WATER FRONT RECREATION, INC., a Washington corporation, hereinafter called Lessor, in

consideration of the rents to be paid and covenants to be performed by \_

RAYMOND L. CARTER and NANCY CARTER, husband and wife

hereinafter called Lessee, leases to Lessee the following described cabin site on the terms and conditions stated herein:

Cabin site number 26 of the North Woods as shown in red on Exhibit "A" attached hereto (all distances being approximations), being part of Government Lots 4 and 8. Section 26, Township 7 North, Range 6 East, W.M., Skamania County, Washington, SUBJECT, however to an easement for right of way for access road acquired by the United States of America, United States Forest Service.

## SECTION 1. GCCUPANCY

1.01 Term. This Lesse is granted for the period beginning Tane 15, 19, 11, and terminating on June 1, 2025, unless sooner terminated as hereins ter provided.

1.02 Master Lease. Lessor holds the above-described premises under a lease, hereinafter referred to as the "master lease," dated August 11, 1970, from the State of Washington, acting by and through the Department of Natural Resources.

1.03 Master Lease Incorporated. The master lease is on file with Lessor and is available for inspection Lessee's rights hereunder are subject to all the terms, provisions, exceptions and reservations set forth in said master lease (us to which Lessee is a sub-lessee) and incorporated herein by reference, including, without limiting the foregoing an easement for right of way for an access road acquired 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. RENTAL

2.01 Basic Kental. As rental for each lease year, the Lessee shall pay the sum of Fook Huno REO

Seventy Five Dollars (\$ 4.75 ). Rent shall be paid in advance, on the first day of September in each year, hereinafter referred to as the "anniversary date." All payments shall be made to Lessor at 9655 S.W. Canyon Road. Portland, Oregon, or at such other place at which the Lessor may notify the Lesse in writing. Rent for the fraction of any lease year shall be prorated. The lease year shall be from September 1 through the succeeding August. SEVENTY Five Dollars (\$ 4-75

2.02 Rent Adjustments. Lessor may, as of any anniversary date, increase the annual rental as follows:

(a) Under the master lease, Lessor's rental to the State of Washington may be increased on June 1, 1980, and at intervals of not less than ten (10) years thereafter. Lessor may increase Lessee's rental hereunder at such times as Lessor's rental under the master lease is increased. The amount of such increase that the Lessee shall be responsible for and required to pay shall equal the total rerital increase under the master lease to Lessor multiplied by the Lessor's annual rental to the Lessor divided by the total annual rental of the Lessees of the sites in the North Woods. Annual antal as used herein shall mean the total rent the Lessee is required to pay to Lissor for the year immediately preceding the year of the increase. The aforesaid formula is illustrated as follows.

Lessee's share

Increase under master lease

Lesses's an ual rental Total annual rentals of sites

to Lessor

(b) In addition to the increase permitted under subparagraph (a) above, Lessor may as of any anniversary date, increase the annual rental hereunder on account of taxes and assessments against said real property in an amount which together with prior increases on account of taxes and assessments, shall not exceed the total of the amount by which taxes and assessments on the land covered by the master lease exceeds such taxes for 1970, divided by the number of imp oved cabin sites on said anniversary 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 Consumer Price Index as published by the Bureau of Labor Statistics, U.S. Department of Labor; that is, the annual rental each year for the succeeding ten years shall be increased as compared with the annual rental as set forth herein by the same percentage as the increase in said Consumer Price Index differs from said Index for September 1, 1970.

## SECTION 3. LESSOR'S CONVENANTS

3,01 Declaration. In order to preserve the natural beauty of the North Woods, to provide for the control of structures erected thereon, improvements to be made thereon, and for the purpose of extending to the residents therein the greatest possible peace, enjoyment, privacy, health, comfort, safety, and preservation of property values, Lessor does hereby certify and declare that with the sole exception of lot 19, which is the North Woods Sales Office, the following reservations, conditions, covenants, agreements and estrictions shall become and are hereby made a part of all leases of property within the plat of the North Woods as the same appears on the map survey recorded in the office of the County Auditor of Skamania County, Washington. 3.01 Declaration. In order to preserve the natural beauty of the North Woods, to provide for the control

3.02 Bost Dock. Lessor shall construct a bost dock for the common use of residents of the North Woods. In the event construction of said host dock is not completed by September 1, 1972, it is hereby agreed that in lieu of such construction, Lessor shall contribute \$5,000.00 to the North Woods Association, hereinafter described in peregraph 5.09, for construction of such dock.

## SECTION 4. USE OF SITE

4.01 Permitted Uss. The cabin site shall be used only for residential purposes. No building shall be greated, eltered, placed, or permitted to remain on the cabin site other than one detached single family dwelling and buildings incidentel to residential use, and the cabin site shall not be further subdivided into building lots.

