

AFTER RECORDING MAIL TO:

William Fleet
42 Private Lake Road
White Salmon, WA 98672

DOCUMENT TITLE:

Cabin Site Lease

Exhibits

Amendments

Date or Description of Document:

July 7, 2006

June 17, 2010

Road Exhibit-Private Lake Road

Exhibit "A"

Exhibit "B"

Exhibit "C"

Exhibit "D"

Exhibit "E"

Exhibit "F"

Exhibit "G"

Appendix 1

Appendix 2

PROPERTY SITE ADDRESS: 42 Private Lake Road
Northwestern Lake
Skamania County, Washington

ASSESSOR'S PROPERTY TAX PARCEL NUMBER: 43-10-02-0-0-0442-00

GRANTOR(s):

Pacific Power and Light Company
PacifiCorp

Wm 1/11/11

GRANTEE(s): (Last Name first, then first name and Middle initial)
Fleet, William

07/06

825 N.E. Multnomah St.
Portland, OR 97232PacifiCorp Assigned Customer #: 10003980

PacifiCorp Parcel Number: WNL0042

CABIN SITE LEASERECITALS

WHEREAS, **PACIFICORP**, an Oregon corporation, doing business as **PACIFIC POWER & LIGHT COMPANY** (the "Company"), is the owner and operator of the Condit Hydroelectric project (the "Project") on the White Salmon River in Skamania and Klickitat Counties, Washington, consisting of a dam known as Condit Dam (the "Dam"), and a reservoir known as Northwestern Lake (the "Reservoir"), licensed by the Federal Energy Regulatory Commission ("FERC") as Project No. 2342; and certain lands in proximity to the Reservoir; and

WHEREAS, **William C. Fleet & Sylvia L. Delacy** ("Lessee") desires to lease from the Company certain real property in proximity to the Reservoir as described hereinafter, and to construct and/or maintain thereon one recreational cabin, and

WHEREAS, FERC stresses and the Company acknowledges the importance of coordinating development and use of property adjacent to the Project with the most current State and local plans and policies, including, but not limited to:

the State Environmental Policy Act (SEPA),

the Shoreline Management Act,

local Shoreline Master Programs,

local Comprehensive Plans and Zoning Ordinance,
and subdivision regulations,

the Lower White Salmon National Wild and Scenic River
Management Plan,

the Columbia Gorge National Scenic Area Management
Plan, and

the requirements of the local water and sanitation district,
and;

WHEREAS, the Company is committed to the conservation of natural, scenic and historic resources and providing public recreation, and has established a Recreation, Cultural Resources, and Terrestrial Plan pursuant to its FERC license for the Project.

NOW THEREFORE, the Company hereby grants to Lessee permission to occupy and use for private, noncommercial, recreational cabin purposes only, the following described cabin site owned by the Company:

Northwestern Lake Cabin Site No. 42

as more particularly shown on Exhibit "A," attached to and made a part of this Lease by reference; said cabin site being hereafter referred to as the "Premises."

TERMS AND CONDITIONS

This Lease is granted subject to and upon the following terms and conditions, which Lessee agrees to observe and perform.

1) **Use of the Premises.**

a) The Premises has not been surveyed and all distances shown are approximate. Other than those shown generally on Exhibit "A," there are no designated boundary lines between individual cabin sites. In the event of any errors or ambiguity in the descriptions or misunderstandings with respect to the location or boundary of the Premises, the Company may designate the area in dispute on the ground or have it marked, and in case of disagreement, the decision of the Company shall be final. The Company reserves the right at any time to redefine or mark the Premises, and to substitute and replace Exhibit "A," when required for the Project.

b) Except as provided in paragraph 1(c), Lessee may not prohibit free public pedestrian access across the Premises for recreational purposes by any method or methods whatsoever, including but not limited to posting signs or erecting fences or barricades

c) Lessee has the exclusive right to use all existing or future Company-approved manmade structures constructed by the Lessee or previous Lessee upon the Premises. All approved manmade structures or improvements on structures are personal property of the Lessee.

d) Unless specifically allowed in writing by the Company, all manmade improvements, including, but not limited to the cabin, decks, accessory buildings, storage areas, fencing, retaining walls, walkways, driveways or other access, and earthwork shall be confined to the Premises, to minimize disturbance to the Project and to adjoining lessees. Each exemption from this stipulation shall be unique and independent of any other exemption and will be granted to an individual Lessee only, and on a case by case basis.

e) Outhouses or toilets unattached to the recreational cabin on the Premises are not permitted. Waste water and sewage disposal systems must be approved by the Company and local health and sanitation agencies.

