consideration of the rents to be paid and covenants to be performed by_____ B. AND CAROL D MCLAWHON

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

Cable Lite number $\int 3\, \mathcal{H}$ 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, Ser Jion 26, Township 7 North, Range 6 East, W.M., Skamania County, Washington, LUBJECT, however to an easement for right of way for access road acquired by the United States of America, United States Forest Service.

SECTIO. 1. OCCUPANCY

1.01 Term. This Lease is granted for the period beginning _ minating on July 1, "025, unle i sooner terminated as hereinafter provided.

1.02 Master Lease. Lessor holds the above-described premises under a lease, hereinafter referred to as the "master lease," dieted August 11, 19 J, from the State of Washington, acting by and through the Department of Natural Resources

(as to which Lessee is a sub-lessee) and incorporated herein by reference, including without limiting the foregoing an essement for right or way for an access road acquired by the United States of America, United States Forest Service and the right of the State or Washington to inspect the premises at reasonable times.

SECTION 2. RENTAL

2.01 Basic Rental. As rental for each lease year, the Lessee shall pay the sum of Theer then Dollars (S 3). Bent shall be paid in advance, on the first day of September in each year, hereivafter referred to as the "anniversary date." All payments shall be made to Lessor at 936 S.Mac. Tr., or Day 3. Portland, Oregon, or at such other place at which the Lessor m. notify the Lesse in writing. Rent for the fraction of any tease year shall be prorated. The lease year shall be from September 1 through the succeeding August.

2.02 Rent Adjustments. Lessor may, as of any anniversary date, increase the annual rental as follows: 2.02 Hent 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 rental increase under the master lease to 1 essor multiplied by the Lessee's annual rental to the Lessor divided by the total annual rental of the Lessees of the sites in the North Woods. Annual rental as a contract the lessee is trained by the total rental lessee is trained by the total rental lessee is trained to the Lessor divided by the total server the lessees of the sites in the North Woods. tisted herein shall mean the total rent the Lessec is rec. Fred to pay to Lessor for the year immediately preceding the year of the increase. The aforesaid formula is illustrated as follows:

Lessee's share of increase

Increase under master lease to Lessor

Lessee's annual rental
Total annual rentals of sites Х

(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 chi 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 improved only least a country. proved cabin sites on said annive sary date.

(c) Finally every ten years begining 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 c. der 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 rusidents therein the greatest possible pears, enjoyment, privacy, health, comfort, safety, and preservation c. 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, cond tions, covenants, agreements and restrictions shall become and are hereby mide a part of all leases of property within the sole acceptance with the same appears on the map survey recorded in the office of the County Authors of Schema is County Mexication. Auditor of Skamania County, Washington.

3.02 Boat Dock. Lessor shall construct a boat dock for the common use of residents of the North Wood In the event construction of said boat dock is not completed by Samper 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 paragraph 5.09.

SECTION 4. USE OF SITE

4.01 Permitted Use. The cabin site shall be used only for residential purposes. No bi ilding shall be erected, altered, placed, or permitted to remain on the cabin site other than one detached single family dwelling and buildings incidental to residential use, and the cabin site shall not be further subdivided into building lats.

4.02 Condition of Site. The premises hereby leased have been inspected by Lossee and are accepted in

4.03 Vehicles. No vehicles shall be parked in roadways. Vehicles shall not be operared carelessly or in فعد عند من المعادلة المع esotor noise or m noying smoke are forbidden.

4.04 Maintenance. All lots shall at all times be kept in a clean, sightly, and wholesome condition and no track, parbage, litter, junk, boxes, containers, bottles, cans, machinery, implements, lumber, or other building materials عدادة المستقدم permitted to be or renal accordance on any lot and visible from any street or adjoining or nearby premise.

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

4.06 Nuisence. No noxious or offensive trade or activity shall be carried on or usen any lot in the tract

PAGE ONE - CABIN SITE LEASE

CABIN SITE LEASE conti

4.07 Animals. except that cats, dogs, or other h not be allowed to become an ann 4.08 Incinerati

permitted on any lot.

4.09 Fires a. .. of sparkproof screens. All fires n any cabin.

4.10 Firearms

the North Woods area shall be pr

4.11 Commerc may rent his cabin from time to

4.12 Motorbik ingress and egress.

4.13 rire Exti 4.14 Trailers a

shall be permitted on any lot exc

4.15 Solicitation

without the written consent of I 4.16 Hose Bibs

completion of the cabin.