4.02 Condition of Site. The premises hereby leased have been inspected by Lessee and are accepted in their present condition.

4.03. Vehicles. No vehicles shall be parked in readways. Vehicles shall not be operated carelessly or in excess of posted speeds. No vehicle shall be operated at any time without a muffler in good working order. Excessive motor noise or annoying smoke are forbidden.

4.04 Maintenance. All lots shall at all times be kept in a Jean, sightly, and wholesome condition and no train, parbage, litter, lunk, boxes, containers, bottles, cans, machinery, implements, lumber, or other building materials shall be permitted to us or remain exposed on any lot and visible from any street or adjoining or nearby premise.

4.05 Signs. No signs of any kind shall be displayed to the public view on any lot in the tract except one professional sign; of not more than 18 inches by 24 inches in size, advertising the property for sale or rent, and except signs used by a builder or developer to advertise the property during the construction and sales period.

A.06 Nulsance. No noxious or offensive trade or activity shall be carried on or upon any lot in the tract nor main be done thereon which may be or become an annoyance or nulsance in the area.

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CABIN SITE LEASE continued

SECTION & UTILITIES

F.01 Sewege. Individual newage disposal systems installed by Lesses must be designed, located, and con-

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### CABIN SITE LEASE continued

### SECTION 5, IMPROVEMENTS sensinued

4.07 Animals. No enimals, livestock, or poultry of say kind shall be releable brief by any lot, except that cats, dogs, or other household puts shall be remy commercial purpose. Household put shall not be allowed to become an annoyance or nuisance to the neighborhis to.

4.08 Incheration. Because of impleasant odors and unsightliness, no individual incinerator will be permitted on any lot.

4.09 Fires and Fireplaces. Interior fireplaces, stoves, or other type burner must be fireproofed by use of sperkproof screens. All fires must be extinguished before leaving cabin. No fires shall be lit or maintain 4 outside of

4.10 Firegrams and Fireworks. Discharging firegrams, firegrackers, rockets or any other fireworks within the North Woods area shall be prohibited.

4.11 Commercial Use. No platted jot shall be user for any commercial purpose, except that a Lessee may rent his cabin from time to time, and in such case shall be responsible that his tenants abide by these covenants.

4.12 Motorbikes. No motorbike or motorcycle riding of any nature shall be allowed except for ingress and egress.

4.13 Fire Extinguisher. One fire extinguisher (minimum two quart capacity) must be kept in every cabin.

4.14 Trailers and Tsists. No tent, house trailer, or mobile home, whether the same be on wheels or not, shall be permitted on any lot except during the period of cabin construction and for guests over a weekend period.

4.15 Solicitation. There shall be no solicitation or distribution of handbills or circulation of any kind

4.16 Hose Bibs. One hose bib shall be installed on outside wall of each cabin for fire protection on or before completion of the cabin

### SECTION 6. IMPROVEMENTS

5.01 Plans Approvad. No building shall be erected, placed, or altered on the cabin site until the construction plans showing the location of the structure have been approved by the Lessor as to conformity with plan of development, 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 bu of log or wood frame. Wood trame stucco or s inulated brick veneer construction is expressly prohibited. All roufs shall be of wood shingle or shake, or of an acceptable composition — color to be approved prior to application by the Lessor or such person or persons designated by Lessor.

5.03 Completion. Cabins must be completed from ell 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 Lease

5.04 Tree Removal. The Lessee of each cabin site may remov- from sold site all trees, shrubs, and foliage

5.04 Tree Removal. The Lesse of each cabin site may remove from said site all trees, sinecessary to prepare the property for building subject to the following conditions:

As required by the State of Washington in the master lease, any tree whose diameter is over 8" at chest height must be marked by Lessee for Lessor's inspection. Lessor will then notify the Washington State Department of Natural Resources and request their standard appraisal of value. Lessee will then pay Lessor for the evalue of the tree before removal. Any additional clearing beyond that necessary for the construction of improvements thall be prohibited. The intent is to remove as few trees as possible to the shat the community remain natural and rustle.

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

6.06 Improvements Other Than On Cabin Site. No improvements of any kind shall be constructed or placed upon any area covered by the master lease without Lessor's prior written on lant.

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

"8.04 Cwnership of Sub-lessee Improvements. All buildings and improvements, excluding removable pers, hal property and tiede fixtures on the leased sit. [North Woods] erected by Sub-lessee [Lesses, hergin] will remail, on said site after expiration of this lease [master lease] or reminction prior to the term of this lease [master lease] of any sub-lease [mister lease] here the bear under the provisions of paragraph 6.09; provided, however, upon the expiration of the lease [master lease], if the State is unsuccessful in re-leasing the leased site [North Woods.] of the lease [master leaze], if the State is unsuccessful in re-leasing the leased site [North Woods, as a unit, thr neach sub-lessee [Lessee herein] shall have a preferential right as allowed by law to re-lease from the State its sub-lessed area; provided, further, upon the termination or expiration of this lease [master lease] or a sub-lease [this lease] essigned under paragraph 5.09 that as a condition of any re-lease of the leased site or sub-leased site to any other party made during the thrue year period following the State shall require the subsequent Lessee to purchase the Sub-lessee's [Lessee herein] interest in the improvements as allowed by law. Expiration, as used in this paragraph, shall mean the expiration of the lease as of May 31, 2025."

