CABIN SITE LEASE

WATER FRONT RECREATION, INC., a Washing on corporation, here after call of Lessor, in dt. Johns Auto Parts.

rock deration of the remains to be paid and covenants to be performed by. Inc., an Oragon componetion

the Charter ratiod Losses, leaves to Lessee the following descriped cabin six on the titims and winditions stated herein:

Cabin site number 2. of the North Woods as shown in red on Exhibit "A" attached florers (all distances being approximations), being part of Cayernment Lot., fand C. Section 26, Township 7 North, Barine 6 East, W.M., Skamenia Colony, Washington, SUBJECT, however to an essement for right of way for access read acquired by the United Day to Anterios, United States Forest Service.

SECTION I. OCCUPANCY

Aury 2 ... , 18 IL . + 10

t.02 Master Lease. Lesso; helds Lie above described prelitives under a lease, hereinafter referred to as the "marter lease," dated August 11, 1970; from the State of Washington, acting by and through the Department of Washington, acting by and through the Department of Washington, acting by and the Control of Washington, acting by and the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington, acting by a control of the Department of Washington,

1.03 Martar Lesse Dicorporated. The master lesse is on file with Lessor and is available for inspection.

Lesser's rights hereunder are subject to all the terms, provisions, exceptions and reservations set forth in suid master lesse (as to which Lesse: is a sub-lessee) and incurporated herein by reference, including, without limiting the foregoing an extensity for right of way for an excess road prouting by the United States of America, United States Forest Service and the right of the State of Washington to inspect the premises at reasonable times.

SECTION 2. BENTAL

2.01 Brack Rental. As rental for each lease year, the Lesses shall pay the sum of E ... 11 ... A T. ...

Separate Five Dollars (\$ 3-7.5. All Bent shall be paid in advance, on this first day of September An each year, hursing the region of any such other passe, at which the Lessor may notify the Lesses in Writing. Hors for me fraction of any less year shall be from September 1 through the succeeding August.

2.02 Fight Adjustments. Lessor may, as of a v amilyer or date, increase to a similar rottal as follows:

(a) Under the master lease, Lessor's rental to the State of Washington hay to increase to June 1, 1980, and at intervals of not less than ten (10), years thereafter. Lessor may increase Lessee's rental hereulater at such times as Lessor's rental under the master lesse is increased. The amount of such increase Lessee's tental tental be responsible for Lessor's rental under the master lesse is increased. The amount of such increase the lessee shall be responsible for Lessor's rental under the master lesse is increased. The amount of such increase the lessee shall be responsible for the day shall edge the state increase of the state in the Lessee's annual rental to the Lessor divided by the total simular rental of the Lessee of the state in the North Woods. Annual rental as used herein shall mean the total rent the Lessee is related to pay to Lessor for the year immediately priceding the year of the stores. The storeship formula is illustrated as of ones.

Nessee's share Increase under marter lease of to Leason

Lesson's ennual rental
Total annual rentals of sites

(b) In addition to the increase permitted under subparagraph (a) above; Lessor may as of any anniversary date; increase the annual rental hereund on accomplet taxes and assessments against said real property in a lamount, which together with prior increased on a count of taxes and assessments; shall not exceed us total of the amount by which together with prior increased on a count of taxes and assessments; shall not exceed us total of the amount by which taxes and assessments on the land a overall by the master lease exceeds any taxes for 1970, divised by the number of improved cabin sites on paid an usersary date.

(c) Finally every ten years beginning September 1, 1980, the annual rental shall at the option of the Lessor, be adjusted to reflect the percent of Increase from September 1, 1970. In the Consumal Proceedings on years the Bureau of Labor Statistics U.S. Department of Labor; that is, the conveil rental each confort the succeeding ten years shall be increased as compared with the annual rental as set forth here in by the same verice range as the increase in said to mare Rices index of fers from said index for Sentember 1, 1970.

