CABIN SITE LEASE

WATER FRONT RECREATION, INC., a Washington corporation, hereinafter called Lessor, in consideration of the rents to be paid and covenants to be performed by HORST A. SHOTMAN, 12403 S.E.Gillivray Blvd., Vancouver, Wash. 98664, hereinafter called Lessee, leases to Lessee the following described cabin site on the terms and conditions stated herein:

Cabin site number 117 of the North Woods as shown on and on Exhibit "A" attached hereto (all distances being approximations), being a 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. OCCUPANCY

1.01 Term. This Lease is granted for the period beginning Sept 15, 1973 ~~--19--~~, and terminating on June 1, 2025, unless 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," 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 (as to which Lessee is a sub lessee) and incorporated herein by reference as though, 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 [illegible]

SECTION 2. RENTAL

2.01 Basic Rental. As rental for each lease year, the Lessee shall pay the sum of Four Hundred & no/100 ----- Dollars ($400.00). 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 8655 S.W. Canyon Road, Portland, Oregon, or at such other place at which the Lessor may notify the Lessee in writing. Rent for the fraction of any lease year shall be prorated. The lease year shall be from September [illegible] through the succeeding August.

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. Lessee may charge 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 Lessor 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 used herein shall mean the total rent the Lessee is required 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.

(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 [illegible] said real property in an amount, which together with prior increases on account of [illegible] shall not exceed the total of the amount by which taxes and assessments on the land covered by the master lease [illegible] for 1970, divided by the number of improved cabin sites on said anniversary date.

(c) Finally, every ten years from [illegible] the annual rental shall, at the option of the Lessor, be adjusted to reflect the percent of [illegible] Consumer Price Index as published by the Bureau of Labor Statistics, U.S. Department of Labor, [illegible] for the immediately preceding year for the immediate ten years shall be increased as compared with the annual rental [illegible] The [illegible] percentage increase to said Consumer Price Index differs from said Index for September [illegible]

SECTION 3. LESSOR'S CONVENANTS

3.01 Declaration. In order [illegible] property of the North Woods, to provide for the control of structures erected thereon, improvements to be made thereon [illegible] extending to the resident, therein the greatest possible peace, enjoyment, [illegible] property values, Lessor does hereby certify and declare that with the [illegible] North Woods Sales Office, the following reservations, conditions, covenants, agreements and restrictions [illegible] made a part of all leases of property within the plat of the North Woods [illegible] recorded in the office of the County Auditor of Skamania County, Washington.

3.02 Boat Dock. Lessor shall [illegible] of residents of the North Woods. In the event construction of said boat dock is not completed by [illegible] 1972, it is hereby agreed that in lieu of such construction Lessor shall contribute $5,000.00 [illegible] hereinafter described in paragraph 5.03 for construction of such dock.

SECTION 4. USE OF SITE

4.01 Permitted Use. The cabin site shall be used only for residential purposes. No building shall be erected, altered, placed, or permitted to remain on the above site other than one detached single family dwelling and buildings incidental to residential use, and the above site [illegible] subdivided into building lots.

4.02 Condition of Site. The [illegible] inspected by Lessee and are accepted in their present condition.

4.03 Vehicles. No vehicle [illegible] shall not be operated carelessly or in excess of posted speeds. No vehicle shall be [illegible] in good working order. Excessive motor noise or annoying smoke are forbidden.

4.04 Maintenance. All lots shall [illegible] sightly, and wholesome condition and no trash, garbage, litter, junk, boxes, containers, bottles, cans, [illegible] or other building materials shall be permitted to be or remain exposed [illegible] on any lot or any portion thereof.

4.05 Signs. No sign, 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 [illegible] property for sale or rent, and except signs used by a builder or developer to advertise the property during the construction and sales period.

4.06 Nuisance. No noxious [illegible] shall be carried on upon any lot in the tract nor shall anything be done thereon which may [illegible] or the area.