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

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

The parties hereto further agree that the benefits of paragraph 8.04 of the master lease shall be enforceable solely against the State of Washington.

5.08 Taxes and Assessments. The Lessee shall pay in annual payments all taxes and assessments that are now charged or may become chargeable against the improvements placed 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

6.09 North Woods Association. The roads in the plat and certain other common areas shall be held in the name of The North Woods Association, a non-profit association, of which the Lesses of lots in the plat shall be members. Said Association shall be responsible for the maintenance and repair of roads, the entire water system including but not limited to water systems saving the cabins on the premises, docks and common areas and improvements thereon lift any), as well as other community functions which may be given it by its members. The owners (Lesses) of lots in the tract shall be required to pay dues of not less than one and one-helf dollars (1%) per month and assessments to raid Association for their reasonable share of the costs of the functions and cluttes of the Association. Said dues shall commence at the time 50 lots are lessed. It is understood and agreed that Lessor shall and it is hereby delegated to fulfill all duties; responsibilities and functions of the North Woods Association until fifty (50) lots in the North Woods are lessed. At that time Lessor shall call a meeting of all Lessees for the purpose of ferming said Association.

PAGETWO - CABIN SITE LEASE

**CABIN SITE LEASE continued** 

PAGE BOOK ~

### SECTION 8. TERMINATION

8.01 Default and Notice. If any default shall be made on the part of the Lesses in the observance or performance of any of the terms, covenants, agreements, or provisions of this lesse by him to be observed or performed and such default continues for shuty (60) days after written notice, the lesser may, at its option, immediately terminate this lesser to the continues for shuty (60) days after written notice, the lesser may, at its options, immediately terminate this

professional sign, of not more than 18 inches by 24 inches in size, advertising the property for sale or rent, and except signs used by a builder or developer to advertise the property during the construction and sales period.

\$.05 Nuisrings. No noxious or offensive trade or activity shall be carried on or upon any lot in the tract not shall anything be done thereon which may be or become an annoyance or nuisance in the area.

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## CABIN SITE LEASE continued

### SECTION 6. UTILITIES

6.01 Sewage. Individual sewage 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.

6.02 Reservation. Lessor reserves to itself and to its successors and assigns easements in, under, and song all roads and other common areas in the plat for any utilities whether presently installed or not. In addition, an essement is reserved in an area five (5) feat by ten (10) feat in one corner of each lot (to be selected by Lessor) adjoining the road, for selectic transformer volts and/or telephone and power service pedestals if any. And the assignment of the lease as no 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 lot line. Each lessee agrees to receive water from the water system supplying the North Woods and further agrees to pay Lessor \$225.00 for the right to connect to said system

6.04 Meintenance. The lessee shell 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 facilities to serve such cabin site.

## SECTION 7. MISCELLANEOUS

701 Lessee's Duties. Lessee surces to compi. strictly with the Lessor's rules and regulations and all able Federal, State, County, and Municipal laws, rules and regulations relating to all activities contemplated under this lasts, including but not limited to, use of public or private roads, parking, fire and prevention of fire, public health, and pollution of streams or lakes, and to assume all colligation thereby imposed upon the Lessor. Lessor may inspect the cabin all and collination, time to obtain a compilance with a better of this lease.

and count at any time to extermine compliance with a greems of this lease.

2.02 Indemnification. Lessee hereby ag tes to assume all risk of, and indemnify and hold a miles, and at this Lessee's expense, defend the Lesser from and against, any claims, loss, cost, legal actions, liability or expense on account of personal injury to or dust, 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 and lessed, premises. The Lessee author agrees to indemnify and save harmless the Lissor from any loss, cost, sur a expanse resulting from Lessee's failure to comply with any of the provisions of any applicable lays, fules or regulations.

7.03 Insurance. Leases that 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 improvements upon the leased premises. Such insurance shall be carried by a responsible company or 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) Likelity and property insurance insuring Lessor and Lesses against all liability for damages to persons or property caused by the maintenance, use or occupancy of the lessed 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:

(1) Bodily injury to or death of any one person, \$5,000.00;
(2) Bodily injury to or death of any one person, \$5,000.00;
(3) priperty damage, \$1,000.00.

Lesse shall deliver to Lessor certificates and receipts evidencing said policies of insurance and further provide with the company or companies for thirty (30) days' notice of cancellation to Lessor.

