIA

WHEREAS, the parties hereto desire to extend the First  
Addendum for an additional year for a period ending December 31, 1985.

IN WITNESS WHEREOF, the parties hereto have executed this  
Second Addendum this 14th day of May, 1985.

Donald D. Moore, Jr.  
DONALD D. MOORE, JR.

LAKE SISKIYOU CAMPGROUND RV PARK  
AND MARINA, INC., a California  
Corporation

By Donald D. Moore, Jr.  
DONALD D. MOORE, JR., President

SISKIYOU COUNTY FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT

By Roger Zwarg  
Chairman, Board of Directors

ATTEST:  
NORMA PRICE, CLERK,  
Board of Directors

By J. L. Price  
Deputy

AGREEMENT REGARDING THREE YEAR REDUCTION IN  
FRANCHISE FEES CONTAINED IN THAT LEASE AGREEMENT  
OF JANUARY 6, 1969, BETWEEN THE SISKIYOU COUNTY FLOOD  
CONTROL AND WATER CONSERVATION DISTRICT AND G. L. PATTERSON  
AND FREDERICK T. WEBBER PROVIDING FOR CONCESSION AT  
CAMPGROUND AREA AT LAKE SISKIYOU, SISKIYOU COUNTY, CALIFORNIA

WHEREAS, the Siskiyou County Flood Control and water Conservation District did enter into a lease agreement on January 6, 1969, with G. L. Patterson and Frederick T. Webber as Lessees to operate the campground at Lake Siskiyou, Siskiyou County, California; and

WHEREAS, that lease subsequently has been assigned to the Lessee in possession, Donald D. Moore, Jr.; and

WHEREAS, said lease agreement in Paragraph 12 provides for a franchise fee of ten percent (10%) of Lessee's gross receipts to be paid by Lessee to the Flood Control District; and

WHEREAS, the parties hereto did agree to a one year reduction in franchise fees on March 9, 1983, which reduction agreement has been extended by agreement of the parties by Addenda dated June 11, 1984, and May 14, 1985; and

WHEREAS, the parties now seek to extend this agreement for a three year period,

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:

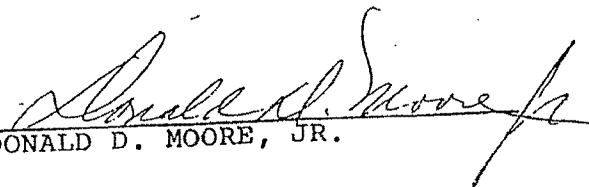
1. For the period beginning January 1, 1986, and ending December 31, 1988, the franchise fee payable to the District by the Lessee in possession of the Lake Siskiyou Campground, Donald D. Moore, Jr., shall be reduced from ten

percent (10%) on all sales as set forth in Paragraph 12 of the aforesaid lease agreement of January 6, 1969, to four percent (4%) of gross sales on all sales except food and beverage and the franchise fee for food and beverage sales would be reduced to two percent (2%) of gross sales.

2. During the period beginning January 1, 1986, and ending December 31, 1988, the Lessee in possession, Donald D. Moore, Jr., shall eliminate the boat launch fee at Lake Siskiyou, shall maintain the day use fee at One Dollar (\$1.00) per person age 6 and over per day during the life of this agreement except that the Lessee shall reduce the day use fee to half price on one day of each week, and shall reduce the season pass from Twenty Dollars (\$20.00) per person to Ten Dollars (\$10.00) per person age 6 and over. Further, children under the age of 6 years shall be entitled to day use entry free of charge.

3. On January 1, 1989, unless otherwise mutually agreed by the parties hereto, the franchise fee shall revert to that amount being paid prior to this agreement which is the amount set forth in Paragraph 12 of the lease agreement agreement of January 6, 1969.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the 28th day of March 1986.

  
DONALD D. MOORE, JR.

LAKE SISKIYOU CAMPGROUND RV  
PARK AND MARINA, A California  
Corp.

