

ASSIGNMENT OF LEASE

Agreement made the 21 day of December, 1979,
between THE NORTHWOODS ASSOCIATION, INC., a Washington
corporation, hereinafter referred to as "assignor", and M. J.
MARZINECK and KARLA MARZINECK, husband and wife, hereinafter
referred to as "assignee", and WATER FRONT RECREATION, INC., a
Washington corporation, hereinafter referred to as "Lessor".

RECITALS

Assignor has previously entered into a lease, as lessee
therein, with Water Front Recreation, Inc., a Washington
corporation, as lessor therein.

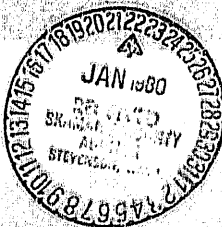
A copy of the lease dated January 1, 1976 and recorded
under Skamania County Auditor's File Number 82837 at Book 5, page
705, is attached hereto as Exhibit "B".

Assignor desires to assign, and assignee desires to
assume, all rights, duties, liabilities and covenants contained
in said lease.

In consideration of the sum of FOUR THOUSAND AND NO/100
DOLLARS (\$4,000.00), receipt of which is hereby acknowledged by
the assignor and assignee's promise to pay an additional FOURTEEN
THOUSAND AND NO/100 DOLLARS (\$14,000.00), as evidenced by a
promissory note of even date herewith, and the mutual covenants
contained herein, the parties agree as follows:

1. The effective date of this assignment is September 1,
1979.
2. Assignor hereby assigns and transfers to assignee all
rights, interest, duties, liabilities and all covenants contained
in said lease for the demised premises for the balance of the
lease term provided in said lease.

-1-



LAW OFFICES OF
Landschultz, Memovich,
Lansverk, Whitesides, Marsh,
Morse & Wilkinson, Inc., P.S.
P.O. Box 1086
Broadway at Evergreen, Suite 400
Vancouver, Washington 98660
(206) 696-3312

3. Assignee agrees to perform all of the provisions in said lease which are to be performed by the lessee by the terms of said lease and, in addition, assumes all rights, duties, liabilities and covenants of the lessee thereunder.

4. It is understood that there is a mortgage on said lease between Northwoods Association, as mortgagor, and First Federal Savings and Loan Association of Vancouver, as mortgagee, recorded September 8, 1976 in Book 53, page 544, Skamania County Mortgage Records. The assignor agrees to pay the obligation secured thereby and will not let the same get in default. In the event assignor fails to do so, assignee may make the payments on the obligation and such payments shall be credited toward the payments due on the promissory note referred to in the recitals above.

5. Water Front Recreation, Inc., a Washington corporation, hereby consents to the assignment and transfer of the lease, including all terms and conditions thereof, to assignee but does not waive any rights against assignor that lessor has under the lease.

IN WITNESS WHEREOF, the parties have executed this agreement to assign at Vancouver, Washington, the day and year first above written.

THE NORTHWOODS ASSOCIATION, INC.

By George Kalmar
George Kalmar, President

By Paul Schulz
Paul Schulz, Secretary-Treasurer

"Assignor"

By Karla Marzineck
KARLA MARZINECK

By Karla Marzineck
KARLA MARZINECK

"Assignee"

WATER FRONT RECREATION, INC.

By Barbara Wold
Barbara Wold, Secretary-Treasurer

"Lessor"

STATE OF WASHINGTON)
County of Clark) ss.

On this 21 day of December, 1979, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared GEORGE KALMAN and PAUL SCHULZ to me known to be the President and Secretary, respectively, of THE NORTHWOODS ASSOCIATION, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Linda J. Clark
Notary Public in and for the State of Washington, residing at Vancouver.

STATE OF WASHINGTON)
County of Clark) ss.

On this 3 day of January, 1980, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared M. J. MARZINECK and KARLA MARZINECK, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Linda J. Clark
Notary Public in and for the State of Washington, residing at Vancouver.