SECTION 3. LESSOR'S CONVENANTS

3.01 Do Jaration. In order to coserve the natural healty of the North Woods, to provide for the control of structure, an exted the continuous ments to be made thereon, and for the purpose of extending to the residents therein the greatest possible based, enjoyment, pitvaey; had the comfort, safety, and preservation of property values, Lessor does thereby certify and declare that with the sole except on of lot 19, which is the North Woods Sales Office, the following, reservations, conditions, coverants, Episements and return fations shall become and size hereby made a part of all leases of property within the plat.) The North Woods as the same appears on the map survey recorded in the office of the County Auditor of Skerignia, County Washington.

3.02 Boat Dock. Lessor shall construct a boat dock for the common ties of residents of the North Woods.
In the event construction of said boat dock is not completed by September 1, 1972, it is faireby agreed that is, four of sulfi-construction. Lessor shall admiribute \$5,000,000 to the North Woods Association, hereinager described in paragraph 5,01, for construction of such Work.

SECTION 4. USE OF SITE

SECTION 4. USE OF SITE

A.01 Permits is Use. 17 a cabin site shall be used only for residential purposes. No building shall be excludify usered pluded, or peril size in crystic cabin site other than one detached single family dwelling and buildings incidentary to jest detail use and sho cabin site shall not be further ability at lifting building to the further ability at lifting building to the further ability at lifting the same and are accepted in this prefer to distinct.

A.02 Condition of Sits 1. The promises hereby lessed have seen inspected by Lessee and are accepted in this prefer to distinct.

thisir present condition

their present condition.

2.03 Vehicles (No vehicles shall be parked in readways. Vehicles shall not be operated direlastly or in excess of social years. No vehicle shall be operated at environment the influence of proving emove are forbidden.

2.04 Statinteriance. All loss shall at all times the kept in a clean, sightly? at It wholesome condition and no shall be presented by the proving emove the building materials are because it in the proving emove the province of the public view on any province.

2.04 Signs. No signs of any lot and visible from any strict or adjoining or nearby promise.

2.05 Signs. No signs of any kind shall be dishe, so to the public view on any in the fract excert on any strict or adjoining or case of ten; and except on any lot and visible from any strict or adjoining or case of ten; and except on a signs in a clean or or open any lot in the tract of the public view of a sign of a control of the public view of the public view of a sign of the public view of the p

SECTION 5. IMPROVEMENTS continued

ANY Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, execute there are, does, or other how hold pers may be kept, but not for any commercial purpose. Household cets shall not be all the former an approvance or nulsance to the neighborhood.

4.08 Incineration. Because of unpleasant odors and unsightliness, no individual incinerator will be postolization any lot.

4.09 Fires and Fireplaces. Interior fireplaces, stoves, or other type burner must be fireproofed by use of sparkproof screens. All fires must be extinguished before leaving cabin. No fires shall be lit or maintained outside of eny cztów.

4.16 Figure 2 and Fireworks. Discharging firearms, fir a rackers, rockets or any other fireworks within the North Woods area shall be prohibited.

4.11 Commercial U.M. No platted lot shall be used for any commercial purpose, except that a Lesse may rent his cabin from time to time, and in such case chall be responsible that his tenants abide by these covenants.

4.12 Motorbikes. No motorbike or mutorcycle riding of any nature chall be allowed except for logress and egress.

4.13 Fire Extinguisher. On: The extinguisher (minimum two quart capacity) must be kept in every cabin.

4.14 Trailers and Tents. No tent, house trailer, or mobile home, whether the same be on wheels or not, shall be permitted on any lot accept during the period of cabla construction and for quests over a weekend period.

3.15 Solicitation. There shall be no solicitation or distribution of hundbills or circulation of any kind without the written consent of Lesson.

4,16 Hore Bits. One hase bit shall be installed on outside wall of each cable for fire protection on or before completion of the cabin.

SECTION 6. IMPROVEMENTS

5.01 Plans Approved. No building shall be erected, placed, or altered on the cabin site until the construction plans showing the location of the kiructure have been approved by the Lessor as to conformity with plan of devilopment, quality of workmanship and materials, harmony of external design and color with existing structures, and as to location, with respect to topography and finish grade elevation. Such approval shall be in writing.