By Donald D. Moore Jr.  
DONALD D. MOORE, JR., President

SISKIYOU COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

By George R. Thackery  
Chairman Board of Directors

ATTEST:  
NORMA PRICE, Clerk,  
Board of Directors

By Rae Furbovsky  
Deputy

FOURTH ADDENDUM EXTENDING FOR AN ADDITIONAL  
FIVE YEARS THAT AGREEMENT REGARDING REDUCTION  
IN FRANCHISE FEES CONTAINED IN THAT LEASE AGREEMENT  
OF JANUARY 6, 1969, BETWEEN THE SISKIYOU COUNTY  
FLOOD CONTROL AND WATER CONSERVATION DISTRICT AND  
G. L. PATTERSON AND FREDERICK T. WEBBER PROVIDING  
FOR CONCESSION AT CAMPGROUND AREA AT  
LAKE SISKIYOU, SISKIYOU COUNTY, CALIFORNIA

WHEREAS, the Siskiyou County Flood Control and Water  
Conservation District did enter into a lease agreement on  
January 6, 1969, with G. L. Patterson and Frederick T. Webber  
as Lessees to operate the campground at Lake Siskiyou,  
Siskiyou County, California; and

WHEREAS, that lease subsequently has been assigned to  
the Lessee in possession, Donald D. Moore, Jr.; and

WHEREAS, said lease agreement in Paragraph 12 provides  
for a franchise fee of ten percent (10%) of Lessee's gross  
receipts to be paid by Lessee to the Flood Control District;  
and

WHEREAS, the parties hereto did agree to a one year  
reduction in franchise fees on March 9, 1983, which reduction  
agreement has been extended by agreement of the parties by  
Addenda dated June 11, 1984, May 14, 1985, and March 28, 1986;  
and

WHEREAS, the parties now seek to extend this agreement  
for a five (5) year period if at the end of the third year of  
the five year period the District, in its sole discretion,  
determines that the fee reduction or any part thereof shall  
continue for the remaining two years of the five year period,

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:

1. For the period beginning January 1, 1989, and ending December 31, 1992, unless extended, the franchise fee payable to the District by the Lessee in possession of the Lake Siskiyou Campground, Donald D. Moore, Jr., shall be reduced from ten percent (10%) on all sales as set forth in Paragraph 12 of the aforesaid lease agreement of January 6, 1969, to four percent (4%) of gross sales on all sales except food and beverage and the franchise fee for food and beverage sales would be reduced to two percent (2%) of gross sales.

2. During the period beginning January 1, 1989, and ending December 31, 1992, unless extended, the Lessee in possession, Donald D. Moore, Jr., shall eliminate the boat launch fee at Lake Siskiyou, shall maintain the day use fee at One Dollar (\$1.00) per person age 6 and over per day during the life of this agreement except that the Lessee shall reduce the day use fee to half price on one day of each week, and shall reduce the season pass from Twenty Dollars (\$20.00) per person to Ten Dollars (\$10.00) per person age 6 and over if the said pass is purchased between the dates of April 1 and May 15. Further, children under the age of 6 years shall be entitled to day use entry free of charge.

In addition, Lessee shall make certain improvements, as set forth in Exhibit A attached hereto, at a location and in a manner acceptable to District. Prior to commencement of any

such improvements, alterations, or modifications, Lessee in possession shall give written notice to District of the intended improvements, modifications, and alterations and shall not commence work thereon until Lessee has received written approval from District to proceed.

3. On January 1, 1992, unless the District, in its sole discretion, agrees to extend this agreement for the remaining two years of the term which would end on December 31, 1993, the franchise fee shall revert to that amount being paid prior to this agreement which is the amount set forth in Paragraph 12 of the lease agreement of January 6, 1969.

If the District does extend, on January 1, 1994, unless otherwise mutually agreed by the parties hereto, the franchise fee shall revert to that amount being paid prior to this agreement which is the amount set forth in Paragraph 12 of the lease agreement of January 6, 1969.

4. As further consideration for this reduction, the Lessee in possession, shall keep adequate records, acceptable to the Auditor of the County of Siskiyou, so that the Siskiyou County Flood Control and Water Conservation District can verify whether the rate reduction has in fact generated significant additional volume, shall provide to District representatives and Auditor all necessary documents and records so that the District can independently verify the Lessee in possession's income and expenditures and volume of use of the facilities, and shall allow District representatives and Auditors access to the Lessee's book and



records with regard to his operations of the said Lake  
Siskiyou Campground.

IN WITNESS WHEREOF, the parties hereto have executed  
this Agreement the 25TH day of APRIL, 1989.

Donald D. Moore, Jr.  
DONALD D. MOORE, JR.

LAKE SISKIYOU CAMPGROUND RV PARK  
AND MARINA, A California Corp.