STATE OF WASHINGTON)
County of Clark) ss.

On this _____ day of _____, 1979, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared BARBARA WOLD, to me known to be the Secretary-Treasurer and duly authorized agent of WATER FRONT RECREATION, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on

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NOTARY PUBLIC
Linda J. Clark
1800 14th Avenue
Vancouver, B.C. V6P 1A1

ASSIGNMENT OF LEASE

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MARZINECK and KARLA MARZINECK, husband and wife, hereinafter
referred to as "assignee", and WATER FRONT RECREATION, INC., a
Washington corporation, hereinafter referred to as "Lessor".

RECITALS

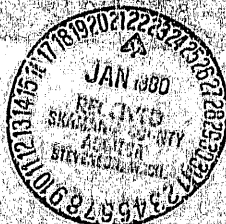
Assignor has previously entered into a lease, as lessee
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corporation, as lessor therein.

A copy of the lease dated January 1, 1976 and recorded
under Skamania County Auditor's File Number 82837 at Book 5, page
705, is attached hereto as Exhibit "B".

Assignor desires to assign, and assignee desires to
assume, all rights, duties, liabilities and covenants contained
in said lease.

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the assignor and assignee's promise to pay an additional FOURTEEN
THOUSAND AND NO/100 DOLLARS (\$14,000.00), as evidenced by a
promissory note of even date herewith, and the mutual covenants
contained herein, the parties agree as follows:

1. The effective date of this assignment is September 1,
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2. Assignor hereby assigns and transfers to assignee all
rights, interest, duties, liabilities and all covenants contained
in said lease for the demised premises for the balance of the
lease term provided in said lease.



LAW OFFICES OF
Landerholm, McSwain,
Lansverk, Whitelides, Marsh,
Moran & Wilkins, Inc., P.S.
P.O. Box 1088
Broadway of Evergreen, Suite 400
Vancouver, Washington 98660
(206) 696-3312

3. Assignee agrees to perform all of the provisions in said lease which are to be performed by the lessee by the terms of said lease and, in addition, assumes all rights duties, liabilities and covenants of the lessee thereunder.

4. It is understood that there is a mortgage on said lease between Northwoods Association, as mortgagor, and First Federal Savings and Loan Association of Vancouver, as mortgagee, recorded September 8, 1976 in Book 53, page 544, Skamania County Mortgage Records. The assignor agrees to pay the obligation secured thereby and will not let the same get in default. In the event assignor fails to do so, assignee may make the payments on the obligation and such payments shall be credited toward the payments due on the promissory note referred to in the recitals above.

5. Water Front Recreation, Inc., a Washington corporation, hereby consents to the assignment and transfer of the lease, including all terms and conditions thereof, to assignee but does not waive any rights against assignor that lessor has under the lease.

IN WITNESS WHEREOF, the parties have executed this agreement to assign at Vancouver, Washington, the day and year first above written.

THE NORTHWOODS ASSOCIATION, INC.

By George Kalman
George Kalman, President

By Paul Schulz
Paul Schulz, Secretary-Treasurer

"Assignor"

By Karla Marzineck
KARLA MARZINECK

By Karla Marzineck
KARLA MARZINECK

"Assignee"

WATER FRONT RECREATION, INC.

By Barbara Wold
Barbara Wold, Secretary-Treasurer

"Lessor"

STATE OF WASHINGTON)
) ss.
County of Clark)

On this 21 day of December, 1979, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared GEORGE KALMAN and PAUL SCHULZ to me known to be the President and Secretary, respectively, of THE NORTHWOODS ASSOCIATION, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Linda J. Clark
Notary Public in and for the State of Washington, residing at Vancouver

STATE OF WASHINGTON)
) ss.
County of Clark)

On this 3 day of January, 1980, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared M. J. MARZINECK and KARLA MARZINECK, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Linda J. Clark
Notary Public in and for the State of Washington, residing at Vancouver

STATE OF WASHINGTON)
) ss.
County of Clark)

On this _____ day of _____, 1979, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared BAL ARA WOLD, to me known to be the Secretary Treasurer and duly authorized agent of WATER FRONT RECREATION, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on

of
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oath stated that she was authorized to execute the said instrument and that the Seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Washington, residing at Vancouver.