5.02 Building Materials. All building construction shall be of log or wood frame. Wood frame stucco or sirkulated brick veneer construction is expressly prohibited. All roots shall be of wood shingle or shake, or of an acceptable composition — color to be approved prior to epplication by the Lessor or such person or persons designated by Lessor.

5.03 Completion. Cabins must be completed from all outward appearance within one (1) year from the time such construction is started. Cabin construction must be started within three years from the date of the signing of Cabin Site Leads.

5.04 Tree Re/noval. The Lessee of each cabin site may remove from said site all trees, shrubs, and foliage necessary to prepare the property for building subject to the following conditions:

As required by the State of Washington in the master losse, any tree whose diameter is over 8" st chest height must be marked by Lessee for Lesson's inspection. Lesson will then notify the Washington State Department of Natural Resources and request their standard appraisal of value tessee will then pay Lesson for the value of the tree before removal. Any additional clearing beyond that necessary for the construction of Improvements shall be one hibited. The intent is to remove as few trees as possible to the end that the community remain gatural and rustic.

5.05 Lot Markers. Lessee will use all reasonable care to make certain that the lot markers, as established by Lesior, are not moved or destroyed.

5.08 Improvements Other Than On Cablin Site. No improvements of any kind shall be constructed or placed upon any area covered by the marter lease without Lessor's prior written consent.

5.07 Ownership of Improvements. The master lease provides as follows:

5.07 Ownership of Sub-lesse Improvements. The master lesse provides as follows:

8.04 Ownership of Sub-lesse Improvements. All buildings and improvements, excluding removable personal property and state institutes on the lessed site (North Woods) erected by Sub-lessee (Lessee herein). Will remail, on said site of the rexpiration of this leave (master lesse) or termination prior to the term of this leave (matter lesse) or any sub-lesse (this lesse) held by the State under the provisions of provided, however, upon the expiration of the lesses (mater lesse), if the State is unsuccessful in re-lessing the lessed site (North Woods), a unit, then which size states Lessee herein), shall have a praferential right as allowed by law to re-lesse from the State its sub-lessed area; provided, further, upon the termination or expiration of this lesses (master lesse) or a sub-lesse (this lessed assigned under practiceph 5.09 that as a condition of any re-lesse of this lessed (this lessed assigned under practiceph 5.09 that as a condition of any re-lesse of this lessed site or sub-lessed site to any other party made during the three year period following the State shall require the subsequent Lessee to purchase the Sub-lesses's (Lessee herein) interest in the improvements as allowed by law. Expiration, as used in fills paragraph, stall mean the expiration of the lessee as of May 31, 2025.*

The parties hereto agree that the terms and conditions of the above quoted paragraph shall be applicable provided:

(a) That Lossee is not in default to der any of the terms and conditions of this lease; and (b) That Lesses's lease expires May 31,2025. In the event of earlier expiration of this lease, all buildings and improvements located upon the pramises shall be the property of Lessor.

The parties librato further agree that the canolist of paragraph 3.04 of the master lesse shall be enforceable solely against

6.08. Taxes and Assessments. The Lesses shall pay in annual payments all taxes and assessments that are now disriged or may become chargeable against the improvements piaced Upon the cabin site, now or in the future, commencing with the taxes first becoming due and payable after the date hereof, all before such taxes and assessments become past due.

the name of The North Woods Association. The roads in the plat 2nd certain other common areas shall be held in the name of The North Woods Association, a print essociation, of which the Lessees of lots in the plat shall be members. Said Association with a responsible for the maintenance and repair of roads, the entire water system including but not limited to water Lystems serving the cabins on the premises, slocks and common areas and improvements thereon (If any), salvall, as other community functions which may be given it by its numbers. The owners (Lessees) of lots in the tract site, by required to pay dues of not less than one and une-half do/lars (1%) per month and casesments to said tract site, by required to pay dues of not less than one and une-half do/lars (1%) per month sing assessments to and savoularyon for their reasoliable there of the costs of the functions and duties of the Association. Said dues shall commission from the 50 lots are lessed. It is understood and egreed that Lessor shall and it is hereby delegated to fulfill all duties, lessons billitals and functions of the North Woods Association until fifty (50) lots in the North Woods are lessed. At that time Lessor shall cell a meeting of all Lessees for the purpose of farming said Association.