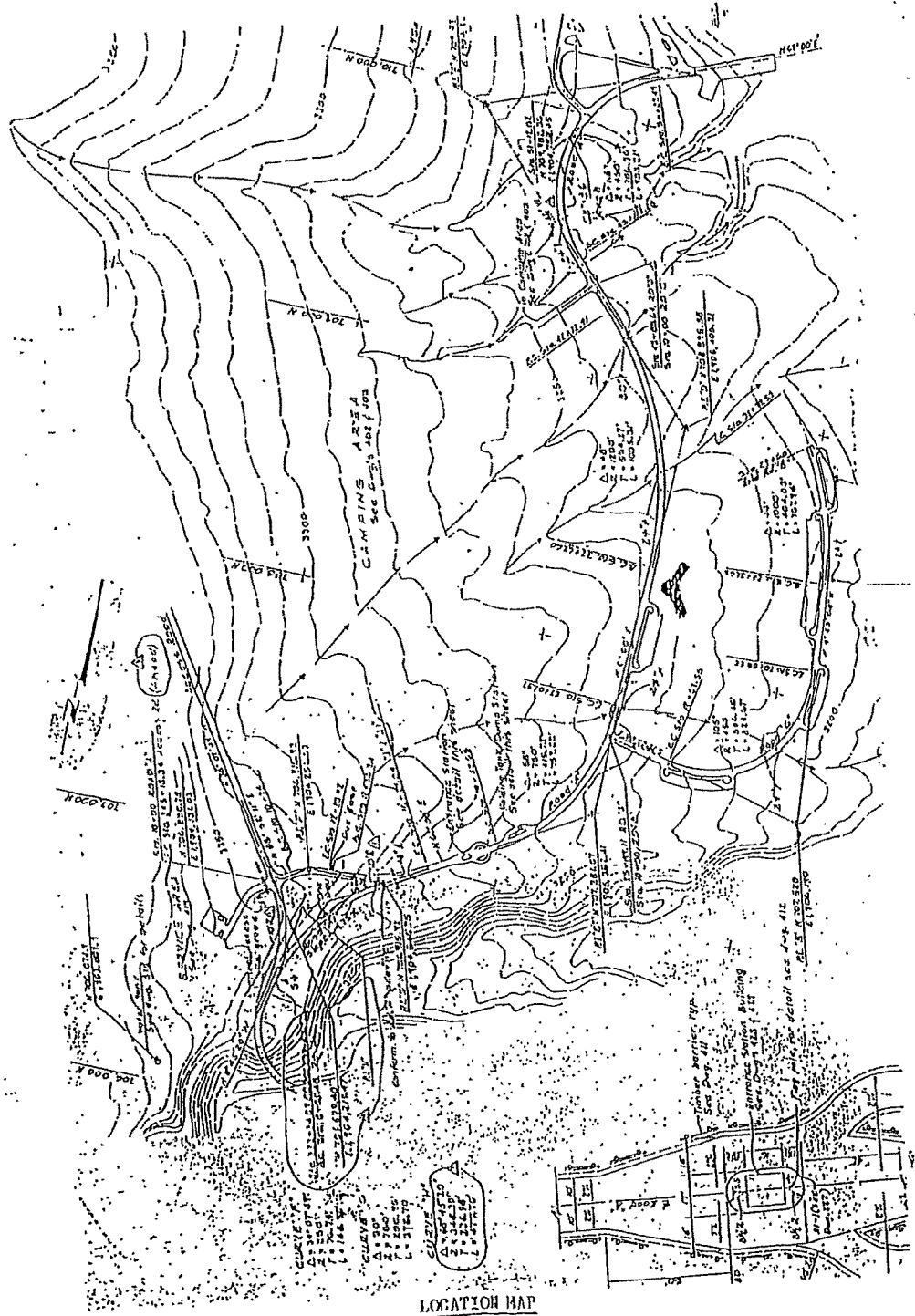
By Donald D. Moore, Jr.  
DONALD D. MOORE, JR., President