RECEIVED IN BOOK 6
 RECORDS OF SKAGHANIA COUNTY, WASH.
 BY B. Babcock
 COUNTY AUDITOR
 DEPUTY

RECORDED
 COMPARED
 MAILED

LAW OFFICES OF
 Landerholm, Misonitch,
 Langmark, Whitesides, Marsh,
 Morse & Wilkinson, Inc., P.C.
 P.O. Box 1005
 Breda, at Evergreen, Suite 400
 Vancouver, Washington 98663
 (206) 696-3312

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

consideration of the rents to be paid and covenants to be performed by Northwoods

Association

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

Cabin site number 100 of the North Woods as shown in red on Exhibit "A" attached hereto (all distances being approximations), being part of Government Lots 4 and 8, Section 26, Township 7 North, Range 6 East, W.M., Skamania County, Washington, SUBJECT, however to an easement for right of way for access road acquired by the United States of America, United States Forest Service.

SECTION 1. OCCUPANCY

1.01 Term. This Lease is granted for the period beginning September 1, 1976, 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, including, without limiting the foregoing an easement for right of way for an access road acquired by the United States of America, United States Forest Service and the right of the State of Washington to inspect the premises at reasonable times.

SECTION 2. RENTAL

2.01 Basic Rental. As rental for each lease year, the Lessee shall pay the sum of Three Hundred Dollars (\$ 300.00). 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 9655 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 1 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. 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 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	X	Lessee's annual rental	÷	Total annual rentals of sites
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(b) in addition to the increase permitted under subparagraph (a) above, Lessor may as of any anniversary date, increase the annual rental hereunder on account of taxes and assessments against said real property in an amount, which together with prior increases on account of taxes and assessments, shall not exceed the total of the amount by which taxes and assessments on the land covered by the master lease exceeds such taxes for 1970, divided by the number of improved cabin sites on said anniversary date.

(c) Finally, every ten years beginning September 1, 1985, the annual rental shall, at the option of the Lessor, be adjusted to reflect the percent of increase from September 1, 1975, 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, 1975.

SECTION 3. LESSOR'S CONVENANTS

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

3.02 Boat Dock. Lessor shall construct a boat dock for the common use of residents of the North Woods, in the event construction of said 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 .09, 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 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 lots.

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

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

4.04 Maintenance. All lots shall at all times be kept in a clean, sightly, and wholesome condition and no trash, garbage, litter, junk, boxes, containers, bottles, cans, 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 a professional sign, of not more than 18 inches by 24 inches in size, advertising the property for sale or rent, and except signs used by a builder or developer to advertise the property during the construction and sales period.

4.06 Nuisance. No noxious or offensive trade or activity shall be carried on or upon any lot in the tract nor shall anything be done thereon which may be or become an annoyance or nuisance in the area.

SECTION 4. IMPROVEMENTS continued

4.07 Animals. No animals, livestock, 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. No animal shall be allowed to become an annoyance or nuisance to the neighborhood.

4.08 Incineration. Because of unpleasant odors and unsightliness, no individual is permitted to incinerate anything 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 kept in any room 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 platting shall be used for any commercial purpose, except that a person may rent his cabin from time to time, and in such case shall be responsible that his tenants abide by these covenants.

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

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

4.14 Trailers and 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 weekend period.

4.15 Solicitation. There shall be no solicitation or distribution of handbills or circulation of any kind 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 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, harmony of external design and color with existing structures, and 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 approved prior to application by the Lessor or such person or persons designated by Lessor.

5.03 Completion. Cabins must be completed from all outward appearance within one (1) year from the time such construction is started. Cabin construction must be started within three (3) years from the date of the signing of the Cabin Site Lease.