AGE TVO - OKBIN SITE LEASE

SECTION 6. UTILITIES

6.01 Sewage. Individual sawage disposal systems installed by Lessee must be designed, located, and constructed in accordance with the legal regulations, laws and ordinances of Skamania County and the State of Washington.

6.92 Reservation. Lessor reserves to itself and to its successors and assigns easements in, under, and along all roads and other common areas in the plat for any utilities whether presently installed or not. In addition, an easement is reserved in an area five (5) feet by ten (10) feet in one corner of dech to (to be selected by Lersor) addition; an easement is reserved in an area five (5) feet by ten (10) feet in one corner of dech to (to be selected by Lersor) additing the road, for electric transformer vault and/or telephone and power service periestals if any. And the assignment of the lesse set to each individual lot shall be subject to the right to cross over or under the same along the lot lines, with utility lines if such may be necessary in the development of this subdivision or adjoining subdivisions.

6.03 Water. Each cabin site has or will be furnished water at or near the 'ot line. Each lessee agrees to receive water from the water system supplying the Porth Woods and further agrees to pay Lessor \$225.00 for the right to connect to said system

6.04 Maintenance. The lessee shall bear the responsibility and expense of furnishing, installing, back-filling, and maintaining each underground trench or other digging upon such cabin site which is necessary for any utility connections or faulities to serve suc., cabin site.

SECTION 7. MISCELLANEOUS

7.01 Lessee's Duties Lessee agrees to comply strictly with the Lessor's rules and regulations and all applicable. Federal, State, County, and Municipal laws, rules and regulations relating to all activities contemplated under this lesse, including but not limited to use of public or private roads, parking, fre and prevention of fire, public health, and pollution of streams or lakes, ar . to assume all obligations thereby imposed upon the Lessor. Lessor may inspect the table site and cabin at any time to ... atermine compliance with the terms of this lesse.

7,02 Indemnification. Lessee hereby agrees to assume all risk of, and indemnify and hold harmless, and at the Lessee's expense, defend the Lessor from and against, any claims, loss, cost, legal actions, liability or expense on account of personal injury to or death of any persons whomsoever, including but not limited to employees of the Lessor, or damage to or destruction of property to whomsoever belonging, including but not limited to property of the Lessor which might result from Lessee's activities on the leared premises. The Lessee further agrees to indemnify and save harmless the Lessor from any loss, cost, suit or expense resulting from Lessee's failure to comply with any of the provisions of any applicable laws, rules or regulations.

7.03 Insurance. Lessee shall obtain fire, casualty and liability insurance as follows:

(a) Fire and casualty insurance in a sufficient amount to cover the replacement cost of any or all improve ments upon the leased premises. Such insurance shall be carried by a responsible company of companies satisfactory to Lessor and the policy or policies shall be endorsed and delivered to Lessor with provision for thirty (30) days. notice of cancellation to Lessor.

(b) Liability and property insurance insuring Lessor and Les ee against all liability for damages to persons or property caused by the maintenance, use or occupanty of the lease; premises or by reason of the conduct of any activity carried on therein. Such insurance shall be carried by a responsible company or companies satisfactory to Lessor in amounts not less than the following limits, namely:

Bodlly injury to or death of any one person, \$5,000.00: Bodlly injury or death resulting from any one accident to two or more persons, \$10,000°. and property damage, \$1,000.00.

Lessee shall deliver to Lesser certificates and receipts evidencing said policies of insurance and further p. with the company or companies for thirty (30) Lays' notice of cancellation to Lessor.

