

UNITED STATES DEPARTMENT OF AGRICULTURE

Office of the Secretary.

COOPERATIVE AGREEMENT FOR THE PURPOSE OF CONSERVING AND PROTECTING THE
WATER SUPPLY OF THE CITY OF ASHLAND, OREGON.

This AGREEMENT made and entered into this 21st
day of August one thousand, nine hundred and twenty-nine
by and between the City of Ashland, State of Oregon, through _____
J. Edw. Thornton, its Mayor, and the United States Department
of Agriculture, through R. W. Dunlap, Acting Secretary
of Agriculture, WITNESSETH that,

WHEREAS, the following described lands: all national forest
lands in townships 39 and 40 south, ranges 1 west and 1 east, W.M.
within the watershed of Ashland Creek, comprising approximately 11,432
acres, within the boundaries of the Crater National Forest, are within
the watershed from which the water supply of the City of Ashland is
obtained;

NOW, THEREFORE, for the purpose of conserving and protecting the
water supply of the said city, it is agreed:

1. That before entering into any agreement for the cutting of
timber or removal of other forest products from national forest lands
within the area, the officials of the City of Ashland will be consulted
and full consideration will be given to any requirements the City of
Ashland may desire to impose as necessary for the safeguarding of the
water supply.

2. That in permitting the use of said lands for timber cutting
or other purposes, full consideration shall be given to the preservation

of the volume and purity of the city water supply, and if the proper state or federal agencies shall determine, after due study and investigation, that the city water supply is being or will be diminished, contaminated or polluted through permitted operations upon said lands, and there is no other more practicable remedy for the situation, the Secretary, so far as he has legal authority to do so, will cause such permitted operations to be restricted, modified or discontinued.

3. Grazing of livestock on national forest lands in the watershed will not be authorized by the Forest Service except with the consent of the officials of the City of Ashland. Any fencing or other improvements found necessary to effectively exclude livestock from the watershed or to aid in safeguarding the water supply will be constructed and maintained by the City under special use permit to be issued by the Forest Supervisor.

4. So far as practicable with the means at his disposal, the Secretary of Agriculture will extend and improve the forests upon these lands by seeding and planting, and by the most approved methods of silviculture and forest management.

5. The Forest Service will administer and protect the area in connection with adjoining national forest lands. Should the City of Ashland desire any special protective measures not provided by the regular Forest Service administration, they may be obtained at the expense of the City of Ashland by the appointment of additional employees to be appointed by and to be directly responsible to the Forest Supervisor of the Crater National Forest, but their compensation will be paid by the said City at the same rate as men employed by the Forest Service on similar duties.

6. Both parties reserve the right to terminate this agreement at any time on notice to the other party, provided that all obligations under the agreement up to the date of the termination have been met.

The undersigned agree to the above propositions and agree to carry them out so far as they have official power and authority to do so.

CITY OF ASHLAND.

By

J. Edw. Thornton

Mayor

Attest:

Gerard B. Bied
Recorder.

P. H. Hurlaf
Acting
Secretary of Agriculture
1966
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MEMORANDUM OF UNDERSTANDING
BETWEEN
U. S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
AND
CITY OF ASHLAND

This memorandum documents the understanding between the U.S. Department of Agriculture, Forest Service, Rogue River National Forest, through the Forest Supervisor, hereinafter referred to as the Forest Service, and the City of Ashland, Oregon, acting by and through its City Council, hereinafter referred to as the City.

Whereas, the Forest Service and the City of Ashland entered into a Cooperative Agreement in 1929 for the purpose of conserving and protecting the water supply of the City of Ashland, Oregon; and

Whereas, the Forest Service is responsible for multiple use land management in the Ashland Creek Watershed; and

Whereas, the City needs to assess the management of the Watershed as a prerequisite for issuance of a National Pollutant Discharge Elimination System permit from the State Department of Environmental Quality;

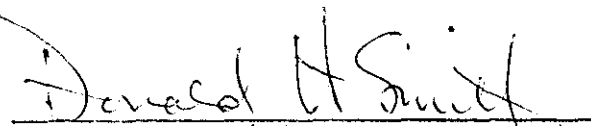
Now, therefore to facilitate the assessment of the Ashland Creek Watershed, the Forest Service and City agree as follows:

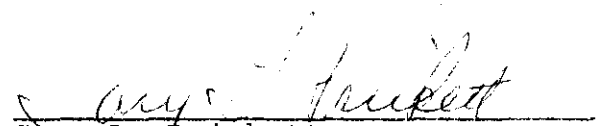
- A. The Forest Service participation in the assessment will be in the form of supplemental staff time in support of the City's consultant in both field and office work in supplying and interpreting various kinds of information concerning the Watershed.
- B. Following completion, the City will provide the Forest Service with a written report of their findings.
- C. The Forest Service and City will meet periodically to review progress.

This Memorandum of Understanding may be terminated or amended at any time by mutual consent of the Forest Service and the City.

U. S. D. A. FOREST SERVICE

CITY OF ASHLAND


Donald H. Smith
Forest Supervisor


Gary L. Prickett
Mayor

Date 12/1/75

Date _____

RESOLUTION NO. 79- 51

A RESOLUTION OF THE CITY OF ASHLAND RELATIVE
TO THE INTERIM MANAGEMENT PLAN PREPARED BY
THE U.S. FOREST SERVICE CONCERNING THE ASHLAND
MUNICIPAL WATERSHED.

WHEREAS, the Presidential Proclamations of 1893 and 1906 setting aside the Ashland Watershed, the Cooperative Agreement of 1929, and the Act of Congress of 1920, established provisions for the conservation and protection of the City of Ashland's water supply; and

WHEREAS, the City of Ashland and the U.S. Forest Service have cooperatively pursued the adoption of an interim plan for the management of the Ashland Municipal Watershed; and

WHEREAS, the U. S. Forest Service is in the process of developing an overall plan for the Rogue River National Forest as required by Presidential order; and

WHEREAS, the City of Ashland concurs with the need for an interim plan to limit activities in the watershed until sufficient data is available to determine the effects of human activities on its water supply.

NOW THEREFORE, BE IT RESOLVED as follows:

SECTION 1. The City of Ashland hereby adopts the Interim Plan for the Management of the Ashland Municipal Watershed, conditional on the recognition of the matters set forth in the attached report entitled "Concerns of the City of Ashland Regarding the Forest Service Interim Plan" dated October 30, 1979, and labeled "Attachment A;" and further that the foregoing concerns be addressed to the satisfaction of the City of Ashland in the final Forest Management Plan for the Rogue River National Forest.

SECTION 2. That the above concerns be added to the appendix of the approved copies of the Interim Plan so that all parties are aware of the City's position.

SECTION 3. That the City of Ashland be advised, and given an adequate opportunity to respond, and its mutual agreement secured, prior to any proposed application of insecticides, herbicides or other chemicals.

SECTION 4. That officials of the City of Ashland Water Utility be consulted and kept fully apprised during the development of the final Forest Plan in those subject areas affecting the Municipal water quality and supply.

The foregoing Resolution was READ and DULY ADOPTED at a regular meeting of the City Council of the City of Ashland on the 30th day of December, 1979.

Nan E. Franklin
Nan E. Franklin
City Recorder

SIGNED and APPROVED this 28th day of December, 1979.

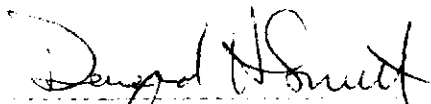
Gary L. Prickett
Gary L. Prickett, Mayor

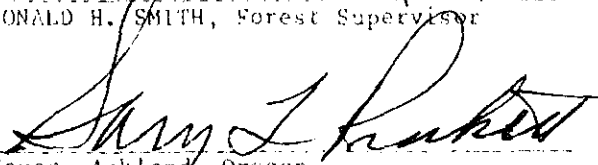
USDA - FOREST SERVICE
ROGUE RIVER NATIONAL FOREST

INTERIM PLAN
ASHLAND CREEK WATERSHED

JACKSON COUNTY
OREGON

CONTACT: Forest Supervisor, Rogue River National Forest
P. O. Box, Medford, Oregon 97501


DONALD H. SMITH, Forest Supervisor 9/18/79
Date


Amy I. Rucker, Mayor, Ashland, Oregon * 12/14/79
Date

* Subject to the conditions and exceptions contained in Ashland Resolution No. 79-51,
attached hereto.

