ASSIGNMENT OF LEASE

THIS AGREEMENT made and entered into this and day of Novelland, 1979, by and between and GEORGE LOFGREN and THELM). A. LOFGREN, husband and wife, hereinafter referred to as assignees.

In consideration of the mutual covenants contained herein and for other good and valuable considerations of the sound that the considerations of the considerations of the considerations of the considerations of the contain premises of those certain premises described as follows:

Cabin Site #39 of the North Woods as shown in red on Exhibit "A" attached hereto being part of government lots 4 and 8, Section 26, Township 7 N Range 6 E Willamette Meridian, Skamania County, Washington.

which were demised by Waterfront Recreation, Inc., a Washington corporation to GEORGE LOFGREN under that certain lease agreement entered into on the 6TH day of July, 1972, a copy of said lease being attached hereto as Exhibit "B" and incorporated herein by this reference, do hereby assign said lease to the assignee subject to all of the terms and conditions thereof and assignees accept the assignment and small perform all of the terms and conditions thereof, including payment of all rent required by the provisions of said lease. Neither this assignment now the acceptance of rent by lessor from assignee pursuant to this agreement, shall release, relieve, or in any manner modify the obligation of assigner under the terms and conditions of the

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Assignees shall accept the foregoing assignment and assume the liability and duty to perform all of the terms and conditions of the lease on the part of the assignor to be performed.

J.E.D. LAND COMPANY, a partnership, acknowledge that simultaneously with the execution of this assignment of lease. they have executed a promissory note and leasehold mortgage agreement, promising to pay to GEORGE LOFGREN and THELMA A. LOFGREN, husband and wife, the sum of Twenty-Three "housand and Five Hundred Dollars (\$23,500.00), and future advances, and J. E. D. LAND COMPANY agree that in the event they default in the payment of said promissory note, or leasehold mortgage, the leasehold interest acquired by way of this agreement, snall automatically terminate without further notice to assignees.

IN WITNESS WHEREOF, the parties have executed this assignment the day and year first above written.

STATE OF WASHINGTON)

COUNTY OF CLARK

On this day personally appeared before me GEORGE LOFGREN and THELMA A. LOFGREN, husband and wife, to me known o be the individuals who executed the foregoing instrument, and they acknowledged the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS MY HAND AND OFFICIAL SEAL this 26th day of

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BOUK // FRIGE November , 1979 . NOTARY DULLIC in and Sor the State of Washington, legislid at Vancouver. STATE OF WASHINGTON) COUNTY OF CLARK On this day personally appeared before me John E. Lofgren, Partner
as agent for J.E.D. LAND COMPANY, to me known to be the
individual who executed the foregoing instrument, and they
acknowledged the same as their free and voluntary act and
deed for the uses and purposes therein mentioned. WITNESS MY HAND AND OFFICIAL SEAL this 26th day of 30 November , 1979 NOTARY PUBLIC in and for the State of Washington, residing 18, at Vancouver. HINTEN SHT TART YE REGISTLAED (INDEXED: DIR MEDAL FORMER PROS 220 INDIDECT: RECORDS OF SYMMAHIA COUNTY, WALEL RECORDED: COLHARLD

BOOK 6 PAGE 273

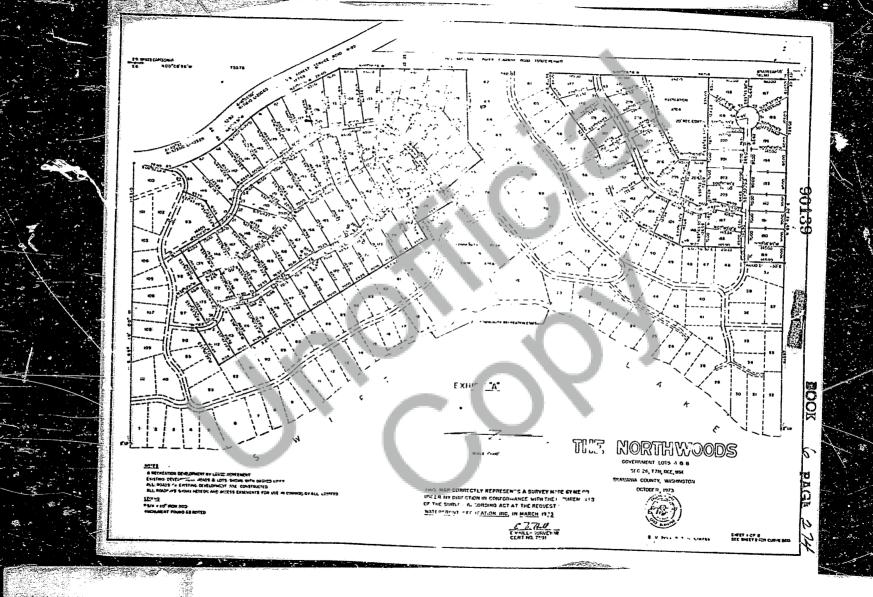
CONSENT TO ASSIGNMENT BY WATERFRONT RECREATION, INC.

I, BARBARA WULD, duly authorized agent of Waterfront Recreation, Inc., hereby agree and consent to the assignment of the existing lease between GEOF FGREN and THELMA A. LOFGREN, husband and wife, as lessees under that certain lease agreement signed on the 21/2 day of 19/2, described as follows:

Cabin Site #39 of the North Woods as shown in red on Exhibit "A" attached hereto being part of government lots 4 and 8, Section 26, Township 7 North Range 6 East of Willamette Meridian, Skamania County, Washington.

to J.E.D. LAND COMPANY, a con.

BANBARA WOLD Agent for Waterfront Recreation, Inc.



for c

CABIN SITE LEASE

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WATER FRONT RECREATION, INC., a Washington corporation, hereinafter called L

consideration of the rents to be paid and covenants to be performed by GRORGE LOFGRED

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

Cabin site number 39 of the North Woods as shown in red on Exhibit "A" intach hereto (all distances being approximations), being part of Government Low 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 <u>June 1, 1972</u> == 46 terminating on June 1, 2025, unless sooner terminated as hereinafter provided.