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

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

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

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

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

"5.04 Ownership of Sub-lease Improvements. All buildings and improvements, including movable 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 (master lease) or termination prior to the term of this lease (master lease) of any sub-lease (this lease) held by the State under the provisions of paragraph 5.09; provided, however, upon the expiration of the lease (master lease), if the State is unsuccessful in re-leasing the leased site (North 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 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, allowing the State shall require the subsequent Lessee to purchase the Sub-lessee's (Lessee herein) interest in the improvements as allowed by law. Expiration, as used in this paragraph, shall mean the expiration of the lease as of May 31, 2025."

The parties hereto agree that the terms and conditions of the above quoted paragraph shall be applicable 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 5.04 as a master lease shall be enjoyed by the Sub-lessee (Lessee herein) and shall be subject to the terms and conditions of the master lease as set forth in the State of Washington.

5.08 Taxes and Assessments. The Lessee shall pay in annual payments all taxes and assessments now charged or may become chargeable against the improvements placed upon the cabin site, and shall be responsible for the payment of such taxes and assessments when due, including with the taxes first becoming due and payable after the date hereof, all before such taxes and assessments become past due.

5.09 North Woods Association. The roads in this plat and certain other common areas shall be used in the name of The North Woods Association, a non-profit association, of which the Lessee of lots in the plat shall be members. Said Association shall be responsible for the maintenance and repair of roads, the water system (including but not limited to water systems serving the cabins on the premises, docks and common area) and the sewerage system (if any), as well as other community functions which may be given it by its members. The owners (Lessee of lots in the tract) shall be required to pay dues of not less than one and one-half dollars (\$1.50) per month and assessments as levied by the Association for their reasonable share of the costs of the functions and duties of the Association. The dues shall be payable at the time 50 lots are leased. It is hereby agreed that Lessor shall and it is hereby agreed that the Lessee shall have no responsibilities and functions on the North Woods Association until fifty (50) lots in the North Woods are leased. At that time Lessor shall call a meeting of all Lessees for the purpose of forming said Association.

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

consideration of the rents to be paid and covenants to be performed by Northwoods

Association

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

Cabin site number 100 of the North Woods as shown in red on Exhibit "A" attached hereto (all distances being approximations), being part of Government Lots 4 and 8, Section 26, Township 7 North, Range 6 East, W.M., Skamania County, Washington, SUBJECT, however to an easement for right of way for access road acquired by the United States of America, United States Forest Service.

SECTION 1. OCCUPANCY

1.01 Term. This Lease is granted for the period beginning September 1, 1976, and terminating on August 1, 2025, unless sooner terminated as hereinafter provided.

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SECTION 2. RENTAL

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Dollars (\$ 300.00). 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 9655 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 1 through the succeeding August.

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(c) Finally, every ten years beginning September 1, 1985, the annual rental shall, at the option of the Lessor, be adjusted to reflect the percent of increase from September 1, 1975, 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, 1975.

SECTION 3. LESSOR'S COVENANTS

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

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SECTION 4. USE OF SITE

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

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

4.04 Maintenance. All lots shall at all times be kept in a clean, slightly, and wholesome condition and no trash, garbage, litter, junk, boxes, containers, bottles, cans, machinery, implements, lumber, or other building materials shall be permitted to be or remain exposed on any lot and shall be removed from any street or adjoining or nearby premise.

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

4.06 Nuisance. No noxious or offensive trade or activity shall be carried on or upon any lot in the tract nor shall anything be done thereon which may be or become an annoyance or nuisance to the public.

SECTION 5. IMPROVEMENTS continued

4.07 Animals. No animals, livestock, 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 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 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 allowed except for ingress and egress.

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

4.14 Trailers and 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 weekend period.

4.15 Solicitation. There shall be no solicitation or distribution of handbills or circulation of any kind 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 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, 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 veneer 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. Cabins must be completed from all outward appearance within one (1) year from the time such construction is started. Cabin construction must be started within three years from the date of the signing of Cabin Site Lease.