CONCERNS OF THE CITY OF ASHLAND
REGARDING THE
FOREST SERVICE INTERIM PLAN

This paper summarizes the concerns of the City of Ashland regarding the Forest Service long-term objectives and Interim Plan for the Ashland watershed. The Forest Service has requested "concurrence" by the City with the draft of the Interim Plan which has been reviewed and previously commented on. However, without certain revisions and additions to emphasize municipal water supply as the number one priority and outlining certain aspects of the planning process leading to the 1982 plan, we cannot concur in the Interim Plan.

Previously the City has attempted to come to agreement with the Forest Service whenever possible. However, at this point, based on the Interim Plan and discussions with the Forest Service, it appears to us that the Forest Service's long-term objective in the watershed is to emphasize timber removal. This, we believe, will seriously impair the municipal water supply values of the watershed. We are also concerned that we are consistently reminded by the Forest Service of past instances where we have "concurred" with management activities recommended by the Forest Service that later resulted in major problems. Consequently, we do not concur with the Interim Plan as drafted to date and are concerned about the Forest Service's Ashland watershed management objectives related to municipal water supply.

Specifically, we have seven major areas of concern as summarized in the following:

- Surface erosion: Much more emphasis is needed in the Interim Plan on the phenomenon of surface erosion, particularly on the cut, ditch, driving surface and fill areas of the road prism. The most important conclusion in the Montgomery/Ashland watershed analysis was that this process was very significant in the Ashland watershed, but it is hardly mentioned in the Interim Plan. The Interim Plan should specify a program to collect the needed surface erosion rate information and discuss the relationships between road maintenance alternatives and surface erosion of the road prism.
- Mineral entry: The Interim Plan should include a Forest Service recommendation that the watershed be withdrawn from mineral entry. The Interim Plan should also summarize 1) the status of the applicable mining laws, regulations and implementation success (particularly involving mining claims and exploration) and 2) the process for accomplishing mineral entry withdrawal of the watershed.
- Fire management: The Interim Plan as presently drafted presents a biased discussion of fire, fire management and the alternatives for controlling disease, insects and fire. The Interim Plan should present an objective discussion of fire, insects and disease, including their roles in natural forest ecology and their implications to water quality.

Both the positive and negative aspects should be equally discussed. Certain fuels management alternatives such as controlled burning should at least be summarized.

- City involvement: A representative of the City of Ashland should be included as an ex officio member of the interdisciplinary planning team. Regular team meetings should be held to discuss the status of planning for the watershed.
- The Interim Plan should briefly summarize the process and methodologies to be used in the preparation of the 1982 plan. Specifically, the Ashland watershed should be treated as a separate "Management Area", and for each management activity considered, a full range of alternatives, including those advocated by the City, should be presented and objectively analyzed.
- Impact analysis: The process and methodologies that the 1982 planning process will utilize to analyze the environmental impacts, particularly water quality, related to the management activities considered, should be summarized in the Interim Plan since the Forest Service has mentioned the EIS as a major element of their planning process.
- Priorities and the 1982 plan: The Interim Plan should acknowledge that the Interim Plan will be superseded in 1982 and specifically ensure that the "Ashland Watershed Management Area Plan" will be the top priority in the Rogue River National Forest plan development process.

BACKGROUND DISCUSSIONS

Surface Erosion

The 1977 JMM study concluded that over three-fourths of the sediment which accumulated in Reeder Reservoir over a 22 year period resulted from surface erosion due to road construction and maintenance, logging, and the Mt. Ashland ski area. An additional man-caused contribution of approximately 10 percent resulted from mass erosion. Based on the JMM watershed study and on the subsequent years of exchanging ideas and information on the subject of erosion with the Forest Service, it is still our conclusion that by far, the largest percentage of sediments eventually deposited in Reeder Reservoir and subsequently released to Ashland Creek and Bear Creek, resulted from man-caused disturbances. Specifically these include road construction, operation and maintenance; logging; and ski area development.

The Forest Service expressed concern about the JMM erosion analysis methodology and consulted with their leading batholith erosion research specialist who examined the Ashland batholith during a two day tour. His conclusions are summarized as follows:

"This, I would not hesitate to extrapolate the basic principles found in the Idaho batholith to the Ashland watershed. However, the physical properties of the two areas do vary somewhat, so I would be reluctant to extrapolate erosion and sedimentation rates directly from one area to the other without some on-site data for verification."

In effect, this statement coincides very well with the JMM description of conclusions/limitations. The primary difference is that from a research standpoint, site specific research data to determine basic coefficients such as erosion rates is a standard recommendation. JMM recognized that such data would be desirable, but the options of increasing the funding level and extending the time period of the study were not available.

Up until the last few years most of the concern about erosion of granitic soils was focused on the construction of roads. Various research projects have demonstrated conclusively that road construction, particularly during the first 2 to 4 years after construction, results in very high rates of erosion on the cut/fill and driving surfaces, and in the ditch. In discussing this with Forest Service erosion specialists, it was found that current research was examining road maintenance as also a potentially major contributor to erosion and sedimentation.

The early batholith erosion studies examined jammer roads which were constructed and used for a few years and then no longer used or maintained. This was one of the primary reasons for the return of post construction erosion rates to near natural levels after a few years. It was found that this resulted from "armoring" of the road prism, of the removal of the fine grain soils with the coarse material remaining. Such an armored condition is the antithesis of a "good" road surface and road blading and maintenance operations are intended to resurface and reshape by replacing the fine grained particles which have been lost. The likely results of road grading was discussed with various erosion specialists, and it was concluded that the process, although understood qualitatively but not very well quantitatively, should be integrated into the JMM erosion model. This was done by adjusting post construction erosion rates. The resulting contribution was a major factor in the JMM erosion budget, which coincided reasonably well with the larger estimates of material deposited in Reeder Reservoir during the 22 year period examined.

It was JMM's conclusion in 1977 and it is still our conclusion that one of the highest contributors of eroded sediment in the Ashland watershed is the annual maintenance or blading of the road system. Since maintenance is required if any major activities such as logging occur in the watershed, JMM recommended that as much of the road system as possible be put to bed and that access, particularly involving motorized vehicles, be held to an absolute minimum. In view of this and the other associated problems, logging or any activity which requires road use does not appear to be appropriate if the municipal water supply values of the Ashland watershed are to be maintained. The Interim Plan, however, includes a full O & M program for the roads.

Concerning surface erosion on other parts of the road prism, it appears that an additional process may be operating. Current research indicates that very high surface erosion rates are probably occurring on the cut surface of the road prism. In the JMM erosion budgeting, it was assumed that the cut surface would return to near natural rates a few years after construction. If this is not the case, and if the rates which appear to be occurring on the cut surface are applied, the 1977 estimate of erosion over the 22 year period would be even closer to the estimates of sediment removed over that period from Reeder Reservoir.

The implication of this would be that not only is the construction of roads and the maintenance of the road surface on batholith soils extremely problematical from an erosion standpoint, but also the existence of the fill surface. For watersheds and streams where sediment movement and downstream deposition must be minimized or avoided, this would mean that very little, if any, disturbance of the watershed involving roads could be tolerated.

Based on the Montgomery analysis of erosion in the watershed and all of the other information sources concerning erosion of granitic soils, the most important existing and potential problem in the Ashland watershed is, in our opinion, surface erosion of the various parts of the road prism. The phenomenon is significantly increased by the blading of the road surface and ditch area. The conclusion that this relationship exists in the Ashland watershed conforms to processes found to operate on other granitic, batholith soils. The assumption of such relationships is also the only way to account for the large volume of material which was deposited historically in Reeder Reservoir.