1.02 Master Lease. Lessor holds the above described premises under a lease, here: the referred to the "master lease," dated August 11, 1970, from the State of Washington, acting by and the Department of "ler referred to as 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 fortil in a director lesse (as to which Lessee is a sub-lessee) and incorporated herein by reference, including, without limiting the cooling and easement for introduced for an access road acquired by the United States of America, United States Forces is vice and the right of the State of Washington to inspect the premises at reasonable times. TOTAL P

SECTION 2. RENTAL

2.01 Basic Rental. As rental for each lease year, the Lessee shall pay the sum of Form Funds &

lease year shall be prorated. The lease year shall be from September 1 shrough 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, Lesson'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 beginning as 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 Lesse's an audi rental to the Lessar divided by the lotal annual rental of the Lesses of the sites in the North Woods. Annual rental is used here in shall mean in a total rent the Lesses is required to pay to Lessor for the vear immediately preceding the year of the increase. The afore aid forms a is illustrated as follows:

of increase

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Increase under master lease to Lessor

essee's emual rental

otal annual rentals of sites

(b) In addition to the increa a permitted under subparagraph (a) above, Lessor may as of any ambiersary date, increase the annual rental hereunder on account of taxes and assessments against said real property in an ambient, which together with prior increases on account of taxes and assessments, shall not exceed the rotal of the amount of taxes and assessments, shall not exceed the rotal of the amount of taxes and assessments. taxes and assessments on the land covered by the master leave exceeds such taxes for 1970, divided by the number of in proved cabin sites on said anniversary date

(c) Finally, every ten years beginning September 1, 1980, the annual rental shalf, at the option of a 2. Lessor, be actisted, to reflect the percent of increase from September 1,1970, in the Consumer Price Index as published by the Bureau cir Labor Statistics, U.S. Department of Labor; that is, the annual rental each year for the succeeding lien years shall be increased as compared with the annual rental as set forth herein by the same percentage as the increase if said Consumer Price Index differs from laid Index for September 1, 1970.

SECTION 3. LEGIOR'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 resident/starrein the greatest possible peace, enjoyment, privacy, health, comfort, safety, and preservation of property values, lessor dives hereby certify and declare that with the sole exception of 15t 19, which is the North Woods Salet Office, the following reservations, conditions, covenants, agreements and restrictions shall become and are hereby viade a part of all lesser of property within the plat of the North Woods as the same appears on the map sittery recorded in the office of the County. Auditor of Skamania County, Washington.

3.02 Boat Dock. Lessor shall construct a boat dock for the common use of residents of the North Wirelin the event construction of said boat dock is not completed by Se, tember 1, 1872, it is hereby earlied that in its of seven construction, Lessor shall contribute \$5,000.00 to the North Woods Association, hereinafter described in paragraph \$.00 for construction of such dock.

SECTION 4. USE OF SITE /

4.01 Permitted Use. The cabin site shall be used only for residential purposes. (4) trailing that the erected, altered, placed, or permitted to remain on the cabin site other than one detached single family on buildings incidental to residential use, and the cabin site shall not be further subdivided into building one.

4.02 Condition of Site. The premises hereby leared have been inspected by Leaver their present condition.

3.03 Vehicles No vehicle shall be parted in pastwork. Vehicles exist not be excess of poster/seeds. No vehicle shall be operated at any time without a muffler in good very single in the premise or shapping smoke are forbidden.

4.04 Maintenance. All lots shall at all times be kept in a clean; sightly, and y

trash, garbage, lister, junk, baxes, containers, bottles, cans, machinury, implements, lumber, so of shall be permitted to be or remain exposed on any lot and visible from any street in adjoining or leading the professional sign, of not hore than 10 inches by 22 cher in bire, adverting the professional sign, of not hore than 10 inches by 22 cher in bire, adverting the professional sign, of not hore than 10 inches by 22 cher in bire, adverting the professional sign of not hore than 10 inches by 22 cher in bire, adverting the professional sign of not hore than 10 inches by 22 cher in bire, adverting the professional signs used by a builder or developer to advertise to a barrier or activity shall be deviced on the professional signs of the professional signs and the professional signs of the professional signs are signs and the professional signs are signs and the professional signs are signs as a signs and signs are signs as a signs and signs are signs as a signs and signs are signs as a signs are signs as a signs and signs are signs as a signs and signs are signs as a signs are signs a

PAGE ONE - CABIN SITE LEASE

(* 1) P.O.Box 603, Beaverton, Oregon \$7005

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

consideration of the rents to be paid and covenants to be performed by GRORGE TOFGREN.

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

Cabin site number 39 of the North Woods as shown in red on Exhibit "A" attached 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 Imerica, United States Forest Service.

SECTION 1. OCCUPANCY

1.01 Term. This Lease is granted for the period beginning ___fine 1, 1972 ____and terminating on June 1, 2025, unless sooner tarminated as hereinafter provided.

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

1.03 Master Lease Incorporated. The master let le is on file with Letter and is available for Inspection. Lessee's rights hereunder are subject to all the terms, provisions, ciceptions and reservations set forth in said misster lesse (as to which 'lesses's a sub-lesses) and incorporated herein by reference, including, without limiting the foreigning and the of war for access road acquired by the United States of America, United States Forest Savice and the right of thi. State of ... hington to inspect the premises at reasonable times.