7.04 Assignment. Without the prior written consent of Lessor, Lessee shall not assign this lease or any interest therein, or subjet; and no helf, a secutor, administrator, receiver, trustee in bankruptcy or other assignee by operation of law shall assign or subjects without such written consent.

7.05 Walver. Any waiver by the Lessor of any provisions hereof must be in writing, and any of an antic conditions, restrictions, in this lesse may be annulled, raived, changed, or modified with respect to all or any portion of any property by Lessor at any time.

7.06 Attorneys' Fees. In the event any action, sult, proceeding or appeal therefrom is brought to collect the rent due or to become due hereunder, or any portion thereof, or to get possession of said premises, or to enforce compliance with this lease, or, for failure to observe any of the covenants of this lease, the prevailing party shall be entitled to recover such sum as the Court may adjudge reasonable as attorneys' fees to be allowed in said suit, action, proceeding or appeal thursfrom in addition to such other relief granted by the Court.

7.07. Condemnation. The parties hereto coal receive any sums or damages paid or awarded by reason of any taking condemnation of acquisition during the existence of this lease as their interests therein shall then appear, whether or not by illustion, by any authority, person or corporation, whether public or private, of any title to or interest in all or any part of the premises.

7.08 Reservoir Level. The Lesse acknowledges by staning this lesse that Pacific Power and Light Company has the right to fluctuate the waters of Swift Reservoir at any time waining the provisions of Federal Power Commission License No. 2111 or as amended. The Lesse shall wave all claims or damage 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 shoreside or floating factures.

7,09. Validity of Provisions. The determination of any Court that any provisions of this lease are unlawful or yold shall not affect the validity of any other provision hereof.

7.10 Enforcement of Restrictions. Without in any way limiting the rights of Lessor, if the parties upon virion this provisions hereo are unding, or any of them, shall violate or attempt to violate any of the reservations, restrictions or covenants hereof, if a Lessor or any lesses of land in the tract, shall have the right to compel performance of or tions or covenants hereof, it hereof, it, abate and remove, at the expense of the offenuling lesses or lesses of the property, any structures or excitons in violation of the provision frereof, to recover damages for any such violation or attempted violation of the provisions hereof and to prosecute any proceedings at law or in equity in furtherance of the aforesaid translation of the provisions hereof and to prosecute any proceedings at law or in equity in furtherance of the aforesaid translation of the provisions hereof and to prosecute any proceedings at law or in equity in furtherance of the aforesaid translation of the provisions hereof and to prosecute any proceedings at law or in equity in furtherance of the aforesaid

remedies in any Court having jurisdiction of such bases.

7.12 Reservations of Lend. All of the reservations, conditions, covenants, agreements and restrictions

7.12 Reservations of Lend. All of the reservations, conditions, covenants, agreements and restrictions

that run with this land and soil be binding on the leader of all property between and on all parties and persons claiming under them and on all property within the treat.

7.12 Assignment. Without finiting Lesson's rip to call or assign this lease or land, Lusson may assign this less of a compression, and if soil compression assumes the colligations of Lesson hereunider, Lesson right thereby be re
tially if and relieved from any and all obligations under this lease.

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8.0 State of Washington reason whatsoever, p Washington of this le from the date of said

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at the time 50 lots are leased. It is understood and agreed that Lessor shall and it is hereby delegated to fulfill all duties, responsibilities and functions of the North Woods Association until fifty (50) lots in the North Woods are leased. At that time Lessor shall call a meeting of all Lessons for the purpose of forming said Association. PAGE TWO - CABIN SITE LEASE 571 PAGE **CABIN SITE LEASE continued** 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 for sixty (60) days after written notice, the lessor may, at its option, immediately terminate this lease, forfelt Lessee's interest therein, and forthwith exclude the Lessee from the premises and from all rights hereunder, but the Lessee shall nevertheless be liable to the Lessor for all liabilities incurred hereunder prior to such termination. Wriver of any defaul, nereunder shall not constitute a waiver of any subsequent default. Service of any notice provided for herein by the Lessor may be made by depositing such notice in the United States malls addressed to the Lessee at PAGA se as f 8.02 Muster Lease Termination. It is expressly understood that Lessor has leased the premises from the State of Washington for a period ending June 1, 2025. The master 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 cogether 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 Property 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, the property reports 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 er this has read and understands such report.

Lessee shall have the option to void this lease if he does not receive a property re, or orepered and pursuant to rules and regulations of the Oregon Subdivision Control Law ORS 92.210—92.990 in advance of his signing this cabin and Each and every provision of this lease shall bind and small inure to the benefit of the respective heirs, representatives, successors and assigns of the parties. In the event lessee is more than one person, the liability of such persons hereunder shall be joint and several. or. 8.04 Ensements. As shown in the plat of "The North Woods", 20 feet recomments are reserved to the Lessor and its assigns on the water front purifices or beta 10, 17, 18, 10, 20, 21, 22, and 23-for purposes of community. Doct.docks: Said assencests shall not prevent-lessees of the above lots-from developing their own shoreside docks providing such facilities do not interfere with the boat traffic pattern of the community dock system.