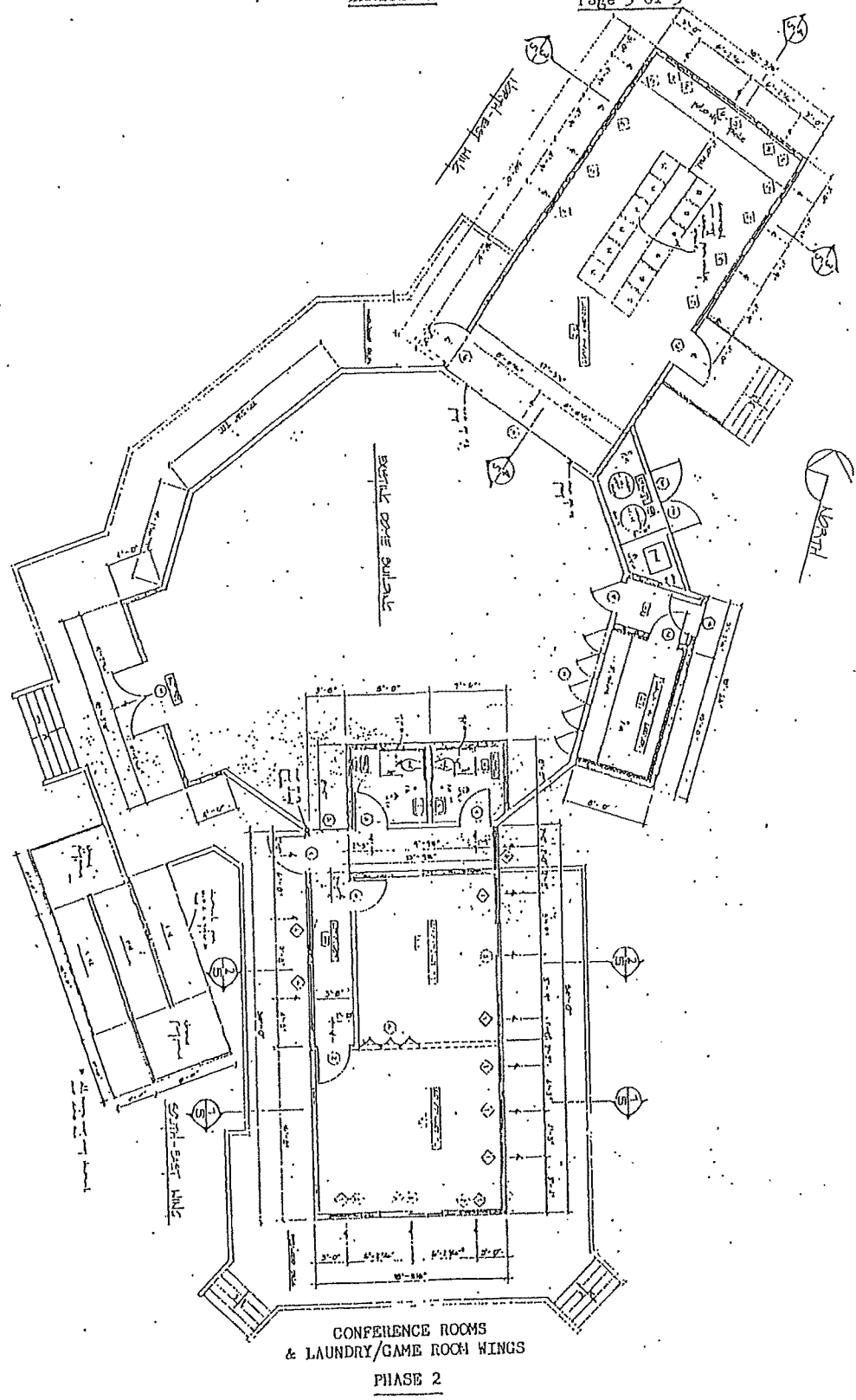
SISKIYOU COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

By Patricia Jackson  
Chairman, Board of Directors

ATTEST:  
NORMA PRICE, Clerk,  
Board of Directors

By Shirley Bennett  
Deputy





FIFTH ADDENDUM EXTENDING TERM OF AGREEMENT  
FROM EXPIRATION DATE OF JANUARY 6, 2019  
TO SEPTEMBER 30, 2019 OF THAT LEASE  
AGREEMENT BETWEEN THE SISKIYOU COUNTY  
FLOOD CONTROL AND WATER CONSERVATION DISTRICT AND  
G. L. PATTERSON AND FREDERICK T. WEBBER PROVIDING  
FOR CONCESSION AT CAMPGROUND AREA AT  
LAKE SISKIYOU, SISKIYOU COUNTY, CALIFORNIA

WHEREAS, the Siskiyou County Flood Control and Water Conservation District did enter into a lease agreement on January 6, 1969, with G. L. Patterson and Frederick T. Webber as Lessees to operate the campground at Lake Siskiyou, Siskiyou County, California; and

WHEREAS, that lease subsequently has been assigned to the Lessee in possession, Donald D. Moore, Jr.; and

WHEREAS, there are only approximately twenty nine and one-half (29-1/2) years left of the term of the aforesaid Lease; and,

WHEREAS, for tax and finance purposes, there is a need for a thirty (30) year term; and,

WHEREAS, a request has been made to extend this Agreement so as to provide for the remaining term to cover a thirty (30) year period;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The term of Lease provided in paragraph 6 of the aforesaid Lease shall be extended from a period of fifty (50) years to end on January 6, 2019 to terminate on September 30, 2019, unless sooner terminated as herein provided.