Concerning specific provisions of the Interim Plan, it is noted that the Forest Service assumes that with a "natural disaster" new roads might be constructed. Since the watershed is relatively small, and helicopter or vehicle access is possible in all portions of the watershed, it is doubtful that such new roads would have any value during or immediately after a fire and could only be expected, if planned and constructed on a rush basis, to complicate the problems of water supply for the City of Ashland. The Forest Service Interim Plan states that grading season controls will be in effect, however, it is not stated how often grading is envisioned between now and 1982 when the fully developed plan is produced.

It is disturbing that the Forest Service in its Interim Plan deals with surface erosion, particularly of the road prism and the implications regarding maintenance of the roads, in such a cavalier fashion. The processes are mentioned along with a literature search and an erosion study of the Ashland ski area. However, the type of research recommended by Dr. Megahan has apparently not been initiated and is not included as part of the planned research in the Interim Plan. In addition, an evaluation of listing of issues emphasizes numerous aspects of watershed concern, including some "straw-man" issues such as minimizing wildlife production, but does not deal in any detail with the issues related to surface erosion of the road prism, O & M of the roads and surface erosion of the ski area.

In summary, the entire concept of road maintenance as a potential problem was glossed over in the Interim Plan. This aspect needs to be emphasized in the discussion of issues and the subject of a major research and planning effort. Before the City could agree to consider any kind of major surface-disturbing activity within the watershed, the research should be completed and the results integrated into the planning.

MINING

The Forest Service's refusal to withdraw the watershed from mineral entry is particularly disturbing in view of the low to non-existent mining potential and the extremely high potential for damage which could result from mineral

exploration (which the Forest Service has little, if any, effective control over). The City objects to this, particularly in view of the reason stated in a March 27, 1979 Forest Service memo.

"The City of Ashland would prefer to have the Ashland Watershed withdrawn from mineral entry so as to prevent possible contamination of the water supply due to mining activity. Historically, there has not been much mining within the watershed, nor is there much anticipated. The Forest Service, while recognizing that a withdrawal of Ashland Watershed from mineral entry may have little impact on the mining in this area, are concerned that withdrawal of a watershed per se to preserve a watershed's water quality would have tremendous effects on the mining industry nationwide."

This confirms the suspicion that, for the Forest Service, municipal water supply is below mining in priority, even when there is no significant potential for mining.

FIRE MANAGEMENT

There seems to be some confusion about our concern and recommendations related to fire management in the watershed, so these are briefly summarized.

1. The history of fires and fire management in the Rogue Valley indicates that the major problem fires were man-caused and that natural fires were generally suppressed in a short time.
2. There is a large potential for increased erosion due to an intense fire in the watershed. However, there is also research information available that demonstrates that wildfire through unlogged watersheds can result in significantly less erosion and sediment movement than wildlife through a logged watershed.
3. We believe that high levels of human activity such as that associated with logging or extensive over-night camping could be expected to increase the likelihood of a large problem fire.
4. We recommend that fire management involving intensive observation and quick response in suppressing all fires was the most appropriate program for the Ashland watershed.
5. We have concluded that, although the removal of fuel from the watershed would present certain benefits, the extensive logging activities required to do this effectively would present far more hazards and potential for loss than for benefit. However, we are open to other methods of fuels management, such as controlled burning.
6. One of the most important deficiencies of the Interim Plan is the absence of an objective discussion of all aspects of fire and fire management, particularly as they apply to the municipal water values of the watershed. The discussions included are very one-sided.

CITY INVOLVEMENT

The City has always been unsure as to its role in determining the future of the Ashland watershed relative to Forest Service planning and management activities. In discussing this with the Forest Supervisor, it is apparent that the City is viewed as merely one special interest facet in a multi-faceted public sector. It is also apparent that the Forest Supervisor considers his authority to adopt plans and carry out management activities as a unilateral function unless a specific appeal is made by an affected party. The City recognizes and encourages planning and management activities that allow the fullest possible extent of public involvement, but as the recipient of any sedimentation burdens which mistakes in Forest Service management create, it is our opinion that we have far more than a normal public interest in the decisions made.

In discussing the problem of City involvement and role in the planning process, it appears to us that a City representative could be an ex-officio member of the interdisciplinary planning team and meet regularly with the technical planning group as it proceeds through the preparation of the 1982 plan. We feel that such involvement is the minimum good faith gesture by the Forest Service to involve the City in its planning for the Ashland watershed.

PLANNING PROCESS

The Forest Supervisor has informed City representatives that the Ashland watershed can be treated as a separate "Management Area" in the development of the Rogue River National Forest Plan. This we enthusiastically support since we believe the problems within the Ashland watershed require planning with a different type of emphasis than the rest of the forest.

We are also concerned that the Interim Plan tends to focus on a few major directions for each type of use and then emphasizes those limited objectives in terms of the background information and analysis presented. It is our opinion that a sound planning process treats a full range of alternatives for each use seriously considered for the resources involved. For example, road maintenance should consider in a fair and impartial manner a full range of low-to no-maintenance alternatives as well as the more intensive O & M alternatives preferred by the Forest Service. This was not done in the Interim Plan, and we believe that at least the framework describing such alternatives should be included.

IMPACT ANALYSIS

In discussing the Interim Plan with the Forest Supervisor, a high importance was assigned to the environmental impact statement process which will accompany the 1982 plan. We encourage such an impact analysis based on the best methodologies and research information available. We urge the Forest Service to not gloss over surface erosion as they have done in the past. We recommend that the Interim Plan should contain at least an outline of the general analysis methodologies to be used in the assessment of impacts and a description of the categories of impact which will be emphasized.

PRIORITIES

The City believes that the Forest Service should clearly indicate that the Ashland watershed will be the top priority in its planning process leading to the 1982 plan. The City also encourages the Forest Service to acknowledge that the Interim Plan would be superceded in 1982 and that management activities will be held to an absolute minimum in the watershed until the adoption of the 1982 plan.

CHANNEL EROSION

The Forest Service also expressed concern that the Montgomery analysis did not include channel erosion. It is our opinion that channel erosion, while undoubtedly occurring constantly in the Ashland watershed, is primarily an intermediate process involving the movement of sediment eroded in the watershed proper, particularly from areas of man-caused disturbances, to some downstream location such as Reeder Reservoir. There are methods whereby the channel erosion phenomenon can be better understood and these should be explored. However we suspect, based on field inspection, that the volume of material eroded from the channel after long-term residence in the channel will be very low and that most of the channel material eroded will have been at its last location for less than 10 years.

FUTURE RESEARCH

The following research should be initiated on the Ashland watershed, and the "Interim Plan" should specify the process to be pursued in implementing such a program:

1. Surface erosion rates for the:
 - a. Road cut surface including the ditch.
 - b. Driving surface including the relationship to the ditch.
 - c. Road fill surface.
 - d. Ashland ski area.
 - e. Undisturbed areas.
2. Continual monitoring of mass failure areas.
3. Channel erosion using capacity, aggradation, degradation methods as developed and used by Dr. William W. Emmett of the U. S. Geological Survey.
4. Monitoring of the stream system just above the reservoir for
 - suspended solids
 - turbidity
 - bedload
5. Monitoring of total organic carbon at various locations in the watershed and reservoir (for the purpose of determining trihalo-methane potential).

MT. ASHLAND SKI AREA LEASE

This Lease Agreement is made and entered into this 9th day of July, 1992 (hereinafter the "effective date of this Agreement"), by and between the **CITY OF ASHLAND** ("Lessor") and the **MT ASHLAND ASSOCIATION**, an Oregon not-for-profit corporation ("Lessee").

In consideration of the mutual promises set forth herein, the Lessor and Lessee agree as follows:

1. **Term.** The initial term of this Lease shall begin on the date indicated above and shall terminate on June 30, 2017. At any time on or before June 30, 2017, Lessee shall have the right, if the Lease has not theretofore been terminated by either party and if Lessee is not then in default with respect to any obligation under this Agreement, to notify Lessor in writing that the term of the Lease shall be extended for an additional twenty-five (25) years, until June 30, 2042, in which case the Lease term shall be so extended. Notwithstanding the two preceding sentences, Lessee's leasehold rights under this Agreement shall terminate upon the expiration or other termination of Lessor's rights under the Permit.