SECTION 2. RENTAL

2.01 Basic Rental. As ent., for each lease year, the Lessee shall pay the sum of Rour Hundred

2.02 Rent Adj. timer it. Lessor may as of any anniversary date, increase the annual rental as following. Unstructure ristricuses Lessor's rental to the State of Washington may be increased on June 1, 1980, 2st introduced in the Lessor may increase that the Lessor shall be respectable for story into unstructure mustricians increased. The amount of such indrease that the Lessor shall be respectable for a countriety with a size of a story into unstructure of the Lessor shall be respectable for the countriety with a size of a story in the story in the Lessor and analytic to the countriety will be set of the story in the North Woods. Annually intal as a story of a story in Lessor for the year immediately preceding the year of the in lucted. The afort, aid form is a sustrated as follows

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Total and Javrentals of sites th Lesson

b. In addition to the normal schemitted under subparagraph (a) above, Lesson mail as of any anniversary date, increase and arrors there is the second of taxes and assessments against said real property in an amount, which toget en with prior increases on account of taxes and assessments shall not exceed the total of the amount by which taxes and assessments shall not exceed the total of the amount by which taxes and assessments are assessments shall not exceed the total of the amount by which taxes and assessments are assessments are assessments are assessments are assessments as a second of the amount by which taxes and assessments are assessments are assessments are assessments and read read read read assessments are assessments and assessments are assessments are assessments are assessments as a second of taxes and assessments are assessments are assessments and assessments are assessment as a second as a second as a second are assessments are assessment as a second as a second as a second as a second are assessment as a second asecond as a second as a second as a second as a second as a second

ng September 1, 1960, the annual rental shrift, at the option of the (c) Fig. to every ten years be income Lessor, be a listed to reflect the percent of nonease from September 1,1970, in the Consumer Price index as published by the Bureau of Long Tracks of U.S. Department of Labor, that is the annual rental each year for the succeeding ten years shall be not used as compared with the annual rental as set forth herein by the same percentage as the increase in stid per P. Je Truex differs from said Index for September 1, 1970.

SECT. IN 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 the ean, improvements to be made thereon, and for the purpose of excepting to their sidents therein. the greatest possible peace, enjoyment, privacy, health comfort, safety, and preservation of property valves, Lessor does hereby certify and distance that with the solvexception of at 19, which is the North Woods Sales Office, the following reservations, conditions, coverants, agreements and restrictions shall become and are hereby made a part of at 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

3.02 Boat Pock. Lessor shall construct a boat dock for the common use of recidents of the North Woods. In the event construction of s. I boat 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 paragraph 5.09,

SECTION 4. USE OF SITE

4.01 Per litted Use. The cabin site shall be used only for residential purposes. No building shall be erecter), altered, placed, c 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 in "y building lots,"

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

their present condition.

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

4.04 Maintenance. All lots shall at all times be kept in a clean, signity, and wholesome condition and trash, garbage, litter, junk, boxes, containers, bottles, cane, machinery, implements, lumber, or other building materials shall be permitted to be 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 1th inches by 24 inches in size, advertising the property for sale of tent, and except signs used by a builder or developer * advertes the property during the construction and sale period.

ance. No noxious or offensive trade or activity shall be carried on at upon any list it. "a to nor shall anything be done thereon which may be or become an annoyance or nulsance in the area

PAGE ONE - CABIN SITE LEASE

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SECTION 5. IMPROVEMENTS continued

4.07 Animals. No animals, livertock, or poultry of any kind shall be raised, bred, or kep on any lot. except that cats, dogs, or other household pets may be kept, but not for any commercial purpose. Household prets st not be allowed to become an annoyance or nuisance to the neighborhood.

4.08 Incineration. Because of unpleasant 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 sparkproof screens. All fires must be extinguished before leaving cabin. No fires shall be lit or maintained outside of any cabin.

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

4.11 Commercial Use. No platted lot shall be used for any commercial purpose, except that a Lesser may rent his cabin from time to time, and in such case that the 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 Tr rs and Tents. No tent, house trailer, or mobile home, whether the same be on wheels or not, shall be purmitted on any full except during the period of cabin construction as if for gues slover a weaken ~ ariod

4.15 Solicitation. There shall be no solicition or distribution of handbills or circulation of any 6 d 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 labin

SECTION 5. IMPROVEMENTS

5.01 Plans Approved. No hailding shall be erected, placed, or altered on the cabin site with the construction plans showing the location of their lacturinave been approved by the Lesser as to conformity with praniof development, quality of workmanship and or testals, armony of external design and color with existing structures and as to location with respect to top ugraphy and finish grade election. Such approval shall be in writing.

5.02 Building Materials. All building conditions shall be of log or wool frame. Woolf forme statissmulated brick veneer conditions expressly prohibined. All roofs shall be of wood in light or shall element and composition — color to be a provide prior to application by the Lessor or such persons designation by Lesson. arkaccaptar a

5.03 Completion. Cabins must be completed from all outward appearance within one if your fine in each in started. Cabin construction must be started within three years fill in the date of the intendig if tin le such constitue

5.24 Tree Removal. The Lessee of each cuchn site may remove from said's te all trees in the after productions. As required by the State of Washington in the noister lease any tree whose diameter is necessary to prep-As required by the State of Mashington in the "Size rease" and year 8% at anister is a chest high must be marked in Tesss. for Lessor's inspect on Lessor's then notify the Vilishin into State Depletment of Natural Resources and requirit the standard appraise of Vilinity. Let see will then pay Lessor for the value of the lee buffer movel. Any additional classing bryond that necessary for the construct of the provided in The intensis to remove as few trees as possible extensions and that the community remain natural and rust in

5.05 Lot Markom. Lessee will use all reasonable care to make certain that the lot mail. by Lessor, a a not moved or destroyed.

5.06 Improvements Other Than On Cabin Site. No improvements of a placed upon an rarea covered by the master lease without Lessor's prior written const

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

"8.04 Ownership of E. b-lessee Improvements. All buildings and improvements, exc ...: "8.64 Ownership of \$1.5-lessed Improvements. All buildings and improvements exclusive moveble personal primerty and trade fixtures on the lessed site [North Woods precept it]. Sub-lessed [Lessed hercist with emain on said site after expiration of this lease, master case, or timination prior to the term of this lease [master lease] if any inherize, this lease, it is to the State under the provisions of paragraph 5.09; provide thow, shows the expiration of the lease [master lease], if the State is sub-lessed in reflecting me leased site [North Wood as a unit, then each sub-lessed it is to help and in a little provided the provision of the lease from the State its sub-lessed are revoked, further, upon the term partier meabration of this lease [master lease] or a sub-lesse (this lease) assigned under paragraph in 03 that as a condition of any re-lease of the leased site or sub-leased site to any other party master. · Woods the three year periou following it a State of I require the subsequent Lessee to purchas: the Sib-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 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.