Five foot easements are reserved to the Lessor and its assigns on the southerly lot line of Lot 10, and the northerly lot line of Lot 11 for access to the water front. Said access to serve as pathway to boat docks if it is differentiated by Lessor that additional boat docks are needed to serve "The North Woods" community. rmlets iny prove factory ersons of any , 1971. ry to ınd WATER FRONT RECREATION, 'NC. President any Secretary ortion LESSOR collect d to son of all or Comrom I (we) hereby acknowledge that price to the signing of this lease, I (we) have received, read, and understand the PROPERTY REPORT prepared pursuant to the fulfer and regulations of the U.S. Department of Housing and Urban Development (bifled of Interstate Land Sales Registrations) and the PROPERTY REPORT prepared pursuant to rules and the property report of the property ınlawful upon property ted d tions claiming

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SECTION 1. OCCUPANCY

1.01 Term. This case is granted for the period beginning July 10 19 25, and terminating on June 1, 2025 Unless sooner serminated as hereinafter provided.

1.02 Meliter Lease Lease Lease holds the above closeribed premises under a lease, hereinafter referred to as the empatter lease, above 1, 2014 August 11/1970, from the State of Washington, acting by and through the Department of Macural Resources.

Maurel Resources:

1.03. Master Leave Incorporated. The moster leave is on file with Lossor and is available for Inspection, tosses strip in the remaining of the publication all the terms, provisions; exceptions and reservations set forth in said moster leave leave to which Leave is a tubilesteel and incorporated herein by reference, including, without limiting the foreign an essentiant for right of wall for an eccets good acquired by the United States of America, United States of Forest Service and the right of the State of Verhington to inspect the promites at reason ble times.

## SECTION 2. HEN AL

2.03/pasto Rental. As rental for each lease year, the Lesses shall pay the sum of Four hundred works.

Servist Fixe pollars (1 125 ). Rent shall be paid in advance, on the first day of September in each is en/ls Five politics (Very the "anniversery date." All payments shall be made to Lessor at 1966 on Wederwood flood, Portland, Oregan, of a such other place at which the Lessor may notify the Lessor at 1966 on the Germon Good, Portland, Oregan, of a such other place at which the Lessor may notify the Lesse in writing. Bent for the freetlen of any lear/s year strill be prorated. The lesse year shall be from September 1 through the succeeding August. 131

2,02 Rent Xiliustmentia. Lessor may, rs o' any anniversary data, increase the annual rense as follows:

(a) Under the master lessors runte to the State of Washington may be increased on June 1, 1980, and at intrivials of not less than ten (10) years thereafter. Lessor may increase Lessors rental hereuncur at such times as Lessors runtel to he was the lessors that the Lessor shall be responsible for and required to pay shall equal the total rental increase under the master lessor to Lessor multiplied by the Lessor's annual rental to the Lessor divided by the total rent the Lessor is required to pay the total rent the Lessor is required to pay the lessor total rental of the Lessor of the sites in the North Woods. Annual rental of the Lessor is required to pay to Lessor for the year immediately preceding the year of the increase. The ofference when the others of the discrete in the state in the state in the discrete of the increase of the discrete of the state in the s

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(b) In addition to the increase permitted under subparagraph (a) above, Lessor may as of any anniversary date, increase the annual rental herizunder on account of taxes and asset ments against said real property in an amount, which together with prior increase on account of taxes and assessments, shall not exceed the total of the amount by which taxes any essessingly assessments on the land covered by the mister lease exceeds such taxes for 1970, divided by the number of improved value sites on said anniversity date.

(a) Finally, every ten years beginning September 1, 1980, the annual rental shall, at the option of the finasov, traditional states the price of the finasov, traditional states of the states of the

## SECTION 3. LESSOR'S CONVENANTS

of Declaration. In order to preserve the natural beauty of the North Woods, to provide for the control of structures erected thereo), interpretate the made thereon, and for the purpose of extending to the residents therein the greatest possible beard, enjoyment, privary, health, comfort, safety, and preservation of property values. Lessor does thereby signify and deglar that with the sole exception of or 19, which is the North Woods Sales Office, the following reserval this, condity. Is coverants, agreements and restrictions shall become and are hereby made a part of all lesses of productly within the plant if the North Woods as the same appears on the many circles recorded in the office of the County Augusta of Skamenia County, Washington.

## TECTION 4, 15. " -4 (E

4.01 Perior, sed Use. The cabl calte shall be used only for residential purposes. No building shall be erected, altered, placed, or permitted by temain in the cable site other than one detached single family dwelling and buildings incidental to residential use, and the cobin site shall not be further subdivided into building lots.