2. **Definitions: Description of Leased Property: Permit: and Lease Agreement.**

2.1. **Definitions: Description of Leased Property.** As used in this Agreement, the following terms shall have the indicated meanings:

2.1.1. **"Permit"** shall mean and refer to that certain United States Department of Agriculture Forest Service Special Use Permit which is attached to this Agreement as Exhibit "A", and any subsequent permit which may be issued as a replacement or renewal of the permit attached hereto as Exhibit "A".

2.1.2. **"Permit Property"** shall mean and refer to that certain real property located on Mt. Ashland, in Jackson County, Oregon which is described in and is subject to the Permit, together with all improvements owned by Lessor and now or hereafter constructed or existing thereon.

2.1.3. **"Equipment"** shall mean and refer to all personal property, fixtures, furnishings, inventory and items of equipment owned by Lessor which are now attached to or located on or about the Permit Property, including but not limited to the items of personal property identified on Exhibit "B" attached hereto. As soon as practicable after the execution of this Agreement, Lessor and Lessee shall cause to be taken a physical inventory of all personal property, fixtures, furnishings, inventory and items of equipment owned by Lessor which are now attached to or located on or about the Permit Property, and shall amend Exhibit "B" to conform with that physical inventory, it being the intention of the parties that this Agreement apply only to those items of personal property verified by the physical inventory and listed on Exhibit "B" as so amended.

2.1.4. **"Leased Property"** shall mean and refer to the Permit Property and the Equipment.

2.1.5. **"Index"** shall refer to the following index published by the Bureau of Labor Statistics of the United States Department of Labor: Consumer Price Index, All Urban Consumers (CPI-U), U.S. City Average, CPI--All Items ("standard reference base period" 1982-84 = 100). **"Base CPI Index Figure"** shall refer to the Index number indicated for the month of January, 1992, and the **"CPI Index Figure"** for any other month shall refer to the Index number for that month. If the "Index" is no longer being published as of a particular date, then the "CPI Index Figure" for that date shall be the figure reported in the U.S. Department of Labor's most recent comprehensive official index then in use and most nearly answering the description of the Index (or, if the U.S. Department of Labor is not then publishing any such similar index, shall be determined under another comparable, authoritative, generally recognized index to be selected by mutual agreement of Lessor and Lessee). If the Index is calculated from a base different from the base 1982-84 = 100, then the figures to be used in calculating any adjustment mandated under this Agreement first shall be converted (if possible, under a formula supplied by the Bureau of Labor Statistics of the U.S. Department of Labor) to account for that difference.

2.1.6. For purposes of this Agreement, the **"Minimum Liquidation Value"** for the Leased Property with respect to any particular calendar year shall be determined as follows:

2.1.6.1. With respect to the 1992 calendar year, the "Minimum Liquidation Value" shall be \$200,000.00.

2.1.6.2. With respect to the 1993 calendar year and each subsequent calendar year throughout the Lease term, the "Minimum Liquidation Value" for a particular calendar year shall be determined by multiplying \$200,000.00 by a fraction, the numerator of which is the CPI Index Figure for the month of January of that subject calendar year, and the denominator of which is the Base CPI Index Figure. To illustrate the preceding sentence, the "Minimum Liquidation Value" for the 1998 calendar year will be equal to the product determined by multiplying \$200,000.00 by a fraction, the numerator of which is the CPI Index Figure for the month of January, 1998, and the denominator of which is the Base CPI Index Figure.

2.1.6.3. Notwithstanding the provisions of Paragraph 2.1.6.2, the Minimum Liquidation Value of the Leased Property shall never decrease, regardless of any decline in the Index.

2.1.7. **"Ski Area Trust Fund"** shall mean and refer to a segregated trust fund which shall be held, invested and maintained by the City of Ashland, as trustee, and shall be administered and distributed for the benefit of the Lessee and the Lessor in accordance with the provisions of this Agreement. The initial principal of the Ski Area Trust Fund shall be contributed to the Fund by the City of Ashland on the

effective date of this Agreement, and shall consist of those assets which are identified on Exhibit "C" attached to this Agreement.

2.2. Permit. The terms, covenants, provisions and conditions of the Permit are incorporated into this Lease and Lessee assumes responsibility for payment and performance of all obligations of the City of Ashland under the Permit. Lessee agrees to hold harmless, defend and indemnify Lessor from and against any loss, claim or liability suffered by or asserted against Lessor as a result of Lessee's failure to fully pay and perform the obligations of the Permit.

2.3. Lease Agreement. Lessor hereby leases the Leased Property to Lessee, and Lessee leases the Leased Property from Lessor, subject to all of the terms and conditions contained in this Agreement.

2.3.1. Lessee is thoroughly familiar with the Leased Property and its condition and state of repair, and agrees to take the Leased Property in its present condition, and specifically agrees that all of the Leased Property is in an acceptable condition for the purpose for which leased. Lessor makes no warranty of merchantability or fitness of the Leased Property for any purpose. Neither Lessor nor its agents have made any representations with respect to the Leased Property except as expressly set forth in this Lease, and no rights are acquired by Lessee by implication in fact or in law, or otherwise, except as expressly set forth in this Lease. Taking possession of the Leased Property shall be conclusive evidence that Lessee accepts the Leased Property "as is" and "with any and all faults".

3. Use of Leased Property. Lessee shall have sole and exclusive possession and use of the Leased Property during the entire term of this Lease for the purpose of constructing, improving, maintaining and operating year-round educational and/or recreational facilities for the benefit of the general public (including but not limited to a ski area and/or winter sports resort).

4. Consideration. Lessee is a not-for-profit corporation, all assets of which will devolve to Lessor in the event of Lessee's dissolution and liquidation. In addition, Lessee has assisted Lessor in obtaining the funds necessary to purchase the Leased Property. Under these circumstances the parties have determined that a lease payment of \$1.00 per year is full and adequate consideration for this Lease.

5. Title to Assets. Throughout the entire Lease term the Permit Property and the Equipment shall be and remain the property of the Lessor.

5.1. All buildings, structures, facilities and improvements of whatever kind and nature erected upon or made to the Permit Property by Lessee during the term of this Lease, together with any and all additions or alterations thereto and any permanent fixtures now or hereafter affixed or attached thereto, shall upon termination of this Lease become the property of Lessor.

5.2 Lessor shall not acquire any ownership, title or interest in any machinery, equipment, appurtenance or fixture hereinafter placed by Lessee in or upon the Permit Property which is not so affixed as to become an integral part of the buildings structures, facilities or improvements located on the Permit Property; provided, however, that if any machinery, equipment, appurtenance or fixture replaces a portion of the Permit Property or the Equipment or serves a similar function to the Permit Property or the Equipment, or is necessary to preserve the value specified in Paragraph 7.1, then such machinery, equipment, appurtenance or fixture shall become and remain the property of the Lessor.

6. Alterations. Lessee shall have the right to make changes to and alterations of the Leased Property, subject to the following conditions:

6.1. Except as herein provided, Lessee may at Lessee's expense make such alterations, improvements, additions and changes to the Leased Property as it may deem necessary or expedient in the operation of the Leased Property, provided that Lessee, without the written consent of Lessor (which consent shall not be unreasonably withheld) shall not tear down or materially demolish any of the improvements upon the Permit Property or make any material change or alteration in such improvements, which, when completed, would substantially diminish the value or substantially alter the use of the Leased Property.

6.2. At all times when any change or alteration is in progress, there shall be maintained, at Lessee's expense, workers' compensation insurance in accordance with laws covering all persons employed in connection with the change or alteration, and general liability insurance in accordance with laws covering all persons employed in connection with the change or alteration, and general liability insurance for the mutual benefit of Lessee and Lessor expressly covering the additional hazards due to the change or alteration.