5.03 Texes and Assessments. The Lesses 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 firs becoming due and payable after the date hereof, all before such taxes and assessments become past rive.

5.19 North Wood: Association. The roads in the plat and certain other common areas shall be held in the name of the hourth Woods Association, a non-profit association, of which the Lessess of lots in the plat shall be the name of the Furth Woods Association, a non-profit association, of which the Lessees of lots in the plat shall be members. Said Association shall be responsible for the my intenance and repair of roads, the entire water system including but not limited to water systems serving the rabins on the premises, docks and common areas and improvements thereon (if any), as well as other community function, which may be given it by its members. The owners (Lessees) of lots in the treat shall be required to pay dues of not less than one and one-half dollars (1½) per month and assessments to said Association for their reasonable share of the costs of the functions and duties 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 nutified as, responsibilities and anothers of the North Woods Association until fifty (50) lots in the North Woods a used. It at time Lessor shall call a meeting of all Lessees for the purpose of forming said Association.

PAGE TWO - CADIN SITE LEASE

6.01 Sawage. Individual sewage dispisal 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 along all roads and other common areas in the plat for any utilities whether presently installed conot. In addition, an easement is reserved in an area five (5) feet by ten (10) feet in one corner of each lot (to be selected by Lessor) adjoining the road, for electric transformer vault and/or telephone and power service pedestals if any. And the assignment of the lease as 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 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 Maintenance. The lasses shall bear the responsibility and expense of furnishing, installing back-filling, and maintaining each underground transh or other digging upon such cabin site which is necessary for any utility connections or facilities to serve such cabin site.

SECTION 7 MISCELLANEOUS

7.01 Lerree' stick. Lessee agrees to comply strictly with the Lessor's rules and regulations and all applicable Federal, State, County, and Munitipul laws, rules and regulations relating to all activities contemplat under this lease, including but not limited to, use of public or private roads, surking, fire and protection of fire, public health and pollution of streams or lakes, and to assume all obligations threat ylimpised upon the Lessor. Lessor may inspect the cabi. site and cubil at any time to determine compliance with the terms of this lease.

7.02 I idemnification. Lessee hereby agrees to assume all risk of, and indemnify and hold harmless, and 7.02 I idemnification. Lessee hereby agrees to assume all risk of, and indemnity and note names, and at the Lessee's ixpense. "I fand this Lesse from and against, any claims, loss, cost, legil actions, liability or expense on account of parcouldingury to or duath of unity response whomsoever, including but not imited to employees of the Lessor or damage to or destruction of property in will import security the description of property in will inspect the lesses. The Lessee further agriculture to expense response from the property of the Lessee shall response from the property of the Lessee shall response from the property of the Lessee shall response from the provisions of any street lessee from the provisions of the provisions of any street lessee. The lessee shall response from the provisions of any street lessee. nilaws, rules or regulations

7.03 Insurance. Letter shall not a nift in casuality, and flability insurance as for lows to Fire and casuality insurance in a sufficient amount to cover the reniaco femicos of any or all improve more about the cost of miser. Such insurance shall be carried by a responsible companies satisfaction. Dubtion of this polytic process and delivered to Lesson with providing for this ty 20 days in the cost of the cost

Libit it, and property incurance incurring Lerbor and Lessee against all uplits for damples to listory.

The property incurred to the property of the reased promising or currous on of the responsibility to the maintenance start to particularly a responsibilities and any or companies kill fairly, to amplify the maintenance of the property of the pro

refreshing to the standing said policies of surance and further provide us for the standing mutical of cancellation to Lesson Le for that du livr to Lesfor with the arm lany or con

The Assignment. Without the principle of acceptability and assign this lease or any interest therein, or subject, and no not involution and in such circumstance of awards in the assign or rubbles, and in assign or rubbles without such written and rooms.

7.05 Wriver. Any wall rity the term of any provisions hereof must be mixing and any of the covenants, conditions, retirections in this leaser by the and in walled changed, or modified with reslect to all or any portion of said propriety by guilliscraft by time.

of said procinity by \$4.0 serior 2..., time.

7. Cull Attornays' Piess in this element, action is ultiproceeding or appear therefrom is brought thicollect the rent due contributed more indentified by but an thereof, or to get possession of said premises, or to enforce confilience with it is lease, or for figure 1... at 30 kg. Conyloffine contents of this lease, the prevailing party shall be entitled to ractivary as the Court may adjudge each mable in attorneys fees to be allowed in 20.3 suit, action, proceeding or appeal therefrom in action, proceeding or another reflectly anteurby the Court.

7.01 Condemnation. The parties hereto shall receive any sums or camage ip a if or awarded by reason of any taking, condemnation or ocquisition during the existence of this case as their interest, were in shall then applies, whether or not by litigation, try any authority, person or corporat . whether public or private, of any title to or interest in all or any part of the premises

7.03 Reservoir Level. The Lesses acknowledges by signing this lease that Pacific Power and Light Company has the hight to fluctuate the waters of Swift Roservoir at any time within the provisions of Federal Power Commission Licensa No. 2111 at amended. The Lossee shall waive all claims or damage and shall indemnify Pacific Power and Light Company the later 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 facilities.

7.09 Validity of Provisions. The determination of any Court that any provisions of this lease are un awful 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 attempt to violate any of the reservations, restrictions or covenants hereof, the Losson, or any item, shall wrotate or attempt to violate any or the reservations, restric-tions or covenants hereof, the Lossor or any items of the man in the tract, shall have he light to compel performance of or compliance with the provisions hereof, to abate and remove, at the expense of the offending lesses or lessess of the property, any structures or eractions 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 eforesaid remedies in any Court having juil rediction of such cases.