- 7.04 Assignment. Without the prior written consent of Lessor, Lessee shall not assign this lesse or any interest therein, or sublet, and no heir, executor, administrator, receiver, trusten in bankruptcy or other assence by operation of law shall assign or sublease without such written consent.
- 7.05 Waiver. Any waiver by the Lessor of any provisions before must be in writing, and any of the cover-ants, conditions, restrictions, in this lease may be annulled, waived, changed, or modified with respect to all or any portion of said property by Lessor at any time.
- 7.06 Attorneys' Fees. In the event any action, sult, proceeding or appear therefrom is brough to collect the rent due or to become due hereunder, or any portion tout, of or to get possession of said premises, or to enforce compliance with this lease, or for failure to observe any of the coverants of this lease, the prevailing party shall be entitled to recover such sum as the Court may adjudge rear mails as a torneys' fees to be ellowed in said to action, proceeding or appeal therefrom in addition to such other relief granted by the Court.
- 7.07 Condemnation. The parties here o shall receive any sums or damages pold or awarded by rescon of any taking, condemnation or acquisition during the existence of this least as their interests therein shall then appear, whether or not by litigation, by any authority, perce or corporation, whether problems or private, of any title to or interest in all of any part of the premises,
- 7.08 Haservoir Level. The Lessee acknowledges by signing this lease that Pacific Power and Light Company has the right to fluctuate the waters of Swift Reservoir at any time within the provisions of Federal Power Commission L. 2016 No. 2111 or as an ended. The Lessee shall waive all claims or dentage and shall indemnify Pacific Power and Light Company, the State of Washington, Lessor or their successors, if any, against any claim of damage arising from fluctuation in reservoir level or impairment of recreational use of the reservoir or scioneside or floating facilities.
- 7.09. Validity of Provisions. The determination of any Court that any provisions of this lease are unlawful or void shall not affect the validity of any other provision hereof.
- 7.10 Entercement of Rastrictions. Without in any way limiting the rights of Lessor, if the parties upon whom the provisions hereof are binding, or any of them, hall violue or attempt to violate any of the reservations, restrictions or covenants hereof, the Lessor or any lesses of land in the treat, 3 all have the right to compel performance of or compliance with the provisions hereof, to abate and realowe, at the explanation of the right to compel performance of any structures or recetions in violation of the provisions hereof, to any structures or recetions in violation of the provisions hereof, for not a violation of the provisions hereof and to prosecute any phoceasings at law or in equity, in rust hereof of the inforestid remiscles in any Court daving jurisdiction of such cases.
- 7,11 Reservations on Lend. All (i) the reservations, conditions, by enants, agreements and restrictions shall be binding on the lessess of all property coveres hereby and all parties and persons cluming under them and on all property within the track.
- 7.12 Assignment. Without limiting Lessor \right to sail or assign oils lease or land, Lessor may assign this lease to a corporation, and if said corporation excurses the or liquidons of Lessor hyridinder, Lessor shall thereby be released of and relieved from any and all obligations under this level.

 7.13 The exceptions on this back of while bays, by this experience, are hereby made a part of this leases.

In Consideration of the sum of \$500.00 (in addition to the \$475.00 mentioned in paragraph 2.01), the receipt of which \$500.00 is hereby acknowledged, the lessee shall not be required to construct a cabin or other building on the lessed cabin site Lt any time, but shall have the right to construct a cabin on said site at any time within the term of this lease. Any cabin constructed on the lessed cabin site shall conform to the plan of development now in force and to the requirements concerning the guality of workmanship and materials now in force, and shall be in harmony with the exterior and color of now existing structures. This paragraph is in lieu of printed paragraphs 5.01 and 5.03, which paragraphs are hereby cancelled and shall be of no force or effect whatsoever; and the approval of color required by paragraph 5.02 shall not be arbitrarily withheld by lessee or its successors or assigns.