7. Repair and Maintenance. Lessee shall not cause or permit any waste, damage or injury to the Leased Property. Lessee, at its sole expense shall keep the Leased Property as now or hereafter constituted (with all improvements made thereto) clean and in good condition (reasonable wear and tear excepted) and shall make all repairs, including all structural repairs, necessary to maintain the Leased Property. All repairs, replacements, and renewals shall be at least equal in quality of materials and workmanship to that originally existing in the Leased Property. Lessor shall in no event be required to make any repair, alteration, or improvement to the Leased Property. Any fixture, equipment or materials replaced by Lessee shall belong to Lessor, and all proceeds from the disposition thereof shall belong to Lessor. Lessee shall indemnify Lessor against all costs, expenses, liabilities, losses, damages, suits, claims and demands because of Lessee's failure to comply with the requirements of this Paragraph 7, and Lessee shall not call upon Lessor for any disbursement or outlay whatsoever in connection therewith, and hereby expressly releases and discharges Lessor of and from all liability therefor.

7.1. Lessee shall perform its obligations for maintenance and repair, shall make improvements to the Permit Property, and shall replace portions of the Equipment, as required to ensure that the actual liquidation value of the Leased Property is not less than the Minimum Liquidation Value of the Leased Property.

7.1.1. Lessee shall not be required under this Paragraph 7.1 to replace any portions of the Equipment which are not needed in Lessee's operations, except that this provision shall not operate as a waiver of Lessee's obligation to maintain the actual liquidation value of the Leased Property at a level not less than the Minimum Liquidation Value of the Leased Property. If for any reason the actual liquidation value of the Leased Property declines below the Minimum Liquidation Value of the Leased Property, then Lessee shall deposit into the Ski Area Trust Fund a sum of money ("the Restoration Sum") equal to the difference between the actual liquidation value of the Leased Property and the Minimum Liquidation Value of the Leased Property. The Restoration Sum shall be so deposited within ninety days after delivery to Lessee from Lessor of written demand therefor. If Lessee disputes the Lessor's determination of deficiency, then Lessor shall proceed as provided in Paragraph 7.1.3. Except as provided in Paragraph 7.1.2 or as otherwise agreed in writing by Lessor and Lessee, amounts deposited by Lessee into the Ski Area Trust Fund pursuant to this Paragraph shall be used only for costs of restoration of the Permit Property as required under the Permit, and the trustee shall not use or permit the use of the assets of the Ski Area Trust Fund for any other purpose.

7.1.2. In recognition and support of Lessee's intention to provide educational and recreational programs to residents of the City of Ashland and to operate the Leased Property in a manner which will stimulate the economy of the City, and in recognition of Lessee's inability to commence ski area operations for the 1992 - 1993 ski season without financial support from the City, Lessor authorizes the trustee to pay and distribute to Lessee, within 30 days after the effective date of this Agreement, the entire principal of the Ski Area Trust Fund. During 1993 and all subsequent years throughout the Lease term, the trustee shall distribute to Lessee, promptly upon demand from Lessee, all amounts of principal theretofore deposited by the Lessee to the Ski Area Trust Fund pursuant to Paragraph 7.1.1, but only if and to the extent that the sum of the value of the assets remaining in the Ski Area Trust Fund (after making that withdrawal) plus the actual liquidation value of the Leased Property at that time exceeds the Minimum Liquidation Value of the Leased Property at that time. Lessee shall not under any circumstances be entitled to receive any income earned with respect to the Ski Area Trust Fund. All income earned with respect to the Ski Area Trust Fund shall be credited to (and shall be deemed for all purposes to have been earned by) the City of Ashland, but shall be held and retained by the trustee in the Ski Area Trust Fund for use in connection with the eventual restoration of the Permit Property. All income and principal remaining in the Ski Area Trust Fund upon termination of the Lease shall be distributed by the trustee to the City of Ashland.

7.1.3. Whenever Lessor reasonably determines that the sum of the actual liquidation value of the Leased Property plus the amounts then held by the City of Ashland in the Ski Area Trust Fund is less than the Minimum Liquidation Value of the Leased Property, Lessor may request an appraisal of the Leased Property by an independent qualified appraiser chosen by Lessee from a list of not fewer than three submitted by Lessor in conjunction with the request. If Lessee does not make the choice within five days, Lessor may do so. The appraiser shall have access to all of Lessee's records as necessary for the appraisal and shall take such steps as the appraiser deems necessary to make a competent appraisal. The appraiser shall report to the parties within 30 days after being chosen. The report shall be final and binding upon both parties. The cost of the appraisal shall be borne by the Lessee if the sum of the actual liquidation value of the Leased Property plus the amounts then held by the City of Ashland in the Ski Area Trust Fund is less than 110% of the Minimum Liquidation Value of the Leased Property. Otherwise the cost of the appraisal shall be borne by the Lessor.

7.2. Lessee shall be solely responsible for any improvements, alterations or repairs to the Leased Property required pursuant to the Americans with Disabilities Act.

8. Utilities. Lessee shall be responsible for, and shall pay all charges for janitorial services, garbage removal, gas, electricity, light, heat, power, telephone, sewage disposal and domestic water used, rendered or supplied upon or in connection with the Leased Property.

9. Fire and casualty insurance. Lessee covenants and agrees to keep the Leased Property insured against loss by fire with extended coverage endorsement, including risk of loss resulting from collapse of the structures, lightning, vandalism and malicious mischief. Such insurance policies shall at all times be maintained in force in an amount equal to the full insurable replacement value of the premises and properties insured. It is a condition of payment of such insurance premiums by Lessee that the proceeds of any such insurance shall be applied to the repairing or restoration of the property damaged whether the loss is partial or total. The City of Ashland shall be named as an additional insured on such policies.

10. Liability insurance. Lessee shall procure, and during the term of this Lease shall continue in force, at Lessee's cost, public liability and property damage insurance, including ski operators liability coverage, issued by a responsible company with limits of not less than \$500,000 per occurrence (combined single limit for bodily injury and property damage claims) or \$500,000 per occurrence for bodily injury and \$100,000 per occurrence for property damage. Such insurance shall cover all risks arising directly or indirectly out of Lessee's activities on, or as a result of the condition of, the Leased Property and shall protect Lessor and Lessee against all claims of third persons. Certificates evidencing such insurance and bearing endorsements requiring 30 days written notice to Lessor prior to any change or cancellation shall be furnished to Lessor. It is agreed that the Lessor shall not be liable to any third persons as a result of the use of the Leased Property by the Lessee, its employees or agents, and

the Lessee covenants and agrees to save the Lessor harmless from the claims of said third persons by reason of the use of said premises by the Lessee herein.

11. Real property taxes. In the event any property subject to this Lease shall be assessed for property taxes, such taxes shall be paid by the Lessee on or before the 15th day of November of the taxable year.

12. Default or breach. In the event the Lessee commits any default or breach of any of the terms or conditions of this Agreement and fails or neglects to correct the same within six months after notice thereof by the Lessor, then and in such event, the Lessor shall have the right to immediately expel the Lessee from the Leased Property and declare this Lease terminated. In the event the Lessee fails to operate the Leased Property as a ski area and/or winter recreation resort at any time during a period of twelve consecutive months, except for war, catastrophe, natural causes (including but not limited to lack of sufficient snow for reasonably profitable operations), or other circumstances beyond the control of the Lessee, the Lessor shall have the right to immediately terminate this Lease.

13. Lessee Compliance with Environmental Laws.

13.1. Definition of "hazardous material". As used in this Paragraph, the term "hazardous material" means any hazardous or toxic substance, material, or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. § 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302) and any amendments, ORS 466.567, 466.205, 466.640 and 468.790 and regulations of the Oregon State Department of Environmental Quality, petroleum products and their derivatives, and such other substances, materials and wastes as become regulated or subject to cleanup authority under any environmental laws. Environmental laws means those laws cited in this subparagraph.

13.2. Lessee's compliance with laws and permits. Lessee shall cause the Leased Property and all operations conducted on the Leased Property (including operations by any subtenants) to comply with all environmental laws.