IN WITNESS WHEREOF, the parties hereto have executed  
this Agreement the 8TH day of August, 1989.

*Donald D. Moore, Jr.*  
DONALD D. MOORE, JR.

LAKE SISKIYOU CAMPGROUND RV PARK  
AND MARINA, A California Corp.

By *Donald D. Moore, Jr.*  
DONALD D. MOORE, JR., President

SISKIYOU COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

By *Patti Jackson*  
Chairman, Board of Directors

ATTEST:  
NORMA PRICE, Clerk,  
Board of Directors

By *Shirley Bennett*  
Deputy

5th  
FIFTH ADDENDUM AND AGREEMENT PROVIDING FOR FIVE YEAR REDUCTION  
IN FRANCHISE FEES FOR CONCESSION AT LAKE SISKIYOU CAMPGROUND

WHEREAS, the Siskiyou County Flood Control and Water Conservation District did enter into a lease agreement on January 6, 1969, with G.L. Patterson and Frederick T. Webber as Lessees to operate the campground at Lake Siskiyou, Siskiyou County California;

WHEREAS, that lease was assigned to Donald D. Moore, Jr; and

WHEREAS, Donald D. Moore, Jr. assigned said lease to Dave and Cheryl Pollock; and

WHEREAS, Paragraph 12 of said lease agreement provides for a franchise fee of ten percent (10%) of Lessee's gross receipts to be paid by Lessee to the Flood Control District; and

WHEREAS, the franchise fees have been reduced pursuant to agreement between the parties dated March 9, 1983, and extended by addenda dated June 11, 1984, May 14, 1985, March 28, 1986, and April 25, 1989; and

WHEREAS, the last addenda expires on December 31, 1993; and

WHEREAS, the parties wish to continue a reduction in the franchise fee payment from Lessee to District,

NOW, THEREFORE, IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. For the period commencing January 1, 1994, and ending December 31, 1998, the franchise fee payable to the District by the Lessee in possession of the Lake Siskiyou Campground, Dave and Cheryl Pollock, shall be reduced from ten percent (10%) on all sales as set forth in paragraph 12 of the lease agreement dated January 6, 1969, to four percent (4%) of gross sales on all sales, excluding the gross sales derived from the restaurant, plus six percent (6%) on gross sales exceeding \$600,000 (excluding restaurant sales).

During this five year period, if Lessee in possession desires to construct capital improvements, and the District grants permission for such construction, the franchise fee for such capital improvement(s) shall be negotiated for the remainder of the five year period or for any other period of time as the parties may agree.

A franchise fee for gross receipts from the restaurant has not been applied for the period of this addendum. At the expiration of the term of this addendum, franchise fees for the restaurant's gross receipts will be applied at a figure mutually agreed upon by the parties but not less than 2 percent (2%) of gross receipts of the restaurant's revenue and for a term to be mutually agreed upon by the parties. However, if agreement is not reached, the franchise fee for the restaurant facility shall be treated as though it were covered under Paragraph 12 of the lease agreement dated January 6, 1969.

2. During the period covered by this agreement, Lessee in possession, Dave and Cheryl Pollock, shall:

- (a) Provide free boat launch fee at Lake Siskiyou
- (b) Maintain the day use fee at \$1 per person age 6 and over;
- (c) Offer season pass for \$10.00 per person age 6 and over; Offer family season pass for \$30.00.
- (d) Allow children under the age of 6 years free day use.

3. On January 1, 1999, unless otherwise mutually agreed to by the parties hereto, the franchise fee shall revert to that amount set forth in Paragraph 12 of the lease agreement dated January 6, 1969.

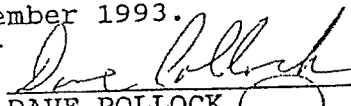
Lessee may request an extension of this franchise fee reduction agreement. District agrees that it will expeditiously and fairly review any such request and will enter into negotiations in a good faith effort to arrive at mutually agreeable terms.

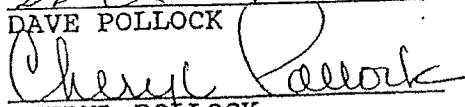
4. As further consideration of this reduction, the Lessee in possession shall:

(a) Keep and provide adequate records so that District can verify (a) whether the rate reduction has in fact generated significant additional volume and (b) the Lessee in possession's income and expenditures and volume of use of the facilities.