4.02 Condition of filts. The premises to at / leased have been inspected by Lesses and are accepted in their present condition.

4.03 Vehicles. No vehicles shall be parked in roadways. Vehicles shall not be operated carelessly or in excess of posted speeds. No vehicle shall be operated at any time without a muffler in good working order. Excessive motor noise or annoving smoke any torbidden.

4.04 Mai/tenen/a. Ail lots shall at all times be kept in a rean, sightly, and wholesome condition and no tresh, garbage, litter, luni, boxes, containers, bottles, cans, machinery, in plements, lumber, or other building materials shall be permitted to by or remain exposed on any lot and visible from any street or adjoining or nearby premise.

\$.66 Signs 19 signs of any kind shall be displayed to the public view on any lot in the tract except one professional sign, of not more 4 and 18 inches by 24 inches in size, advertising the property for sale or rent, and except aligns used by a builder or developer to advertise the property during the construction and sales period.

4.06 Mulsanus. No nextrus or offensive trade or activity shall be carried on or upon any lot in the tract nor shall anything be dune threen which may be or become an annoyanen or nuisance in the area.

PAGE ONF - SABIN SITE LEASE

CABIN SITC LEASE continued

### SECTION 6. UTILITIES

6.03 Scerage. Individual sewage disposer systems installed by Lessee must birdesigned, located, and constructor in accordance with the legal requisitions, laws and ordinances of Skammaa County and the State of War heigton. not Receive tion. Lesson celeve to itself and to its succensors and assigns easemouts in lunder and

SECTION OF THE PROPERTY OF THE

A.07 A craft. No authors, (traston), or politice of self-fill except that catt, dops, ac all or not self-did viate may but up, this not for all y not be allowed to training its improve to rulesince texts religible shood.

4.08 Incherotion. Bic/use of unpleasant/dors and unsignifiness by individual incherosis will be permitted on any of sparkproof screens. All fires must be extinguished before leaving or other type by her must be it spanished by use of sparkproof screens. All fires must be extinguished before leaving orbits. No fires shall be it or pointained canada any cabin.

4.10 Firearms at ) Fireworks? Discharging figuarms, figurackers, rockers of any, when fireworks within the North Woods area shall be promitted.
4.11 Commercial Use. No platted for shall be used for any commercial by note, except that a Less may rent his cobin from time to time, and in such case shall be responsible that his tenanty solds by these coverants.

4.12 Motorbixes. No motorbixe or motorcycle riging of any nature shall be allowed except for Ingress and egress,

4.13 Fire Extinguisher, One lire extinguisher (minimum two quar capacity) must be light in every cabin.

4.14 Trailers and Tents. No tent, house trailer, or mobile home whether the cape be on whether and the on whether or not.

A 16 Solicitation. There shall be no solicitation of distribution of handbills of circular on A 26 and kinds. without the written consent of Lessor.

4.16 Hose Dibs. One hose bits shell be installed on outside well of each cabin for fire protection on or information of the completion of the cabin.

## SECTION 6. IMPROVEMENTS

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

5.02 build terials. All building construction shall be or log or wood frame. Wood frame studed or simulated brick vencer const. Is expressly prohibited. All roofs shall be of wood shingle or shake, or of an acceptable composition — color to be approved prior to application by the Lesson or such person or persons designated by Lesson.

5.03 Completion. Cabin 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 Leaso.

5.04 Tree Removal. The Lesser of each whin site may remove from said site all trees, shrubs, and foliage necessary to prepare the property for building surject to the following conditions:

As required by the State of Wasnington in the master lesse, any tree whose diameter is over 8" at chest height must be marked by Lesser for Lessor's inspection. Lessor will then notify the Washington State Department of Natural Resources and request their standard appraisal of value. Lesses will then pay Lessor for the value of the tree before removal. Any additional clearing beyond that necessary for the construction of improvements shall be prohibited. The intent is to remove as few trees as possible to the end that the community remain natural and rustic.

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

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

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

3.04 Ownership of Sub-lessee Improvements. All buildings and improvements, excluding "8,04 Ownership of Sub-lessee Improvements. All buildings and improvements, excluding removable personal property and trade fixture, on the lessed site [North Woods] excited by Sub-lessee [Lessee herein] will remain on said site after expiration of this lesse [master lease] or termination prior to the term of this lesse [master lease] of any sub-lesse [this lease] held by the State under the provisions of paragraph 5.09; provided, however, upon the expiration of the lease [master lease], if the State is unsuccessful in re-leasing the leased site [North Winds], as a unit, then each sub-lessee [Lessee herein] shall have a preferential right as allowed by lavitor re-lease from the State its sub-leased area; provided, further, upon the termination or expiration of this lease [master lease] or a sub-lease (this lease] assigned under paragraph 5.09 that see a condition of any re-lease of the leased site or sub-leased site to any other party made during the three year period following the State shall require the subsequent Lessee to purchase the Sub-lessee's [Lessee herein] interest in the improvements as allowed by law. Expiration, as used in this paragraph, shall mean the expiration of the lease as of May 31, 2025."