13.3. Limitation on uses of hazardous materials. Lessee shall not use or allow any agents, contractors or subtenants to use the Leased Property to generate, manufacture, refine, transport, treat, store, handle, recycle, release or dispose of any hazardous materials, other than as reasonably necessary for the operation of Lessee's activities as contemplated under this Agreement.

13.4. Lessor's Rights. Lessor shall have the right to conduct reasonable inspections and investigations of the Leased Property and the operations conducted on the Leased Property at any time and from time to time, and Lessee shall cooperate fully with Lessor during such inspections and investigations.

13.5. Indemnification. Lessee agrees to defend (with counsel approved by Lessor), fully indemnify, and hold entirely free and harmless Lessor from and against all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Leased Property, damages for the loss or restriction on the use of rentable or usable space or of any amenity of the Leased Property, damages arising from any adverse impact on marketing of space, sums paid in settlement of claims, attorney fees, consultant fees, and expert fees) which arise during or after the lease term and which are imposed on, or paid by or asserted against Lessor by reason or on account of, or in connection with, or arising out of Lessee's generation, manufacture, use, transportation, refinement, treatment, storage, or disposal of hazardous materials, or any release of hazardous materials as a result of Lessee's use or activities, or of Lessee's agents, contractors, or subtenants.

14. Limitation On Assignment Or Sublease By Lessee. Lessee shall not assign this Lease or sublease any portion of the Leased Property without obtaining in each instance the written consent in advance of Lessor, which consent shall not be withheld unreasonably, and which consent shall be deemed for all purposes to have been given by Lessor if not expressly given or withheld within thirty (30) days after receipt by Lessor of Lessee's written request for that consent. In determining whether consent is reasonable, Lessor may consider any and all relevant factors, including, but not limited to, the financial stability of the proposed sublessee or assignee and the extent to which the public interest is affected by the sublease or the assignment. Consent by Lessor in any one instance shall not constitute a waiver or consent to any subsequent instance.

15. Miscellaneous. Nothing contained in this Agreement shall create between the parties hereto, or shall be relied upon by any other person as creating, any relationship of partnership, association, joint venture, principal and agent, or otherwise. The sole relationship of the parties hereto shall be that of landlord and tenant. There are no oral agreements or representations between the parties hereto which affect this Agreement, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, warranties, representations and understandings, if any, between the parties. The paragraph headings set forth in this Agreement are set forth for convenience purposes only, and do not in any way define, limit or construe the contents of this Agreement. If any provision of this Agreement shall be determined to be void by any court of competent jurisdiction, then that determination shall not affect any other provisions of this Agreement, and all such other provisions shall remain in full force and effect. It is the intention of the parties that if any provision of this Agreement is capable of two constructions, only one of which would render the provision valid, then the provision shall have the meaning which renders it valid. If suit or action is instituted in connection with any controversy arising out of this Agreement, the prevailing party in that suit or action or any appeal therefrom shall be entitled to recover, in addition to any other relief, the sum which the court may judge to be reasonable attorney fees. Any notice required or permitted under this Agreement shall be deemed to have been given and delivered when personally delivered or when deposited in the United States mail, as certified mail, postage prepaid, and addressed to the last-known address of the party being

provided with the notice. This Agreement shall inure to the benefit of and shall be binding upon the successors, assigns, heirs and personal representatives of Lessor and Lessee. This Lease Agreement is being executed in two counterparts, each of which shall be an original, and both of which shall constitute a single instrument, when signed by both of the parties. Waiver by either party of strict performance of any of the provisions of this Agreement shall not be a waiver of, and shall not prejudice the party's right to subsequently require strict performance of, the same provision or any other provision. The consent or approval of either party to any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar act. This lease shall be governed and performed in accordance with the laws of the state of Oregon. Each of the parties hereby irrevocably submits to the jurisdiction of the courts of Jackson County, Oregon, and agrees that any legal proceedings with respect to this Agreement shall be filed and heard in the appropriate court in Jackson County, Oregon.

16. Nondiscrimination. In connection with any operations of Lessee under this lease, Lessee shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, or disability. Lessee shall not discriminate by segregation or otherwise against any person on the basis of race, color, religion, sex, national origin, age, or disability by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally.

Lessee:

Lessor:

MT. ASHLAND ASSOCIATION

CITY OF ASHLAND

BY
Its


President

BY

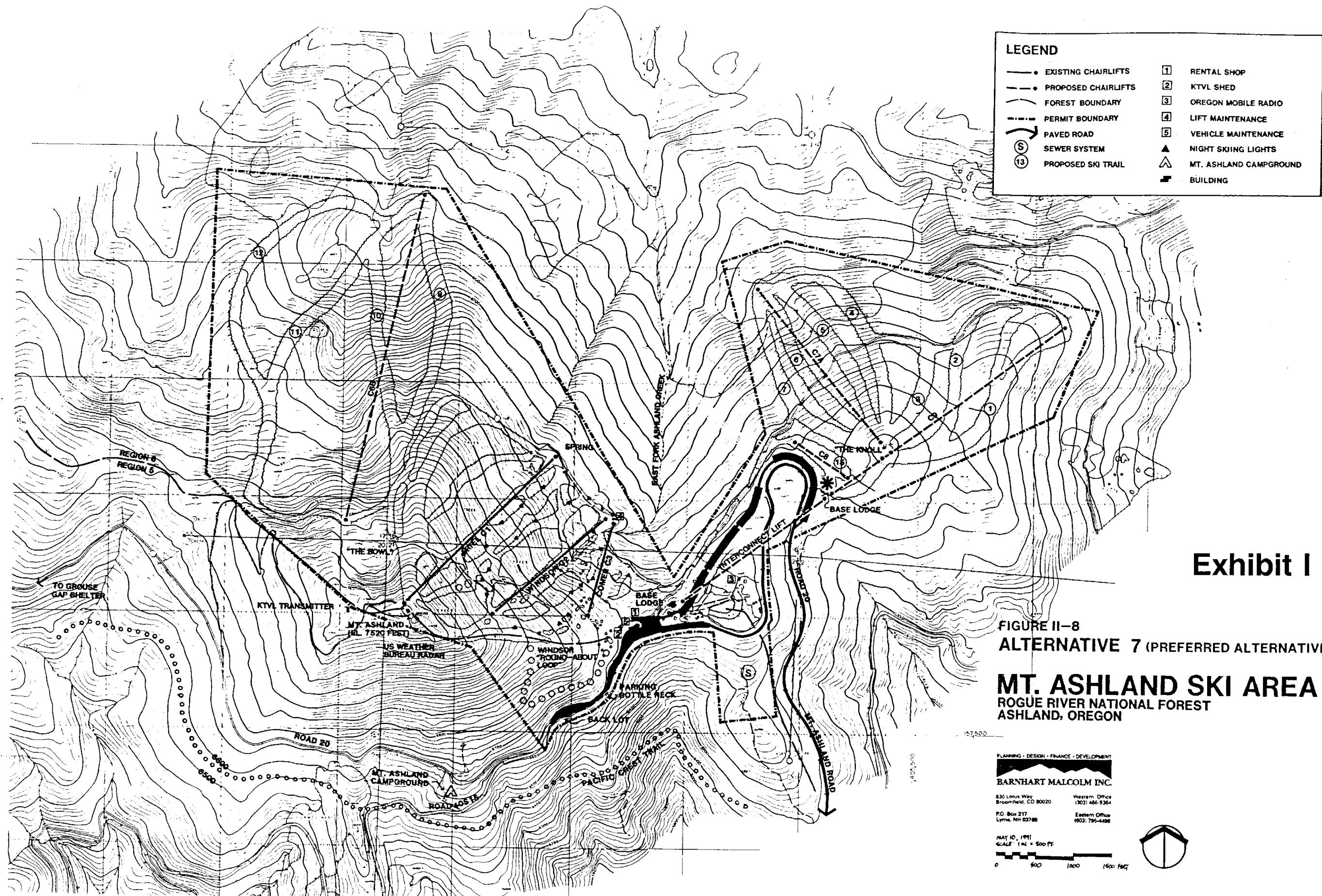

Mayor Cathy Golden

BY

Its

BY


Nan Franklin, City Recorder



MEMORANDUM OF UNDERSTANDING

USDA FOREST SERVICE, REGION 6
ROGUE RIVER NATIONAL FOREST
ASHLAND RANGER DISTRICT
and the
CITY OF ASHLAND, OREGON

This Memorandum of Understanding is made by and between the City of Ashland, hereinafter called the City, by and through its Mayor, and the United States Department of Agriculture, Forest Service, acting by and through the Forest Supervisor, Rogue River National Forest, hereinafter called Forest Service, WITNESSETH THAT:

WHEREAS, as specified in the Clean Water Act of 1995, "In order to meet the rapidly expanding demands for water throughout the Nation, it is hereby declared to be the policy of Congress to encourage conservation...and utilization of water and related land resources of the United States on a...coordinated basis by the Federal Government, States, localities, and private enterprise with the cooperation of all affected Federal agencies, States, local governments..."; and,

WHEREAS, the parties hereto did in 1929 enter into a Cooperative Agreement, entitled "Cooperative Agreement For The Purpose Of Conserving and Protecting The Water Supply Of The City Of Ashland, Oregon of 1929"; and

WHEREAS, the parties hereto did in September of 1979 agree upon except as qualified the "Interim Watershed Plan" and subsequently the "Rogue River National Forest Plan of 1989" and the updated "Northwest Forest Plan of 1995"; and,

WHEREAS, the parties hereto are in consensus that both the above referenced Cooperative Agreement and The Rogue River National Forest Plan and the Northwest Forest Plan of 1995, although still in effect, now require further clarification and updating to address issues and circumstances which have changed since they were entered into; and,

WHEREAS, The City:

1. Has the responsibility for providing its citizens with a water supply; and,
2. Has historically used the water from Ashland Creek; and,
3. Has helped develop a short-term plan and currently guided by the Interim Watershed Plan for the analysis and implementation of stated objectives to meet the on-going responsibilities of general stewardship of the land. The Interim Plan was replaced by the Rogue River National Forest Plan of 1989 as updated by the Northwest Forest Plan of 1995. The objectives of the Rogue River National Forest Plan and the Northwest Forest Plan address Late Successional Reserve objectives, water quality, erosion control, fire prevention and suppression, maintenance of a healthy and vigorous cover of vegetation - particularly in the event of severe fire, insect or disease occurrence to vegetation creating extreme fire danger; and,
4. Has developed and adopted a Forest Management Plan, and the Hamilton Creek Coordinated Resource Management Plan; and,
5. Has agreed as specified in the above referenced Cooperative Agreement, "...should the City of Ashland desire any special protection measures not provided by the regular Forest Service

- administration, they may be obtained by the appointment of additional employees to be appointed by and to be directly responsible to the Forest Supervisor..."; and,
6. Has provided during the 1982, 1983 and 1984 fire season routine patrols of City fire personnel through the Ashland Watershed for the purpose of fire prevention; and,
 7. Has provided annually since fire season 1985 volunteer City personnel who patrol within the Ashland Watershed for the purpose of fire prevention and detection; and,

WHEREAS, The Forest Service:

1. Has the responsibility for managing the watershed from which Ashland Creek originates and drains; and,
2. Has delegated to the Ashland District Ranger authority and responsibility to administer, the Ashland Watershed; and,
3. Has agreed with the City to manage the watershed in such a way as to conserve and protect the City's water supply; and,
4. Is required by Law and Policy to manage National Forest lands consistent with protection of the basic resource, soil, and maintenance of State and Federal water quality standards; and,
5. Has developed the Rogue River National Forest Plan and the Northwest Forest Plan which address pre-suppression, suppression, fire prevention and fuel management actions necessary to prevent a catastrophic wildfire occurrence in the Ashland Watershed; and,
6. Has developed and implemented four closures under the authority of the Code of Federal Regulations within the geographic location and for the protection of the Ashland Watershed which stipulate "No Overnight Camping"; "No Off Road Vehicles"; "No Open Fires" and "Roads Closed"; and,
7. Will close the Ashland Watershed to the public under the authority of the Code of Federal Regulations applicable to National Forests during periods of extreme fire danger; and,
8. Does recognize extreme fire danger by the moisture content of live vegetation and dead vegetation during summer months in combination with the Palmer Drought Index; and,
9. Is required to provide public notice and posting of signs bringing to the public's attention closures that are in effect in the Ashland Watershed so that the public has a reasonable opportunity to be aware of closure area and requirements; and,
10. Has the responsibility for news releases that affect National Forest land, including the Ashland Watershed; and,
11. Has established at the City's expense gates on road 2060 at T.39S., R.1E, Sec. 21 NENE, the Ashland Loop Road at the Rogue River National Forest boundary and road 2060200 at T.40S., R.1E., Sec. 15 NENE north of Bull Gap, to be used to close the Ashland Watershed during extreme fire danger when approved by the Forest Supervisor; and,

NOW, THEREFORE, It is hereby agreed by and between the parties hereto as follows:
The Forest Service shall:

1. Establish vegetative fuel moisture plots within or adjacent to the Ashland Watershed to assess fire danger in order to determine when to close the Ashland Watershed; and,
2. Establish Palmer Drought Indices as a criterion to predict in late spring or early summer the likelihood of serious fire danger conditions due to drought of significant duration of time during the late portion of summer; and,
3. Use the 1000 hour timelag fuel moisture (>3" dia. to 6" dia. dead and down fuel) as a criterion for watershed closure for extreme fire danger; and,
4. Upon determination of a Palmer Drought index of -2.00 or less during the month of May prepare for a closure of the Watershed because of impending extreme fire danger. If during the month of June, July and August the Palmer Drought Index is -3.00 or less and the 1000 hour timelag fuel moisture is <15% and shrub foliage moisture content <100% watershed closure for restriction of public access should be implemented; and,

5. Have an Ashland Watershed closure proclamation prepared for signature by the Forest Supervisor for timely implementation when the Palmer Drought Index, 1000 hour fuel moisture and vegetative fuel moisture indicates extreme fire danger. Prepare for public notification through the news media and signing of the proclaimed closure; and,
6. Annually provide fire prevention literature and handouts, procedures and training as required by Forest Service management for fire prevention contacts with the public by employees and volunteers of the City; and,
7. Annually provide training and information to employees and volunteers of the City concerning closures pertaining to the Ashland Watershed and procedures, authorities and responsibilities for enforcement of closures; and,
8. Notify the City when the closure for Ashland Watershed for extreme fire danger is rescinded due to a change in weather and/or vegetation conditions, which are usually brought about by precipitation of significant amounts usually >.5" within a short period of time; and,
9. Place a Forest Service lock on the gate constructed at T.39S, R1E, Sec. 16 SWNE on Road 2060 above Morton Street; and,
10. Annually review, evaluate and discuss with the City, the Ashland Watershed as it relates to fire danger, fire prevention, closures and coordination between the City and Forest Service; and,
11. Notwithstanding any of the above, base the closure of the watershed on fire danger taking into account other administrative considerations such as; reduced availability of firefighting forces due to other fires in or out of our area, or a high incidence of arson or other human caused fires in the area; and,
12. Include the City in the planning level and project level, where appropriate, of projects in the Ashland Watershed; and,
13. Make available on a contractual basis resource specialists to aid the City on projects influencing the Ashland Watershed.

The City Shall:

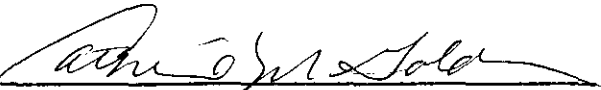
1. Designate the City Administrator as the City's representative for coordination in this Memorandum of Understanding; and,
2. Notify the Forest Service before the City close the gates on private land outside the National Forest Boundary that would affect access onto National Forest; and,
3. Make time available during the month of April or May for their employees and volunteers in positions of fire prevention patrol to receive training by the Forest Service. Such training will entail fire prevention procedures and specifics of the closures that are in effect with the Ashland Watershed; and,
4. Maintain a log by their employees or volunteers on a daily basis while on fire prevention patrol within the Ashland Watershed. The log will record such things as vandalism, illegal activities in violation of closures, numbers of people and type of public use within the Ashland Watershed and other pertinent information; and,
5. Through the designated City representative participate in and input into the resource management process for planning, management review and evaluation any resource activity within the Ashland Watershed.
6. Take the lead with the Ashland Parks and Recreation Commission to coordinate resource management issues influencing the Ashland Watershed.