(b) Shall allow District representatives and Auditors access to the Lessee's books and records with regard to Lessee's operations of the Lake Siskiyou Campground.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 23rd day of November 1993.

  
DAVE POLLOCK

  
CHERYL POLLOCK

Signatures continued

SISKIYOU COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

By *Jim May*  
Chairman, Board of Directors

ATTEST:  
LISA CHANDLER, CLERK,  
Board of Directors

By *Sherris Stewart*  
Deputy Clerk



BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF SISKIYOU, STATE OF CALIFORNIA

RECEIVED  
FEB 25 1994  
OFFICE  
COUNTY COUNSEL

22nd day February 19 94

PRESENT: Supervisors Clancy Dutra, George Thackeray, Ivan Young, Roger Zwanziger  
and Jerry Giardino. Chairman Zwanziger presiding.

ABSENT: None

COUNTY ADMINISTRATOR: Michael B. Hanford

Deputy  
COUNTY CLERK: Sherrie Bennett and  
Cindy Dieter

COUNTY COUNSEL: Frank J. DeMarco

PURPOSE OF MEETING: Regular

CONSENT AGENDA APPROVED.

It was moved by Supervisor Dutra, seconded by Supervisor Giardino and unanimously carried, that the following Consent Agenda items are approved, and the Chairman and/or Clerk authorized to execute/record any necessary documents:

FLOOD CONTROL AND WATER CONSERVATION DISTRICT:

Approval of renaming the fifth addendum to the sixth addendum and agreement providing for five year reduction in franchise fees for the concession at Lake Siskiyou Campground.

**SEVENTH ADDENDUM EXTENDING TERM OF AGREEMENT  
AND PROVIDING FOR REDUCTION IN FRANCHISE FEES  
FOR CONCESSION AT LAKE SISKIYOU CAMPGROUND**

WHEREAS, the Siskiyou County Flood Control and Water Conservation District did enter into a lease agreement on January 6, 1969, with G.L. Patterson and Frederick T. Webber as Lessees to operate the campground at Lake Siskiyou, Siskiyou County, California; and

WHEREAS, said lease was assigned to Donald D. Moore, Jr.; and

WHEREAS, Donald D. Moore, Jr. assigned said lease to Dave and Cheryl Pollock;  
and

WHEREAS, Paragraph 12 of said lease agreement provides for a franchise fee of ten percent (10%) of Lessee's gross receipts to be paid by Lessee to the Flood Control District; and

WHEREAS, the franchise fees have been reduced pursuant to agreement of the parties through various addenda; and

WHEREAS, the last addenda expired on December 31, 1998; and

WHEREAS, the parties wish to continue a reduction in the franchise fee payment from Lessee to District ; and

WHEREAS, said parties wish to extend the term of said lease agreement from its present termination date of September 30, 2019, to September 30, 2028,

NOW, THEREFORE, IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The term of the lease provided in Paragraph 6 of the aforesaid lease shall be extended for an additional nine years to terminate on September 30, 2028.

2. Paragraph 9 of said lease agreement is modified to provide that District shall be responsible for maintenance and repair of the roads located within the campground up to a maximum of Ten Thousand Dollars (\$10,000.00) per year. District's Engineer shall determine what maintenance and repairs may be necessary. Any repairs or maintenance which exceed said maximum amount shall be the responsibility of Lessee or as negotiated between the parties hereto. If repairs or maintenance for any given year do not total \$10,000, the difference shall not be carried over to the next year.

Paragraph 9 is further modified to provide that Lessee shall be responsible for the maintenance and repair of the water system intake which is located outside the boundaries subject to the lease.

3. Effective January 1, 1999, and continuing for a period of ten (10) years thereafter, the franchise fee payable to the District by Lessee in possession of the Lake Siskiyou Campground, Dave and Cheryl Pollock, shall be reduced from ten percent (10%) on all sales as set forth in Paragraph 12 of the lease agreement dated January 6, 1969, to five percent (5%) of all gross sales including gross sales on dome/ park model rentals and all future additions and improvements.

Should Lessee commence restaurant operations, Lessee shall also pay three percent (3%) of gross restaurant sales.

Lessee shall keep and provide adequate records so that District can verify whether the rate reduction has in fact generated significant additional volume. Lessee shall allow District representatives and auditors access to Lessee's books and records with regard to Lessee's operations of the Lake Siskiyou Campground.