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

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

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

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

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

"8.04 Ownership of Sub-lease 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 (master lease) or termination prior to the term of this lease (master lease) of any sub-lease (this lease) held by the State under the provisions of paragraph 5.09; provided, however, upon the expiration of the lease (master lease), if the State is unsuccessful in re-leasing the leased site (North 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 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 subsequent Lessee to purchase the Sub-lessee's (Lessee herein) interest in the improvements, if 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 early 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 under the laws of the State of Washington.

5.08 Taxes and Assessments. The Lessee shall pay in annual payments all taxes and assessments that are now charged or may become chargeable against the improvements placed upon the cabin site, both on the improvements commencing with the taxes first becoming due and payable after the date hereof, all before such taxes and assessments become past due.

5.09 North Woods Association. The roads in the plat and certain other common areas shall be held in the name of The North Woods Association, a non-profit association, of which the Lessee of lots in the plat shall be members. Said Association shall be responsible for the maintenance and repair of roads, the entire water system including but not limited to water systems serving the cabins on the premises, docks and common areas and improvements thereon (if any), as well as other community functions which may be given it by its members. The owners (Lessee) of lots in the tract shall be required to pay dues not less than one and one-half dollars (\$1.50) per month and assessments to said Association for their reasonable share of the cost 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 fulfill all duties, responsibilities and functions of the North Woods Association until fifty (50) lots in the North Woods are leased. At that time Lessor shall call a meeting of all Lessees for the purpose of forming said Association.

SECTION 6. UTILITIES

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

6.02 Reservation. Lessor reserves to itself and to its successors and assigns easements in, under, and along all roads and other common areas in the plat for any utilities whether presently installed or not. In addition, an easement is reserved in an area five (5) feet by ten (10) feet in one corner of 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 lessee shall bear the responsibility and expense of furnishing, installing, back-filling, and maintaining each underground trench or other digging upon such cabin site which is necessary for any utility connections or facilities to serve such cabin site.

SECTION 7. MISCELLANEOUS

7.01 Lessee's Duties. Lessee agrees to comply strictly with the Lessor's rules and regulations and all applicable Federal, State, County, and Municipal laws, rules and regulations relating to all activities contemplated under this lease, including but not limited to, use of public or private roads, parking, fire and prevention of fire, public health, and pollution of streams or lakes, and to assume all obligations thereby imposed upon the Lessor. Lessor may inspect the cabin site and cabin 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 harmless, and at the Lessee's expense, defend the Lessor from and against, any claims, loss, cost, legal actions, liability or expense on account of personal injury to or death of any persons whomsoever, including but not limited to employees of the Lessor, or damage to or destruction of property to whomsoever belonging, including but not limited to property of the Lessor which might result from Lessee's activities on the leased premises. The Lessee further agrees to indemnify and save harmless the Lessor from any loss, cost, suit or expense resulting from Lessee's failure to comply with any of the provisions of any applicable laws, rules or regulations.

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

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

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

- (1) Bodily injury to or death of any one person, \$5,000.00;
- (2) Bodily injury or death resulting from any one accident to two or more persons, \$10,000.00; and
- (3) property damage, \$1,000.00.

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

7.04 Assignment. Without the prior written consent of Lessor, Lessee shall not assign this lease or any interest therein, or sublet, and no heir, executor, administrator, receiver, trustee in bankruptcy or other assignee by operation of law shall assign or sublet without such written consent.