7.11 Recordance Lance All of the reservations, conditions, covenants, agreements and restrictions shall run with the land and shall be binding un the lessees of all property covered hereby and all parties and persons claiming under the example of the example o

7.12 Assignment. Without limiting Lessor's right to sell or assign this lease to a curporation, and if said corport on at times the obligations of Lessor hereunder, Lessor shall thereby be released of and relieved from any and all obligations under this lease.

BOOK J- PAGE

SECTION 8. TERMINATION

BOOK (a.

PAGE 2/6

8.01 Defruit and Notice. If any diffault shall be made on the part of the Lessee in the observance or B.UT Defruits and Notice. If any C. fault shall be made on the part of the Lessee in the observance or purformance of any of the terms, c. venants, egreements, or provisions of this lease by him to be observed or performed and such default continues for sixty (60) days after viritten notice, the lessor may, at its option, immediately terminate this case, forfert 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. Yeaven of any default nerconder shall not continue to the Lessee of any notice provided for here not the Lessee made by debosing such notice in the United States mails addressed to the Lessee at

Rt. 2. Box 47, Battleground, Weshington 9861

8.02 Master Lease Termination. It is expressly understood that Lesso: has leased the premises from the State of Washington for a period ending June 1, 2025. The inaster lease provides that in the event it is terminated for any reason. Hatsoelen or to the least termination date, such termination shall operate as an assignment to the State of Mashington of this cash together with the unrestricted right of the State to receive payment of the rents herein provided from the dute of soll assignment.

8.03. Failure to Provide Pioperty Report. Lessee shall have the option to void this lease if he does not recoile a property northing in the rule sand regulations of the U.S. Department of Housing and Urban Development in advance of in a time time of this signing the lease, and Lessee shall have the right to revoke this lease within Administratory in a significant paper where Lastee that received the property report and linspliced the lustropists one succeived the property report and linspliced the lustropists one succeived the property report and linspliced the lustropists one succeived the property report and linspliced the lustropists one succeived the property report and linspliced the lustropists one succeived an advance of signify the lease. If acknowledge by his signature that he has made such linsplication and host read and understands such lept in Lorse on have the option to void this lease if he does not receive a property report preparsuland pursuants of use of significant lines and regulations of the Oregon Suddivision Control. Law ORS 92.210–92.990 in Edvance of his signing this lease.

Each annievery crow sion of this ierralshall 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 noreunder shall be ont and several

8.04 Easements. As shown on the plan of The North Woods", 20 feet easements are retained to the many contribution of Lars 1.11 19, 19, 20, 21, 20, and 23 for purposes of community of the nutrarevent solutions. If the community of the community uttrill to the walle ill. It is are needs little share

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ANTER FRONT RECREATION.

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Secretary

LESSOR

LESSEE

I (w.e) hereby acknowledge that prior to the signing of this lease, 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 Development follice of Interstate Land Sales Registrations) and the PROPERTY REPORT prepared pursuant to the and a full-tions of the Cogon Cubdivision control law ORS 9'..210 — 92.990. I (we) also acknowledge that I (we have insperting the lot to be the second or the control law ORS 9'..210 — 92.990. I (we) also acknowledge that I (we have insperting the lot to be the second or the control law ORS 9'..210 — 92.990. I (we) also acknowledge that I (we have insperting the lot to be the second or the control law ORS 9'..210 — 92.990. I (we) also acknowledge that I (we have insperting the lot to be the second or the control law ORS 9'..210 — 92.990. I (we) also acknowledge that I (we have insperting the lot to be the second or the law of the

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PAGE FOUR - CABIN SITE LEASE

SECTION 5. IMPROVEMENTS continued

4.07 Animals. No animals, livertock, or poultry of any kind shall be raised, bred, or kept on any lot, except that cats, dogs, or other household pets may be kept, but not for any commercial purpose. Household pets shill not be allowed to become an annoyance or nuisance to the neighborhood.

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

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

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

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

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

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

4.13 Trilling a cid Tents. 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 weeken interiod.

4.15 Solicitation. There shall be no solicitation or distribution of handbills or circulation. If any kill without the written consent of Lessor.

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 labin.

SECTION 5. 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 coucture have been approved by the Lessor as to conformity with plan of development, quality of work anship and rill terials, larmony 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 veneer contraction is expressly problemed. All roofs shall be of wood that gle or shake, or of an acceptable composition - color to be a provide information by the Lessor or such persons designated by it.es co

5.03 Completion. Cabins must be completed from all outward appearance within one in year from the in is started. Cabin construction must be started within three years from the date of the sinning of me such construct

5.34 Tree Removal. The Lessee of each paties site may remove fir minard site all trees, inrubr, and follage necessary to preprie the proverty for building subject to the following conditions.

As required by the State of Washington in the relief lease, any tree whose diameter is

over B" at chest hight must be marked by Lessel; for Lesson's inspection. Lesson will then notify the V shin fron State Decident of Natural Resources and request their standard approximation. Lesse will their pay Lesson for the value of the liee bufo removal. An 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 Lnt Markem. Lesses will use all reasonable care to make curtain that the lot markers, as established by Lesson, are not in bled or destroyed.

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

5.07 Ownership of Improvements. The moster lease provides as follows

"8.04 Ownership of S. b-lessee Improvements. All buildings and improvements, excluding "B.04 Ownership of St. Sciesce Improvements. All buildings and mployements, excluding removable personal pricerty, and rizade (instructs on the leased site [No. th Woods] erected by Sub-lessee [Lesse hercin] will remain on said site after expiration of this lease [master lease] or timination prior to the term of this lease [master lease] if any lib-lesse (this lease), held by the State under the provisions of paragraph 5.09; provided, now, er, upon the expiration of the lease [master lease], if the final is unsuccessful in reliability and leased site [North Woods], as a unit, then each sub-lessee [1] the herein] I will have a preferential right as allowed by lew to re-lease from the State its sub-L ad 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 as a condition of any re-lease of the leased sith 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 S bild see's (Lessee herein) interest in the improvements as allowed by law. Expiration, as Lied it 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 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.