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

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

The parties hereto further agree that the benefits of paragraph 8.04 of the master lease shall be enforceable solely against

5,03 Taxes and Assessments. The Lessee shall pay in annual payments all taxes and assessments that are now charged or may become charged a sylinat the improvements placed upon the cabin site, now or in the future, commencing with the taxes first becoming due and payable offer the date hereof, all before such taxes and assessments become past due.

5.09 North Woods Association. The roads in the plat and certain other common areas shall be haid in the name of The North Woods Association, a non-profit association, of which the Lesses of lots in the plat shall be members. Said Association shall be responsible for the maintenance and repair of roads, the entire water system including but not limited to water systems serving the cabins on the premises, docks and common areas and improvements thereon (if any), as well as other community functions which may be given it by its members. The owners (Lesses) of lots in the treat shall be required to pay dues of not less then one and one-half dollars (1) per month and assessments to said Association for their reasonable share of the costs of the functions and duties of the Association. Said dues shalf commence at the time 50 lots are leased. It is understood and agreed that Lessor shall and it is hereby delegated to fulfill all duties, responsibilities and functions of the North Wools Association until lifty (50) lots in the North Woods are leased. At that time Lessor shall call a meeting of all Lesses for the purpose of forming said Association.

PAGE TWO - CADIN SITE LEASE

CABIN SITE LEASE continued

## SECTION B. TERMINATION

8.01 Default and Notice. If any default shall be made on the part of the Lesses in the observance or performance of any of the firms, covenants, agreements, or provisions. If this lease by him to be observed or performed and such default continues for sixty (60) days after perference retire, the resson may, all its option, immediately terepriste this

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6.03 Water, Each cabin site has or will be furnished water at or near the lot line. Each luser; agrees to receive water from the orter system supplying the North Woods and further agrees to pay Lessor \$225.00 for the right to connect to said system.

6.04 Mainten, use. The lesses shall bear the responsibility and expense of furnishing, installing, back-filling, and maintaining each under round trench or other digging upon such cabin site which is necessary for any utility connections or facilities to serve such cabin site.

### **GECTION 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 less, including but not limited to, use of public or private roads, parking, fire and preventor of fire, public! alth, and pollution of streams or lakes, and to assurae all obligations thereby imposed upon the Lessor. Lessor may inspect the cabinatic and cabination at any time to determine compilance with the terms of this lease.

7.02 Infermification. Lessee hereby agrees to assume all risk of, and inclemnify and hold harmless, and at the Lessee's expense, defend the Lesser from and against, any claims, lost cost, legal actions, liability or expense on actionat of personal injury to or death of any persons whomsoever, including but not united to employees of the Lessor or damage to or destruction of property to whomsoever belonging, including out not limited to property of the Lessor which might result from Lessee's activities on the leased premises. The Lesson 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 smillightle laws, rules or required. applicable laws, rules or regulations.

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

(a) Fire and casualty in unance in a sufficient area. It to cover the replacement cost of an or all improvements upon the leased premises. Such insurance shall be or rad by a responsible company or companies satisfactory to Lessor and the colley or policies shall be endorsed and delivered to Lessor with provision for thirty (30) days' notice of concellation to Lessor.

(b) Liability and property insurance insuring Lessor and Lessee against all liability for damages to persons or property reused by the maintenance, use in occupancy of the leased premises or by reason of the conduct of a yearlist garried on therein. Such insurance shall be carried by a responsible company or companies satisfactory to Lessor in amounts not less than the following timits, namely:

Bodily I jury to or death of any one person, \$5,000.00; Bodily injury or death resulting from any one accident to two or more persons, \$10,000.00; and

property damage, \$1,000.00

Lessee shall deliver to Lessor certificater and receipts evidencing said policies of insurence and further provide with the company or companies for thirty (30) days' notice of cancellation to Lesson.

7,04 Assignment. Without the prior written consent of Lerson, Losse shall not assign this lease or any interest therein, or sublet, and no heir, executor, administrator, receiver, trustee in bankruptny or other assignee by operation of law shall assign or sublease without such written consent.

7.05 Waiver. Any waiver by the Lessor of any provisions hereof must be in writing, and any of the covenants, conditions, restrictions, in this lease may be annulled, waived, changed, or modified with respect to rill or any portion of said property by Lessor at any time.