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

7.06 Attorneys' Fees. In the event any action, suit, proceeding or appeal therefrom is brought to collect the rent due or to become due hereunder, or any portion thereof, or to get possession of said premises, or to enforce compliance with this lease, or for failure to observe any of the covenants of this lease, the prevailing party shall be entitled to recover such sum as the Court may adjudge reasonable as attorneys' fees to be allowed in said suit, action, proceeding or appeal 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 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 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 for damage and shall indemnify Pacific Power and Light Company, the State of Washington, Lessor or their successors, if any, against any claim of damage arising from fluctuation in reservoir level or impairment of recreational use of the reservoir or shoreside or floating 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 reservations, restrictions or covenants hereof, the Lessor or any lessee of land in the tract, shall have the right to compel enforcement of or compliance with the provisions hereof, to abate and remove, at the expense of the offending lessee or lessees 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 lessee 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.

performance of such default of lease, forfeit but the Lessee Waiver of any herein by the

State of Washington whatso Washington from the date

receive a prop Development within 48 hours. However, this or acts to be h has read and

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Lessor and "s boat dock", s viding such fa

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YOU HAVE NOT RECEIVED OFFICE OF DEVELOPMENT YOU RECEIVED AGREEMENT SELLER UNTRANSACTION HOLIDAYS: DAY, COLUMN

I (we) hereby REPORT pre of Interstate Oregon Subd leased.

SECTION 8. TERMINATION

8.01 Default and Notice. If any default shall be made or the part of the Lessee in the observance or performance of any of the terms, covenants, agreements, or provisions of this lease by him to be observed or performed and such default continues for sixty (60) days after written notice, the lessor may, at its option, immediately terminate this lease, forfeit 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. Waiver of any default hereunder shall not constitute a waiver of any subsequent default. Service of any notice provided for herein by the Lessor may be made by depositing such notice in the United States mails addressed to the Lessee at

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

Lessee shall have the option to void this lease if he does not receive a property report prepared and pursuant to rules and regulations of the Oregon Subdivision Control Law ORS 92.210-92.990 in advance of his signing this lease.

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

8.04 Easements. As shown on the plat of "The North Woods", 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 purposes of community boat 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 easements are reserved to the Lessor and its assigns on the southerly lot line of Lot 10, and the northerly lot line of Lot 11 for access to the water front. Said access to serve as a pathway to boat docks but is determined by Lessor that additional boat docks are needed to serve "The North Woods" community.

IN WITNESS WHEREOF, the parties have executed this lease, in duplicate, this 5th day of

January, 1976



WATER FRONT RECREATION, INC.

By Robert J. Long
President

By Quincy Robertson
Secretary

LESSOR

Robert J. Long
Quincy Robertson
Quincy Robertson

LESSEE

YOU HAVE THE OPTION TO VOID YOUR CONTRACT OR AGREEMENT BY NOTICE TO THE SELLER IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF, OR AT THE TIME OF YOUR SIGNING THE CONTRACT OR AGREEMENT. IF YOU RECEIVED THE PROPERTY REPORT LESS THAN 48 HOURS PRIOR TO SIGNING THE CONTRACT OR AGREEMENT, YOU HAVE THE RIGHT TO REVOKE THE CONTRACT OR AGREEMENT BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE THIRD BUSINESS DAY FOLLOWING THE CONSUMMATION OF THE TRANSACTION. A BUSINESS DAY IS ANY CALENDAR DAY EXCEPT SUNDAY AND THE FOLLOWING BUSINESS HOLIDAYS: NEW YEAR'S DAY, WASHINGTON'S BIRTHDAY, MEMORIAL DAY, INDEPENDENCE DAY, LABOR DAY, COLUMBUS DAY, VETERANS' DAY, THANKSGIVING AND CHRISTMAS.

I (we) 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 (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 leased.