6.03. Taxes and Assessments. The Lesses shall pay , annual payments all taxes and assessments that are which are the first of the future, com-elicing with the taxes first becoming a se and payable after the date hereof, all before such taxes and assessments become

5.09 North Wood: 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 Lessees 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 members. Sold Association shall be responsible for the maintenance and repair or roads, the entire water system introducing but not limited to water systems serving the cabins on the premises, docks and common great and improvements thereon life any), as well as other community function, which may be given it by its members. The owners (Lesseen) of lots in the tract shall be required to pay dues of not less than one and one-half dollars (1½) per month and assessments to said Association for their reasonable share of the costs of the functions and duties of the Association. Said dues shall commence at the time 50 lots are leased. It is understood and agreed that Lessor shall and it is hereby delegated to 10¹¹¹ and dues, responsibilities and anotions of the North Woods Association until fifty (50) lots in the North Woods at used, or that time Lessor shall call a meeting of all Lesses for the purpose of forming said Association.

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SECTION 6. UTILITIES

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6.01 Sewage. Individual sewage disc osal systems installed by Lessee must be designed, located, and con-lance with the legal regulations, laws and ordinances of Skamania County and the structed 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 along all roads and other common areas in the plat for any utilities whether presently installed crinot. In addition, an easement is reserved in an area five (5) feet by ten (10) feet in one corner of each lot (10) be selected by Lessor) adjoining the road, for electric transformer vault and/or telephor. and power service pedestals if any. And the assignment of the lease as to each individual lot shall be subject to the right to cross over or under the same along the lot lines. It 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 Lescor \$725.00 for the right to connect to suid system.

6.04 Maintenance. The lassee shall bear the responsibility and expense of furnishing, installing, backfilling, and maintaining each underground transh or other digging upon such cabin site which is necessary for any utility connections or facilities to serve such cabin site.

SECTION 7. MISCELLANEOUS

7.01 Lerree' stick. 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 contemplate under this sase, including but not limited to, use of public or private roads, sarking, fire and prevention of fire, public hears, and pollution of streams or lakes, and to assume all obligations therefore right upon the Lessor. Lessor may inspect the cabinate and the same and contemplate compliance with the terree of title lease. site and cabi at any time to determine compliance with the terms of this lease.

7.02 I idemnification. Lessee hereby agrees to assume all risk of, and indemnify and hold harmless, and at the Lessee's expense or fand the Lessor from and against, any claims, loss, cost, legal actions, liability or expense on account of personal injury to or death of any reasons whomsoever, including but not limited to employees of the Lessor or danage to or destruction of property of will insoever beloning, including but not limited to property of the Lessor which might result from Lessee's activities on the lased premises. The Lessee further agrees to indemnify and save normless. the Lessor from any loss, cost, suit or expense resulting from Lessee's failure to comply with any of the provisions of any ay slicable laws, rules or regulations

7.03 Insurance. Lessee shall obtain fire casualty and liability insurance as for bws:

(a) Fire and case bity insurance in a suffix and amount to cover the replacenien cost of any orial improve-ments upon the leased primiser. Such insurating shall be carried by a responsible company or companies satisfact. Ty to bester and the polity in politics shall be endorsed and delivered to Lessor with providing for thirty is 30 idays? notice of curcelistion to Lessur

(b) Liability and property inturance insuring Lissor and Lessee against all lability for damal is for insoning, could be the maintenance use or inclinancy of the leased promines on by reason of the leased promines on by reason of the leased promines on by reason of the leased promines or by reason or The series of th

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Letropishal, do wer to Lessor certification of conditional policing of insurance and further provide with the company or companies for to act, a 301 at , s' notice of cancellation to Lessor.

7.04 Assignment. Without the prich written consent of Lessor, Lessee shall not assign this lease or any interest theirin, or sublet, and no horr, executor, admin strator, receiver, trustee in bankruptcy or other assignee by operation of lawish "I assign or Lublease without su in written consent

7.05 Whiver. Any warver by the Lesson of any provisions hereof must be in yir ling, and any of the cavenants, conditions, regrictions, in this lease may be abouted, waived, changed, or modified with respect to all or any portion of said propt ty by Lusor at a ly tim

7.03 Attornays' Fees. In the event any action, sure, proceeding or appeal therefrom is brought to collect the rent due or to become due here; nder, or an indicate with this lease, in for it was to observe may of the covenants of this lease, the prevailing party shall be entitled to receiver such sum as the Court may adjudge rest mable: attorneys' fees to be allowed in taid suit, action, proceeding or appeal therefrom in add : on to such ou er relictig anteu by the Court.

7.07 Condemnation. The parties herato shall receive any sums or camage paid or awarded by reason of any taking, condemnation or ocquisition during the existence of this lesse as their interests therein shall then appear, whether or not by litigation, cy any authority, person or corporati. whether public or private, of any title to or interest in all or any part of the premises.

7.03 Recervoir 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 as amended. The Lossos shall waive all claims or damage and shall indemnify Pacific Power and Light Company, the last as a 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 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 attempt to violate any of the inservations, restrictions or covenants hereof, the Lessor or any lemes of land in the tract, shall have the right to compel performance of or compliance with the provisions hereof, to shate and remove, at the expense of the offending lesses or lessers of the property, any structures or areactions in violation of the provisions hereof, to ecoper damage for any study violation of the provisions hereof and to prosecute any proceedings at law or in equity in furtherance of the afon-said remedies in any Court having jurisdiction of such cases.

7.11 Recorvations c: Lant. 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 - ersons claim under them and on all property within the treat.