The City and Forest Service shall mutually:

1. Make staff available to take advantage of opportunities to achieve mutual objectives on projects such as fuelbreak construction and prescribed fires; and,
2. Acknowledge Reeder Reservoir and streams in the Ashland Watershed will be used in fire suppression for helicopter bucket refill and engine/water refill during initial and extended attack; and,


3. During drought years where water supply is limited, consult on use of Ashland Watershed water sources for prolonged project fire suppression efforts. The Ashland District Ranger will coordinate with the City and the Incident Commander.

CITY OF ASHLAND, OREGON

BY 
Cathy Golden, Mayor

Date 6-4-96

USDA FOREST SERVICE

BY 
for Jim Gladen, Forest Supervisor
Rogue River National Forest

Date May 17, 1996

United States
Department of
Agriculture

Forest
Service

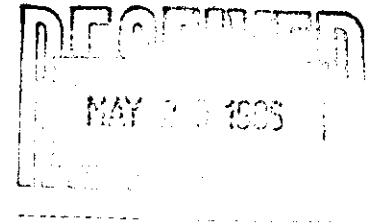
Rogue River
National
Forest

Ashland Ranger District
645 Washington St.
Ashland, OR 97520-1402

Reply to: MOU

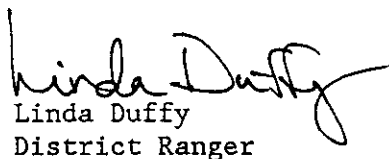
Date: May 16, 1996

Mayor Cathy Golden
City of Ashland
20 East Main St.
Ashland, Oregon



Enclosed you will find two copies of the Memorandum of Understanding between the City of Ashland and the Ashland Ranger District. Please sign and return one of the MOU's attached.

The fire protection budget for the Rogue River National forest has been reduced this year, resulting in a reduction of initial attack firefighting forces. The Ashland Ranger District staffed two engines and a fire prevention unit in 1995. This fire season there will be only one 500 gallon engine staffed 7 days a week. Contact Bill Rose for further information.


Linda Duffy
District Ranger

✓ cc: Brian Almquist
Kieth Woodley
Pam Barlow
Gary Brown
Ken Mickelsen

44 10 2011

WATERSHED RESTORATION AND ENHANCEMENT AGREEMENT

between

City of Ashland

and

USDA Forest Service

THIS AGREEMENT, authorized under Section 334(a) of Public Law 105-83, is made and entered into this 26 day of May 1998, by and between City of Ashland, hereinafter called City of Ashland, Landowner and the United States of America, by and through the Forest Service, United States Department of Agriculture, hereinafter called the Forest Service. The Agreement is for the purpose of facilitating cooperation between the Landowner and Forest Service in specific restoration, enhancement, or protection efforts. The parties have a common interest in improving or protecting the current condition within the Ashland Watershed. This Agreement provides for the interchange of services, equipment, and funds as specifically outlined below to meet the mutually agreed upon objectives of the project.

1. PROJECT AREA

This Agreement applies to activities on and relating to the following real property:

NW1/4 NW1/4, Sec.21, T.39 S., R.1 E., WM

II. DURATION OF AGREEMENT

The term of this Agreement shall run from the date of acceptance of this Agreement by all parties until June 30, 1998, or until terminated in accordance with the terms of this Agreement.

III. OBJECTIVES

The objectives of this cooperative effort in the project area are to:

Improve stability and decrease erosion potential on two landslides (total .35 acre) located above the City of Ashland's water treatment plant and below FS 2060 Rd.; minimize sedimentation to Ashland Creek below Reeder reservoir; and to reduce potential damage to access roads and other facilities.

These are the main roads providing access to the Ashland Creek canyon, Reeder reservoir, and Forest Service property.

Reduction of sediment delivery potential has been identified as a high priority in the Bear Creek Watershed Analysis. Monitoring of water quality/quantity, as well as slope stability will be ongoing.

IV. OBLIGATIONS OF THE PARTIES

B. THE LANDOWNER SHALL:

1. Allow the Forest Service, its employees, agents, and cooperators access to the project area for purposes relating to the objectives of this Agreement.
2. Not change, willfully destroy, or authorize or permit others to change or willfully destroy the characteristics of the project area without the express and written consent of the Forrester Service.
3. Not engage in any project activities until the parties agree that all applicable Federal, State, and local regulations have been (or will be) met and all necessary permits have been issued.
4. Specific provisions regarding landowner project responsibilities:
 - Supply approximately 40 one gallon containerized trees;
 - Provide onsite technical advise during implementation of projects;
 - Provide post-project effectiveness monitoring on landslide movement and surface erosion.

C. THE FOREST SERVICE SHALL:

1. Provide notice to the Landowner before entering the project area.
2. Forest Service project responsibilities:
 - Provide materials for and install checkdams, remove culvert below FS 2060 Rd. within landslide;
 - Supply erosion control matting, grass seed, shrubs and trees;
 - Pay and arrange for REAL Corps (work crew) to perform work;
 - Provide crew oversight and technical advise during project;
 - Document project implementation (write-up with photographs); and
 - Conduct slope stability analysis in the Fall of 1998.

V. MODIFICATIONS

Any modification to the terms of this Agreement shall be in writing upon the mutual consent of the parties. Such written consent shall be obtained prior to performing any changed work.

VI. TERMINATION OF AGREEMENT

This agreement may be terminated under the following conditions:

The Landowner or Forest Service may terminate this Agreement in whole, or in part upon 30 days' written notice to the other party, which notice shall be delivered by certified mail or in person. After sending notice of termination, the parties shall not incur any new obligations related to terminated portion of this Agreement, and shall cancel as many pre-existing obligations as practical.

A. Termination for Cause

If this Agreement is terminated by the Landowner's breach, the Landowner shall pay to the Forest Service damages equal to the full expenditures incurred by the Forest Service relating to the terminated portion of this Agreement, plus interest and penalties as set forth in the Claims Collection Litigation Standards.

If the Agreement is terminated because of the Forest Service breach, the Forest Service shall be responsible for any damages suffered by the Landowner.

B. Termination for Convenience

If the Agreement is terminated by the Forest Service or the Landowner, but without breach by the other party, the other party shall have no further obligations respecting this Agreement. However, if the termination is by the Landowner, the Landowner shall be responsible to comply with the obligations contained in the agreement mentioned in IV.A.4. above to the extent of activity already performed under this Agreement prior to such termination.

C. Acts of Nature.

Any termination, based upon an act of nature that is outside of the control of the parties and that substantially inhibits the ability of the parties to meet the Objectives of this Agreement or accomplish the Project Workplan, shall be without continuing liability of either party for activities relating to the affected Objectives or Workplan area. Acts of nature include, but are not limited to floods, earthquakes, volcanic eruptions, wind storms, and landslides.

VII. TRANSFER OF OWNERSHIP

In the event the Landowner transfers any of the lands in the project area, the Landowner shall inform the purchaser of the existence of this Agreement and of the agreement detailed in IV.A.4. above, and shall notify the Forest Service, in writing, of any change of ownership;

VIII. LIABILITY

Each party agrees that it will be responsible for his/her own acts and results thereof.

This Agreement becomes effective as of the last date signed below.

LANDOWNER:

BY: Mike Freeman Date: 6/10/98

(type name and address)

Mike Freeman
City of Ashland
20 E. Main Street
Ashland, OR 97520

FOREST SERVICE:

BY: James T. Gladen Date: 5/26/98

James T. Gladen
Forest Supervisor
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