Robert J. Long
Quincy Robertson
Quincy Robertson

LESSEE

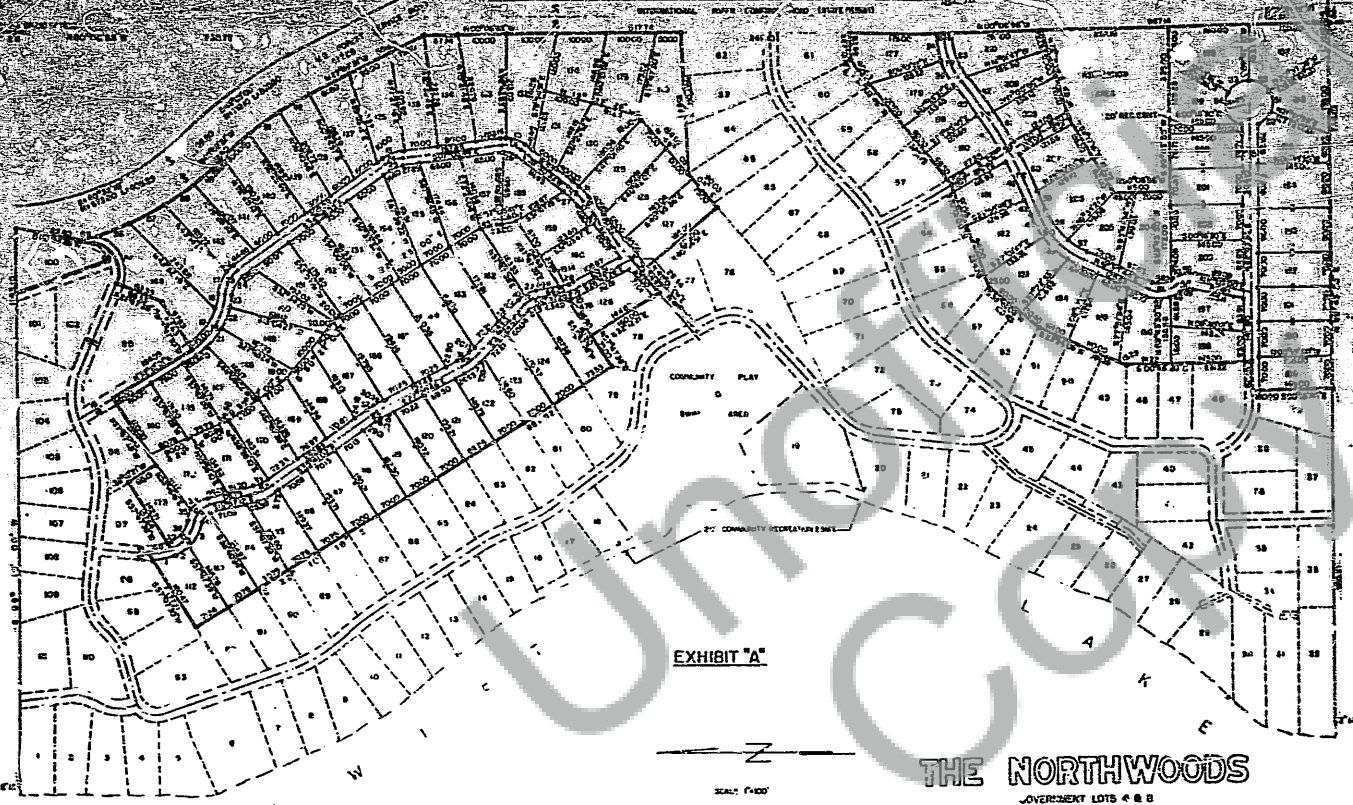
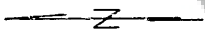


EXHIBIT "A"



THE NORTHWOODS

JOVEMENT LOTS A-B-B
SEC. 28, T34N, R12E, N2
SQUAMISH COUNTY, WASHINGTON

OCTOBER, 1973



THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR
UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS
OF THE SURVEY RECORDING ACT AT THE REQUEST OF:
WATERFRONT RECREATION INC. IN JAN. 1973

E. J. HALL
E. J. HALL - SURVEYOR
CERT. NO. 799

A. RECREATION DEVELOPMENT BY LATE AGREEMENT
EXISTING DEVELOPMENT ROADS & LOTS SHOWN WITH DOTTED LINES
ALL LOTS IN EXISTING DEVELOPMENT ARE CONVEYED
ALL ROADS SHOWN HEREIN ARE ACROSS EASEMENTS FOR USE IN COMMON BY ALL LESSEES

W. J. HALL
W. J. HALL - SURVEYOR
CERT. NO. 799