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

BOOK: 3- PAGE 28 CABIN SITE LEASE continued BOOK (6. SECTION 8. TERMINATION PAGE 274 er 211 8.01 Default and Notice. If any default shall be made on the part of the Lessee in the observance of performance of any of the terms, covenants, egreements, 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, forfeit Lesse's interest therein, and forthwith exclude the Lesse from the premises and from all rights hereunder, but the Lesse's shall nevertheless be liable to the Lessor for all liabilities incurred hereunder, of to such termination, we have of any default hereunder shall not contain the awaiter of any subsequent default. Service of any notice provides nerein by the Lessor may be made by depositing such notice in the United States mails addressed to the Lessee at Rt. 2, Box 33, Battleground. Washington Open Battleground, Weshington 98604 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. 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 least together with the unrestricter, 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 recreate pursuant to the rules and regulations of the U.S. Department of Housing and Urban Development, in advance of the time of this right property is at the time of this right property in advance of the time of this right property in advance of the time of this right property. within 40 neurs after signing, it all eithe did not receive the property report of least 48 hours before signing the lease. However, this option to void the fuse half apply where Lessee has received the property report and inspirated the lo or lots to be leased in advance of signing the lease : I acknowlinges by his signature that he has made such inspection and has lead and understands such report. Lersee shall have the option to void this lease if he does not receive a property report prepared and pur-su of to rull 3 and regillations of the Oregon Subdivision Control Law ORS 92.210–92.920 is advance of his signing this. Each and every provision of this lenne shall bind and shall inute to the benefit of the respective halts, representatives, successors and assigns of till, parties. In the event lessee is more than one person, the liability of successors. persons hereunder that' be joint and severs 8.04 Easements. As shown on the plat of "The North Woods", 20 feet easements are reserved to the Lesser and its assigns on the water front portion of Lots 16, 17, 18, 19, 20, 21, 22, and 23 for purposes of community. bort ducks. So It easements shull not prevent lesses of the above tots from developing their own shoreside docks pro-File foot coment are reserved to the Lessor and its assigns on the southerly lot line of Lot 10, and the norther in the of Lot 11 to accent to the water front. Said access to serve as pathway to that docks if it is determined. by Latter that add to any boatic locks are needed to serve. The North Woods" community IN AITNESS AMEREOF, the larties have executed this lease, in duplicate, this . _duly, 1972 TH MATER FRONT RECREATION, INC. F. esident LESSOR LESSEE I (we) hereby acknowledge that prior to the signing of this lease, I (we) have received, read, and understand the PROPERTS REPORT prepared pursuant to the rules and regulations of the U.S. Department of Housing and Urban Dyrelopment (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 - 92.530. I.(we) also acknowledge that I (we) have inspected the lot to be LESSEE PAGE FOUR - CABIN SITE LEASE

SECTION 5. IMPROVEMENTS continued

BOOK 4.07 Animals. No enimals, livescock, or poultry of any kind shall be raised, bred, or kept on any lot. except that cats, dogs, or other household pets may be kept, but not for any commercial purpose. Household pets shall not be allowed to become an annoyance or nuisance to the neighborhood.

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

4.09 First 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 any cabin.

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

4.11 Commercial Use. No platted lot 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 allow...J except for ingress and egress.

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

4.14 Trailins and Tents. 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 weeken period.

4.15 Solicitation. There shall be no solicitation or distribution of handbills or circulation of any lead 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 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, warning 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 veneer construction is expressly prohibited. All roofs shall be of wood shingle or shake, or of an acceptable composition — color to be a proved prior to application by the Lessor or such person or persons designated by Lessor.

5.03 Completion. Cabins that 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 Lease.

5.04 Tree Removal. The Lesses of each cabin site may remove from said site all trees, annubs, and foliage necessary 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 Lesser for Lessor's inspection. Lessor will then notify the V ashington State Department of Natural Resources and request their standard appraise of value. Letsee will then pay Lessor for the value of the liee bofor 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. Lessee will use all reasonable care to make certain that the lot markers, as established by Lessor, are not moved or destroyed.

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

5.07 Ownership of Improvements. The master in see provides as follows:

8.04 Ownership of Sub-lessee Improvements. All buildings and improvements, excluding removable personal property and trade finitures on the leased site [North Woods] erected by Sub-lessee [Lessee horen] will remain on said after expiration of this lease [mester lease] on termination prior to the term of this lease [are release] of any sub-lesse [this lease] held by the State under the provisions of paragraph provided, how ser, upon the expiration of the lease [master lease], if the State is unsuccessful in re-leasing the leased site [North Woods], or the lease matter lease), it the State is unsuccessful in Freezing the leased stell (North Woods) as a unit, then each sub-leases [I me se heroin] shall have a preferential right as allowed by law to re-lease from the State its sub-ic ted 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 as 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 sub-squent Let. se to purchase the Sub-lease's [Lassee 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 heroto 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 lesse; and
 (b) That Lessee's lesse expires May 31, 2025. In the event of earlier expiration of this lesse, 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 64 enforceable solely against the State of Washington.

5.03. Taxes and Assessments. The Lesse 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 baffers such taxes and assessments become past due.

5.09. North Woods Association. The roads if the plet 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 ilmited 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 tract shall be required to pay dues of not less than 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 shall commence at the time 50 lots are lessed; it is understood and agreed that Lessor shall ent it is hereby delegated to lettill all duties, responsibilities and functions of the North Woods Association until Nity (50) lots in the North Woods are used. At that time Lessor shall call a meeting of all Lessers for the purpose of forming said Association.

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6.01 Sewage. Individual sewage disposal systems installed by Lessee must be designed, located, and consequence with the legal regulations, laws and ordinances of Skarbania Country. structed in accordance with the legal regulations, laws and ordinances of Skarhania County and the State of Washington.

6.02 Reservation. Lessor reserves to itself and to its successors and assigns earements in, under, and along 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) feet by ten (10) feet in one corner of each lot (to be selected by /.essor) adjoining the road, for electric transformer vault and/or telephone and power service pedestals if any. And the assignment of the lease as to each individual lot shall be subject to the right to cross over or under the sume along the lot likes, 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 Maintenance. The lesses shall bear the (4) unsibility and expense of furnishing, installing, back-filling, and maintaining each underground tranch or other digging upon such cabin site which is necessary for any utility connections or facilities to serve such cabin site.