5.01 Plans App struction plans showing the local development, quality of workma to location with respect to topog

5 92 Building simulated brick veneer construct composition -- color to be appro-

5.03 Completi time such construction is started Cabin Site Leare.

5.04 Tree Ren necessary to prepare the propert

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As required by over 8" at che then notify th standard appra provements sh end that the c

5.05 Lot Mark by Lessor, are not moved or des

5.06 Improved

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"8,04 Owner removable per Sub-lessee [Le or termination by the State u of the lease (r to re-lease fro tion of this le as a condition the three year

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The parties hereto agree that the

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The parties hereto further egree

the State of Washington. 5.09 Taxes at

now charged or may become ch mencing with the taxes first bec past due.

5,09 North V the name of The North Woods a but not limited to water system (If any), as well as other commutant shall be required to pay di Association for their reasonable at the time 50 lots are leased. I time Lesor shall call a meeting

PAGE TWO - CABIN SITE LE

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4.08 Incineration. Because of unpleasant orions and unsightliness, no individual uninerator will be permitted on any lot.

4.00 Fires a. a Fireplaces. Interior fireplaces stoves, or other type burner must be fireprocfed by use of sparkproof screens. All fires must be extinguished before leading cabin. No fires shall be lit or maintained ou side of any cabin.

4.10 Firearms and Fireworks. Discharging firearms, firecrack us, rockets or any other fireworks within the North Woods area shall be prohibited.

4.11 Commercial Use. No platted int shall be used 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 rire Extinguisher. One fire extinguisher (minimum two quart capacity) must be kept in every cubin.

4.14 Trailers and Tents. No tent, house trailer, or mobile home, whether the same be on wheels or rot, shall be permitted on any lot except. Juring 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 without the written consent of Lesson.

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 5. IMPROVEMENTS

5.01 Plans Approved. No building shall be erected, placed, or aftered 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 be of log or wood frame. Wood frame stucco or simulated brick wineer construction 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 Lessor or such person or persons designated by Lessor.

5.03 Completion. Cybins must be completed from all jurward 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 Leare

5.04 Tree Removal. The Lessee of each cab'n 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 lesse, any tree whose diameter is over 8" at chest height must be marked by Lessee for Lessor, 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 value of the tree before removal. Any additional clear in beyond that reassary for the construction of imremoval. Any additional clearing beyond that necessary for the construction of improvements shall be prohibite.). The intent is to remove as few trees as possible to the end that the community remain natural and rustic.

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

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

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

"8,04 Ownership of Sub-lessee Improvements. All buildings and improvements, excluding removable personal property and trade fixtures on the leased site [North Woods] erected by Sub-lessee [Lessee herein] will remain on said site after expiration of this lease [mas' r lease] or termination prior to the term of this lease (master lease) of any sub-lease (this le by the State under the provisions of paragraph 5.05; provided, however, upon the expiration of the lease (master lease), if the State is unsuccessful in re-leasing the leased site (North Woods), as a unit, then each sub-lessee (Lessee herein) shall have a preferential right as allowed by law to re-lease from the State its sub-leased area, provided, further, upon the termination or expira-tion of this lease [master lease] or a sub-lease [this lease] assigned under paragraph 5.09 that as a condition of any re-lease of the reased site or sub-leased site to any other party made during the three year period following the State shall require the subsequent Lossee to purchase the Sub-lessed'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 paragran's 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 amin: the State of Washington.

5.08 Taxes and Assessments. The Lessee shall pay in annual payments all taxes and assessments that a 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 od assessments become oast due.

5.09 North Woods Association. The roads in the plat and certain other common areas shall be held in the name of The North Woods Association. The roads in the plat and certain other common areas shall be helf. In the name of The North Woods Association, a rein-profit association, of which the Lessess of lots in the plat shall be members. Said Association shall be espensible 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 improvement, hereon (If any), as well as other community functions which may be given it by its mambers. The owners (Lessess) of lots in the tract shall be required to pay dues of not less than one and one-half dollars (1½) per month and association. Said dues shall commence at the 21me 50 lots are leaved. It is understood and agreed that Lessor shall and it is hereby delegated to itstill all duties, responsibilities and functions of the North Woods Association until fifty (50) lots in the North Woods are taked. At that time Lessor shall call a meeting of all Lesses for the purpose of ferming said Association.