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SECTION 8. TERMINATION

8.01 Default and Notice. If any default shall be made on the part of the Lessee in the observance or performance of any of the terms, covenants, agreements, or provisions of this lease by him to be observed or performed and such default continues to sixty (60) days after written notice, the lessor may, at its option, immediately terminate this such default continues to sixty (by) days after written house, the lessen may at the premises and from all rights hereunder, lease, forfeit Lessee's interest therein, and forthwith exclude the Lessee from the premises and from all rights hereunder, but the Lessee shall invertheless be liable to the Lessor for all liabilities incurred hereunder prior to such termination.

Waiver of any default here index shall not constitute a waiver of any subsequent default. Service of any notice provided for Waiver of any default here, nder shall not constitute a waiver of any subsequent default. Service of any notice in the United States mails addressed to the Lessee at 10518 North Lombard, Portland, Oregon 97203

8.02 Master Lease Termination. It is expressly understood that Lessor has leased the premises from the State of Washington for a period ending June 1, 2025. It is moster lease provides that in the event it is terminated for any reason whatsoever, prior to the lease termination date, such termination shall operate as an assignment to the State of Washington of this lease together with the unrestricted right of the State to receive payment of the rents herein provided from the date of said assignment.

8.03 Failure to Provide Propert: Report. Lessee shall have the option to void this lease if he does not receive a property report prepared pursuant to the rules and regulations of the U.S. Department of Housing and Urban Development, in advance of, or at the time of, his signing the lease; and Lessee shall have the right to revoke this lease within 48 hours after signing the lease if he did not receive the property report at least 48 hours before signing the lease However, this option to void the lease shall not apply where Lessee has received the property report and inspected the lot or lots to be leased in advance of signing the lease and acknowledges by his signature that he has made such inspection and has read and understands such report.

Lessee shall have the cotion to void this lease if he does not receive a property report prepared and pursuant to rules and regulations of the Oregon Subdivision Control Law ORS 92.2.0-92.990 in advance of his signing this

Each and every provision of this lease shall bind and shall inure to the highly affit of the respective heirs, representatives, successors and assigns of the parties. In the event lessed is more than one person, the liability of such persons hereunder shall be joint and several.

8.04 Easements. As shown on the plat of "The North Woods", 20 feet eavements are received to the 2.033011 and its assigns on the water front portions of Lots 16, 17, 16, 19, 20, 21, 22, and 23 (1) purposes of community boat Jocks. Said assements shall not prevent lesses of the above lots from developing their of we thousakle docks peawirling such facilities do not interfere with the bo. traffic pattern of the community dock system. While for easements are reserved to the Lessor and its assigns on the southerly lowing of Lat 10, and the

northurly lot line of Lot 11 for access to the water front. Said access to serve as pathway to boat docks if it is determined by Lessor that additional boat docks are needed to serve "The North Woods" community.

2nd IN WITNESS WHEREOF, the parties have executed this lease, in duplicate, this _

. 1971. July

WATER FRONT RECREATION, INC.

President

Secretary

JOHNS AUTO PARTS INC

men PRESIDENT

I (we) hereby ack towledge that prior to the signing of this tease, I (we) have received, read, and understand the PROPERTY REPORT prepared pursuant to the rules and regulations of the U.S. Department of Housing and Urban Dc. elopment (office of Interstate Land Sales Registrations) and the PROPERTY REPORT prepared pursuan. To rules and regulation of the Oregon Subdivision control law ORS 92,210 – 92,990. I.(we) also acknowledge that I (we) have inspected the lot to be takened. leased.

LESSEE

PAGE FOUR - CABIN SITE LEASE

STATE OF OREGON,

e. (ACKNOWLEDGMENT)

County of Multromah

On this 2nd day of July, 1971, before me personally appeared Mel Hansen to me known to be the president of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEPEOF I have hercunto set my hand and affixed my official seal the day and year first above wratten.

(Varedall & Jones)

Notary Public in and for the State of Oregon, residing at 2681 %. W. Upper Drive Place, Portland in said state and County. My commission expires July 16, 1971.