SECTION 7. MISTELLANEOUS

7.01 Lesser's Luties. Lessee agrees to any visite the Lessor's rules and regulations and all lease, including but not limited to, use of public or private roads, rarking, fire and prevention of fire, public health, and pollution of streams or lakes, and to assume all obligations thereby imposed upon the Lessor. Lessor may inspect the cabinate and cabinate 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 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, o will amsoever belonging, including but not limited to property of the Lessor which might result from Lessee's activities on the lessed premises. The Lessee further agrees to indemnify and save harmless that have from the control of the provisions of th 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 ments upon the leased premises. Such insurance shall be carried by a responsible company or companies satisfactory to Lessor and the policy in 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 Lessee against all liability for damanes to persons or property caused by the maintenance, use or occupancy of the leased premises or by reason of the cinduc of any activity carried on therein. Such insurance shall be carried by a responsible company or companies sall stactory to Lessor in amounts not less than the following limits, namely:

Bodily injury to c 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, \$1,00,000.

Lessee shall deliver to Lessor certificat ... dr reipts evidencing said policies of insurance and further provide with the company or companies for thirty (30) or s' 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 sublet, and no heir, executor, administrator, receiver, trustee in bankruptcy or other assignee by operation of law shall assign or sublease without such written consent

7.05 Weiver. Any waiver by the Lessor of any provisions hereof must be in viring, and any of the covenants, 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.

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

7.07 Condemnation. The parties hereto shall receive any sums or damage: paid or awarded by reason of any 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 Lavel. The Lessae ack towledges by signing this lease that Pacific Power and Light Company has the right to fluctuate the waters of Swift /leservoir at any time within the provisions of Federal Power Commission License No. 2111 - resembled. The Lessoe shall waive all claims or damage and shall indemnify Pacific Power and Light Company, the Claim 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 of floating facilities.

7.09 Validity of Provisions. The datermination of any Court that any provisions of this lease are unlawful or void shall not affect the validity of any other provision hereof.

3.10 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 covenants hereof, the Lessor or any letter of land in the tract, shall have the right to compel performance of or compliance with the provisions hereof, to abate and remove, at the expense of the offending lesses or lesses of the provisions in violation of the provisions hereof, to recover dentities for invitations or right parties of experience of the provisions in violation of protections in court having jurisdiction of such cases.

7.11 Receivations on Land. All of the reservations, conditions, covenants, egivernants of a restrictions shall be binding on the lastics of all property covered hereby and all parties and persons claiming and when and on all property within the recei.

7.12. designment. Without limiting Lessor's right to sell or easign this lesse or land, Le for may assign this lesse or land, Le for may assign this lessor have a corporation, and if said corporation is, times the obligations of Lessor have indeed, Lessor sire, thereby be reassed of and reliated from a read all obligations under this lesso.

PAGE THREE = CADIN SITE LEASE

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SECTION 8 TERMINATION

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8:01 Default and Notice. If any default shall be made on the part of the Lesse in the observations of the terms, covenants, egreements, or provisions of this lesse by him to be externed on such default continues for sixty (60) days after written notice, h. lesser may, at its option, immediately tentlesse, forfeit Lessee's interest therein, and for thirth exclude the La. Set from the premises and from all rights. but the Lesses shall nevertheless be liable to the Lessor for all liable was from the premises and from all rights he but the Lesser shall nevertheless be liable to the Lesser for all liable was from the premiser of core to such names where of any default, Sarvice of any motice in herein by the Lessor may be made by depoying such notice in the United States make addressed to the Lesser Rt. 2. Box 227, Eattleground, Washington 9860

8.6/2 Master Leate Termination. It is expressly understood that Lessor \as leased the premise from State of Washington for a period ending June 1, 2025. The master lease provides that in the event it is seminated for reason whatsoever, prior to the lease termination date, such termination shall operate as an assignment to the Slave of Washington of this lease together with the unrestricted right of the State to receive payment of the rent herein prov from the date of said assignment.

8.03 Failure to Provide Property Report. Lessee shall have the option to yold this lesse. 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 the under the right to provide this tesse within 48 hours after signing the lesse; if he did not receive the property report at less; 48 hours before signing the lesse. However, this option to void the lease shall not apply where Lessee has received the property rejort and inspected the lease. or lots to be leased in advance of signing the lease a. d acknowledges by his signature that he has made such inspection ar has read and understands such report.

nas read and understands such report.

Lessee shall have the option to void this lease if he dies not receive suppoperty, report present and our suant to rules and regulations of the Oregon Subdivision Control Law ORS 92:210–92:990 in advance of his single this suppoper.

Each and every provision of this lease shall bind and shall incire to the benefit of the rerepresentatives, successors and assigns of the parties. In the event lesses is mont 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 Wood!", 20 feet easements are reserved to the Lessor and its assigns on the water front portions of Lots 16, 17, 18, 19, 20, 21, 22, and 23 for two posts of county? bot docks. Said easements shall not prevent lessees of the above tots from developing their own corrected docks to viding such facilities do not interiere with the boat traftic patient of the community dock system.

Five foot easement are reserved to the Lessor and its assigns on the souther (NAOL) is of Lot 10, and the northerly lot line of Lot 11 for access to the water front. Said access to serve as nativally to that docks if it is determined by Lessor that additional poat docks are needed to serve "The North Woods" community.

IN WITHESS WHEREOF, the parties have executed this lease; in duplicate, this _________________________________

July, 1972 . Est

WATER FRONT REGREATION, INC

I (we) hereby acknowledge that prior to the signing of true REPORT propared pursuant to the rules at a regulations of the long timent of Hollsing and Urbon Devo of Interstate Land Sales Registrations! and the PROPERTY AS PORT propared pursuant to roles and regulatoregon Subdivision control law OR's 92.210—92.550. I from size accordance that I (we) have inspected.

PAGE FOUR - CABIN - TE LEASE