7.06 Attorneys' Fees. In the event any action, suit, proceeding or appeal therefrom is brought to collect the rent due or to become use hereunder, or any portion thereof, or to get possession of said premises, or to enforce compliance with this lease, or for failure to observe any of the covenants of this lease, the prevailing party shall be untitled to recover such sum as the Court may adjudge reason. It is a sattorneys fees to be allowed in said suit, action proceeding or appeal therefrom in addition to such other relief granter by the Court.

7,07 Condemnation. The parties herato shall receive any surrs or damages paid or avarded by reason of eny taking, condemnation or acquisition during the existence of this lease as their interests therein shall then appear, whether or not by litigation, by any authority, person or corporation, whether public or private, of any title to or interest in all or any part of the premises.

7.08 Reservoir 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 Fuderal Power Commission License No. 2111 or as amended. The Lassee shall waive all claims or damage 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 riferential use of the reservoir or shoreside or illeating functions.

7.09 Validity of Provisions The determination of any Court that any providing of this lease are unlawful or void snall not affect the validity of any ruher provision hereof.

7.10 Enforcement of Restrictions. Without in any way limiting the rights of Lessor, if the parties upon whom the provisions hereof are binding, or any of them, shall violate or attempt to violate any of the reservations, restrictions or acceptants hereof, the Lessor or any lessee of and in the tract, shall have the right to compel performance of or compiling with the provisions hereof, to abate and remove, at the expense of the offending lessee or ressees of the property, any structures or erections in violation, of the provisions hereof, to recover damages for any such violation or attempted yieldition of the provisions hereof and to prosecute any proceedings at law or in equity in furtherance of the aforesain tractedies in any Court having jurisdiction of such cases.

7.11 Reservation: a Land. All of the reservations, conditions, covenants, agreements and restrictions shall the winding on the lessess of all property covered hereby and all parties and persons claiming under their and on all property within the tract.

7.72 Assignment. Without limiting Lesson's right to sell or assign this lease or land, Lesson may assign this lease to a corporation, and if said corporation assumes the obligations of Lesson hereunder, Lesson shall thereby be re-

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PAGE TWO - CABIN SITE LEASE

### CABIN SITE LEASE continued.

DOOM 4" PAGRACS

### SECTION B. TERMINATION

8.01 Default and Notice. If any default shall be made on the part of the Lesson in the observance orperformance of any of the term' covenants, agreements, or provisions of this last by him to be observed of performed and such default continues for sixty (6.1) days after written notice, the lesser may, at its option, limited the lesser forfult Lesser's interest thereby, and forthy the sacture the kasser from the premises and from all rights in recently but the Lesser shall nevertheless that the to the Lesser for all highlithes incurrent interent prior to such termination. Waiver of any default hereunder shall not constitute a waiver of any subsequent default. Service of any notice provided har berein by the Lesser may be made, y depositing such notice in the United States mails addressed to the Lesser at

8.02 Master Lease Termination. It is expressly understood that Lesson has leased the premists from the State of Washington for a period ending June 1, 2025. The master 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 here in provided from the date of said assignment.

8,03 Failure to Provide Property Report. Lesses shall have the cost on to void this lease if he does not receive a property report prepared purs and 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 4B hours after signing the lease of he did not receive the property report at least 4B hours before signing the lease. However, this option to void the least 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 option to void this lease if he does not receive a property report prepared and pursuant to rull and regulations of the Oregon Subdivision Control Law ORS 92.210—92.990 in advance of his signing this lease.

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

8.04 Easements. As shown on the plat of "The North Woods", 20 reet easements are reserved to the Lessor and its assigns on the water front portions of Lots 10-17, 18, 19, 20, 21, 22, and 23 for purposes of community

hoat docks. Said easements shall not prevent lessers of the above four tots from the form and as for purposes of community hoat docks. Said easements shall not prevent lessers of the above four title from shortested docks providing such racilities do not interfere with the boat craffic pattern of the community dock system.

Five foot easements are releved to the Lessor and its assigns on the southerly lot line of Lot 10, and the no therly lot line of Lot 11 for access to the valet front. Said access to serve pathway to boat docks if it is determined by Lessor that controlled boat docks are needed to serve "The North Woods" community.

IN WITNESS WHEREOF, the parties a ve executed this lease, in duplicate, this 10 151-10 N W. CORNELL BEAVERTON, GRE-07005

WATER FRONT RECREATION, INC.

President

Xeonery'E foland LESSEE

I (we) hereby acknowledge that prior to the signing of this 'ease, I (we) have received, read, and understand the PNOPERTY REPORT prepared pursuant to the rules and regulations of the U.S. Department of Housing and Urban Development (office of Interstate Land Sa'us Recistrations) and the PROPERTY REPORT prepared pursuant to rules and regulations of the Oregon Subdivision control law ORS 92.21.) – 92.990. (i.(we) also acknowledge that I (we) have inspected the lot to be leasted.

Lacinand & Poland

LESSEE