PAGE TWO - CABIN SITE LEASE

·CABIN SITE LEASE con

6.01 Sawag structed in accordance with the

6.02 Reser along all roads and other com ment is reserved in an area fix road, for electric transformer to each individual lot shall be such may be necessary in the

receive water from the water : connect to said system.

6.03 Water

6.04 Maint filling, and maintaining each unconnections or facilities to ser

7.01 Lossee applicable Federal, State, Cou lease, including but not limited pol. ion of streams or lakes, site and cabin at any time to d

7.02 Indem at the Lessee's expense defenaccount of personal injury to or damage to or destruction o which might result from Lesse the Lessor from any loss, cost applicable laws, rules or regula

7.03 Insura (a) Fire and ments upon the lease to Lessor and the pul notice of cancellation

(b) Liability or property caused by activity carried on th Lessor in amounts no

(1) Bodily 121 Bodily

(3) proper Lessee shall do! or to

with the company or 7.04 Assign interest therein, or sublet, and

tion of law shall assign or suble 7.05 Waiver ants conditions, restrictions, r of said property by Less or at a

7.06 Attorn the rent due or to become due pliance with this lease, or for f recover such sum as the Court appeal therefrom in addition to

7.07 Conde any taking, condemnation or a or not by litigation, by any aurany part of the premises.

7.08 Reserv Company has the right to fluct mission License No. 2111 or as and Light Company, the State fluctuation in reservoir level or

7.09 Validit or void shall not affect the vali

7.10 Enforc whom the provisions hereof ar tions or covenants hereof, the compliance with the provisions any structures or erections in v violation of the provisions here remedies in any Court having j

7.11 Reserve shall run with the land and sha under them and on all property

7.12 Assignr this lease to a corporation, and leased of and relieved from any

PAGE THREE - CABIN SITE

CABIN SITE LEASE continued

SECTION 6. UTILITIES

6.01 Sawage. Individual sewage disposal systems installed by Lossee must be designed location and the structed in accordance with the legal regulations, laws and ordinances of Shamania County and the State of Management

6.02 Reservation. Lessor reserves to itself and to its successors and assigns easements in and assigns easements in and assigns easements in another another and assigns easements in another anot along all roads and other common ැeas in t'. plat for any utilities whether presently installed or not in සරුණාගේ සම ment is reserved in an area five (5) feet by te \ (10) feet in one corner of each lot (to be selected by Less සිතිය ජාණාල් මෙම road, for electric transformer vault and/or telephone and power service pedestals if any. And the assignment of the subject to the right to cross over or under the same along the lot lines, with utilities indicated to the right to cross over or under the same along the lot lines. 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 region to connect to said system.

6.04 Maintenance. The lessee shall bear the remonsibility and expense of furnishing, installing, there filling, and maintaining each underground trench or other digging upon such cabin site which is necessary for any attention connections or facilities to serve such cabin site.

SECTION 7. MISCELLANEOUS

7.01 Lossee's Duties. Lessee agrees to comply strictly with the Lessor's rules and regulations and applicable Federal, State, County, and Municipal laws, rules and regulations relating to all activities contemplated under lease, including but not limited to, use of public or private roads, parking, fire and prevention of fire, public nearth and pol. ion of streams or lakes, and to assume all obligations thereby imposed upon the Lessor. Lessor may inspect the section site and cubin at any time to determine compliance with the terms of this lease.

7.02 Indemnification. Lessee hereby agrees to assume all risk of, and indemnify and hold harmsess and at the Lessee's expense, defend the Lessor from and against, any claims, loss, cost, legal actions, liability or expense to account of personal injury to or death of any persons whomsoever, including but not limited to employees of the Lessee or damage to or destruction of property to whomsoever belonging, including but not limited to property of the Lessee which might result from Lessee's activities on the leased promises. The Lessee further agrees to indemnify and save har rate, at 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. I essee shall obtain fire, casualty and liability insurance as follows:

(a) Fire and casualty insurance in a sufficient amount to cover the replacement cos of any or a ments upon the leased premises. Such insurance shall be carried by a responsible company or companies, satisfies to Lessor and the policy or policies shall be indersed and delivered to Lessor with provision for thirty is say. notice of cancellation to Lessor

(b) Liability and property insurance insuring Lesson and Lessee against all Imbility for damage. or property caused by the maintenance, use or occupancy of the leased premises or by r activity carried on therein. Such insurance shall be carried by a responsible company companies such takes the company companies such takes the companies of th

Bodily injury 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 (i00 0) was property damage, \$1,000.00

Lessee shall dc': or to Lessor certificates and receipts evidencing said policies of insurance and further are with the company or companies for thirty (30) days notice of cancellation to Lessor.