Effective January 1, 2009, unless otherwise mutually agreed to by the parties hereto, the franchise fee shall revert to ten percent (10%) of all gross sales, excluding gross sales on dome/park model rentals and all future additions and improvements which have been constructed solely at Lessee's expense subsequent to January 1, 1999, which shall remain at five percent (5%) of gross sales for the remainder of the lease term.

Lessee may request an extension of the franchise fee reduction. District agrees that it will expeditiously and fairly review any such request and will enter into negotiations in a good faith effort to arrive at mutually agreeable terms.

4. Paragraph 15A is hereby added to said lease agreement to read as follows:

"Paragraph 15A. NATURAL DISASTERS: In the event the property subject to the lease agreement suffers damage as a result of a natural disaster, District will, to the extent legally possible, assist Lessee in obtaining disaster relief funds to repair such damage."

6. Paragraph 19 is deleted and reinserted and renumbered as Paragraph 21.

7. Paragraph 20 is deleted and reinserted and renumbered as Paragraph 22.

8. Paragraph 19 shall read as follows:

"Lessee shall not implement any new fees or increase existing fees without obtaining the prior approval of the Board of Directors of the Siskiyou County Flood Control District."

9. Paragraph 20 shall read as follows:

"Lessee recognizes and understands that the lease creates a possessory interest subject to property taxation and that the Lessee shall be responsible for the payment of property taxes levied on such interest. Payment of all such taxes shall be the sole responsibility of Lessee."

10. Commencing January 1, 1999, and continuing for a period of ten years thereafter, Lessee agrees to:

- ✓ A. Provide free boat launching
- B. Maintain the day use fee of \$1 per person age 6 and over;
- C. Offer season pass for \$10.00 per person age 6 and over; offer family season pass for \$30.00
- D. Allow children under the age of 6 years free day use

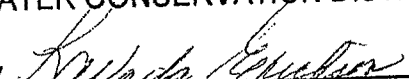
Said fees may be increased only upon approval of the Board of Directors of the Siskiyou County Flood Control District.

11. Lessee agrees to put in place and operate \$115,000 worth of TOT revenue generating improvements prior to December 31, 1999. These improvements shall include, but not be limited to, park model rentals.


All other terms and conditions of said lease agreement dated January 6, 1969, shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Seventh Addendum this 23 day of February, 1999.


SISKIYOU COUNTY FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT, Lessor

By   
Chairman, Board of Directors


ATTEST:  
COLLEEN BAKER, CLERK  
Board of Directors

By   
Deputy

  
Dave Pollock

  
Cheryl Pollock

APPROVED AS TO LEGAL FORM:

  
Frank J. DeMarco, County Counsel

EIGHTH ADDENDUM TO LEASE AGREEMENT  
EXTENDING TERM OF AGREEMENT, PROVIDING FOR  
REDUCTION IN FRANCHISE FEES AND PROVIDING  
FOR IMPROVEMENTS TO CONCESSION  
AT LAKE SISKIYOU CAMPGROUND

THIS ADDENDUM is entered into this 8<sup>th</sup> day of January, 2008 between Reynolds Resorts, Lake Siskiyou LLC (hereinafter referred to as "Lessee") and Siskiyou County Flood Control and Water Conservation District (hereinafter referred to as "District" or "Lessor").

WHEREAS, the Siskiyou County Flood Control and Water Conservation District did enter into a lease agreement on January 6, 1969, with G.L. Patterson and Frederick T. Webber to operate the campground at Lake Siskiyou, Siskiyou County, California; and

WHEREAS, the lease was amended on March 9, 1983, June 11, 1984, May 14, 1985, March 28, 1986, April 25, 1989, August 8, 1989 and February 23, 1999 and the lease and said addenda are hereby incorporated by reference; and

WHEREAS, the lease was assigned to Donald D. Moore, Jr.; and

WHEREAS, Donald D. Moore, Jr. assigned said lease to Dave and Cheryl Pollock;  
and

WHEREAS, Dave and Cheryl Pollock assigned said lease to Reynolds Resorts - Lake Siskiyou, LLC; and

WHEREAS, Paragraph 12 of said lease agreement provides that a franchise fee of ten percent (10%) of Lessee's gross receipts be paid by Lessee to the District; and

WHEREAS, the franchise fees and other fees have been revised pursuant to agreement of the parties through various addenda; and

WHEREAS, the franchise fee reduction provided in the seventh addendum will expire on January 1, 2009; and

WHEREAS, the parties wish to continue a reduction in the franchise fee payment from Lessee to District upon the conditions stated herein; and

WHEREAS, for tax and finance purposes, there is a need for a thirty (30) year lease term; and

WHEREAS, the parties wish to extend the term of said lease agreement from its present termination date of September 30, 2028 to September 30, 2038, upon the

conditions stated herein; and

WHEREAS, Lessee desires to install and operate improvements to the campground which will benefit the public and provide increased revenue to the District.

NOW, THEREFORE, IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The term of the lease provided in Paragraph 6 of the aforesaid lease agreement shall be extended for an additional ten (10) years to terminate on September 30, 2038, subject to the conditions stated herein in paragraph 5.

2. Subject to the conditions stated in paragraph 5, effective January 1, 2009, and continuing for a period of ten (10) years thereafter, the franchise fee payable to the District by Lessee in possession of the Lake Siskiyou Campground, Reynolds Resorts - Lake Siskiyou, LLC, shall be reduced from ten percent (10%) on all sales as set forth in Paragraph 12 of the lease agreement dated January 6, 1969, to five percent (5%) of all gross sales including gross sales on dome/park model rentals and all future additions and improvements.

Should Lessee commence restaurant operations, Lessee shall also pay three percent (3%) of gross restaurant sales.

Lessee shall keep and provide adequate records so the District can verify whether the rate reduction has in fact generated significant additional volume. Lessee shall allow District representatives and auditors access to Lessee's books and records with regard to Lessee's operations of the Lake Siskiyou Campground.

Effective January 1, 2019, unless otherwise mutually agreed to by the parties hereto or unless an earlier reversion occurs pursuant to paragraph 5, the franchise fee shall revert to ten percent (10%) of all gross sales, excluding gross sales on dome/park model rentals and all future additions and improvements which have been constructed solely at Lessee's expense subsequent to January 1, 1999, which shall remain at five percent (5%) of gross sales for the remainder of the lease term.

Lessee may request an extension of the franchise fee reduction. District agrees that it will expeditiously and fairly review any such request and will enter into negotiations in a good faith effort to arrive at mutually agreeable terms.

3. Commencing January 1, 2009, and continuing for a period of ten (10) years thereafter, Lessee agrees to:

- A. Provide free boat launching;
- B. Maintain the day use fee of \$1.00 per person age 6 and over;
- C. Offer season passes for \$10.00 per person age 6 and over; offer family season passes for \$30.00;

D. Allow children under the age of 6 years free day use.

Said fees may be increased only upon approval of the Board of Directors of the Siskiyou County Flood Control District.

4. Lessee intends to take out a bank loan for \$3,000,000. Lessee shall use \$1,100,000 to put in place and operate new TOT revenue generating improvements to the concession. It is anticipated that the improvements will be constructed during 2008 and 2009 and the parties agree that such improvements will be completed no later than December 31, 2010. These improvements, which are described in Exhibit 1 attached hereto, shall include, but not be limited to, ten new park model rentals, forty-five additional RV sites, twenty new boat mooring slips, food service facilities and recreation enhancements.

Lessee shall use \$1,800,000 of the loan proceeds to pay off an existing note to Dave and Cheryl Pollock, Lessee's predecessors in interest, and other indebtedness previously incurred in making improvements to the campground. The remainder of the proceeds shall be used for administrative costs and overhead for the benefit of the concession.

5. Unless otherwise mutually agreed to by the parties hereto, if the improvements required by paragraph 4 are not completed by December 31, 2010, the lease shall terminate on September 30, 2028 and the franchise fee shall revert to ten percent (10%) of all gross sales, excluding gross sales on dome/park model rentals and all future additions and improvements which have been constructed solely at Lessee's expense subsequent to January 1, 1999, which shall remain at five percent (5%) of gross sales for the remainder of the lease term.

All other terms and conditions of said lease agreement dated January 6, 1969, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Eighth Addendum this 8<sup>th</sup> day of January, 2008.

SISKIYOU COUNTY FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT

By

  
Chairman of Board of Directors  
W.R. Overman

ATTEST:

Colleen Setzer, Clerk  
Board of Directors

By

  
Deputy

Signatures Continued on Next Page

REYNOLD RESORTS - LAKE SISKIYOU, LLC

By Thomas Reynolds  
Thomas Reynolds, Managing Member

APPROVED AS TO LEGAL FORM:

Frank J. DeMarco  
Frank J. DeMarco, County Counsel

APPROVED AS TO ACCOUNTING FORM:

Fund 2501 Org 205010 Acct 513100 AL

Leanna Dancer  
Leanna Dancer, Auditor

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