7.04 Assignment. Without the prior written consent of Lesson, Lessee shall not assign this lease a writing interest therein, or sublet, and no heir, executor, administrator, it is liver, trustee in bankrupitcy or other assignee to start the consent.

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

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

7.07 Condemnation. The parties hereto shall receive any sums or damages paid or awarded by reason any taking, condemnation or acquisition during the existence of this lease as their interests therein shall then appear are or not by litigation, by any authority, person or corporation, whether public or private, of any title to or interest on all title. 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 Federal Power Commission License No. 2111 or as amended. The Lessee shall waive all claims or damage and shall indemnify Pacific Power and Light Company, the State of Washington, Lossor or their successors, if any, against any claim of damage arising from fluctuation in reservoir levil or impairment of recreational use of the reservoir or shoreside 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 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 utumpt to violate any of the reservations, restrictions or covenants hereof, the Lessor or any lesses of land in the tract, shall have the right to compel nerformance of or compliance with the provisions hereof, to abate and remove, at the expense of the offending lesses or lesses of the property any structures or erections in violation of the provisions hereof, 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 remedies in any Court having jurisdiction of such cases.

7.11 Reservations on Land. All of the reservations, conditions, covenants, agreements and restrictions shall run with the land and shall be binding on the lessees of all property covered hereby and all parties and persons claiming under them and on all property within the tract.

7.12 Assignment. Without limiting Lessor's right to sell or assign this lease or land, Lessor may assign this lease to a corporation, and if said corporation assumes the obligations of Lessor hereunder, Lessor shall thereby be released of and relieved from any and all obligations under this lease.

PAGE THREE - CABIN SITE LEASE

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CABIN SITE LEASE continued

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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 thin to be observed or performed and such default continues for sixty (60) days after written notice, the Lor may, at its option, immediately terminate this lease, forfeit Lessee's interest therein, and forthwith exclude the Lor experiments and from all rights hereunder, but the Lessee shall nevertheless be liable to the Lessor for all liat incurred hereunder prior to such termination.

Waiver of any defect hereunder shall not constitute a waiver of any subsequent default. Service of any notice provided for herein by the Lossor may be made by depositing such notice in the United States mails addressed to the Lessee at

8.02 Master Lease Termination. It is expressly understood that Lessor has leased the premiset 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 herein provided from the date of said assignment

8.03 Failure to Provide Property Report. Lessee shall have the option to your 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 revol within 48 hours after signing the Lase if he did not receive the property report at Last 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 till elease and acknowledges by his signature that he has made such inspection and has read and understands such report.

nas read and understands such report.

Lessee shall have the option to void this lease if he does not receive a property report propagation and pursuant to rules 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 beriefit 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

8.04 Easements. As shown on the plat of "The North Woods", 20 fact easements are reserved to the Lessor and its assigns on the water front portions of Lots 16, 17, 18, 19, 20, 21, 22, and 21 for purposes of community boot docks. Said easements 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 ealements 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 it it is determined by Lessor that additional boat docks are neerled to serve "The North Woods" or mmunity.

14 4 4 BOOKE BEAT TON OR

WATER I BONT RECREATION, INC

President

Secretary

talph to Moderation Carol D M Lawhon

talph & Mi Luko

LESSEE

LESSOR

RECEIVED armitak ESTIEDED,

I (we) hereby acknowledge that prior to the signing of this lease, I (we) have received, read, and understand the "ROPERT in REPORT prepared pursuant to the rules and regulations of the U.S. Department of Housing and Urban Development (office of Interstate Land Sales Registrations) and the PROPERTY REPORT prepared pursuant to rules and regulations of the Oregon Subdivision control law ORS 92.210 – 92.990. I.(we) also acknowledge that I (we) have inspected the lot to be

Carol D. M. Lawhon LESSEE

PAGE FOUR - CABIN SITE LEASE