2) Landscaping. Only that land and within ten (10) feet of exterior walls of any cabin, the "Landscape Band", may be landscaped at Lessee's option. Any new landscaping in the Landscape Band must be pre-approved in writing by the Company. New landscaping includes, without limitation, removal of vegetation, including trees, and preparation of the Premises for construction or other land disturbing activities. New landscaping does not mean general maintenance or replacement of existing landscaping within the Landscape Band.

3) Non-Conforming Uses of Premises.

a) All existing manmade improvements located within the Premises but outside of the ten (10) foot Landscape Band are designated as nonconforming uses. Nonconforming uses may include, without limitation, decks, accessory buildings, storage areas, waterlines and systems, septic systems, decorative fences, wood piles, retaining walls, walkways, driveways or other access, earthwork, and landscaping outside of the Landscape Band. Existing nonconforming uses, except for outhouses or toilets unattached to the cabin which are governed by section 1(e), may be permitted so long as they are maintained to Company's satisfaction and the area they occupy is not increased.

b) If it is determined by the Company that a nonconforming use is no longer appropriate to the Project, the nonconforming use shall be removed at Lessee's sole expense, and the area or portions of the area where nonconforming uses shall be reverted to Native Growth Protection Area status at Lessee's sole expense.

c) Unless specifically approved by Company nonconforming uses located within a wetland area must be removed by Lessee within sixty (60) days after the execution of this Lease, and the wetland restored to Company satisfaction.

4) Native Growth Protection Area. All land within the Premises, except for the ten (10) foot Landscape Band area described in Article two (2), is designated a "Native Growth Protection Area." The Native Growth Protection Area has been established for habitat protection and enhancement, and shall remain in an undisturbed condition unless the Company specifically pre-approves modification or improvement to the area in writing.

5) Hazard Trees and Firewood. Company shall inspect trees on the Premises on a periodic basis to determine if trimming, cutting, or removal is deemed necessary by Company. Lessee may not use fallen or trimmed trees unless the Company specifically pre-approves such use in writing.

6) Approval for Improvements or Changes to Premises. Lessee shall obtain written approval from the Company for any improvements made to the Premises, including cabin and accessory structures.

7) Construction on Existing Cabins and Premises.

a) Any improvements, enlargements, or new construction on existing cabins must be pre-approved, in writing, by the Company. Lessee shall obtain all necessary permits and authorizations for building before the Company will grant construction approval, and provide copies of such permits and authorizations to the Company.

b) Improvements, enlargements, or new construction commenced without approval of the Company, regardless of any other permits or permissions from other agencies, shall automatically terminate this Lease.

8) Construction Deadline.

a) If the recreational cabin allowed by this Lease is not constructed or existing on the Premises as of the date of execution of this Lease, Lessee must acquire pre-approval from the Company in writing to build any structure on the Premises.

b) Lessee shall obtain all necessary permits and authorizations for building before the Company will grant construction approval, and provide copies of such permits and authorizations to the Company.

c) Once construction is approved, the Lessee shall have one (1) year from the date of Company approval to complete construction of the cabin. Construction commenced without Company approval, regardless of any other permits or permissions from other agencies, shall automatically terminate this Lease.

9) Maintenance of Premises and Compliance with Applicable Regulations.

a) Lessee agrees at all times during the continuance of this Lease at its expense to keep and maintain the cabin and the improvements described on Exhibit "A" in a clean,

attractive and sanitary condition, satisfactory to the Company; not to make or permit any offensive, unlawful or improper use of the Premises; and not to damage or remove any trees or natural vegetation without the expressed written consent of the Company.

b) Lessee shall not allow the Premises to be used in such a manner as to endanger the health or safety of others, or create a nuisance or annoyance, or be incompatible with overall Project uses. No noxious, offensive or illegal activity or trade shall be carried on upon the Premises.

c) Lessee shall, at its own cost and expense, properly dispose of all garbage, refuse and waste. Lessee may not dispose of garbage, refuse or waste on Company lands or in dumpsters provided by the Company for recreation park use. Lumber and other building materials shall not remain exposed on any site visible from the Reservoir, any road or adjoining or nearby Premises.

10) Term. This Lease shall be effective on the date signed until December 31st of the same year. Thereafter, this Lease shall be for a term of five years, beginning January 1, 2007, to December 31, 2011. At the end of the term this lease may be renewed on a year-to-year basis provided that Lessee give the Company notice of intent to renew no later than November 1 of each year. The Company reserves the right, at its sole and absolute discretion, to refuse renewal of this Lease if Lease provisions have been violated, or for Company business purposes.

11) Rental.

a) At the beginning of the term stated in Article Ten (10), and for each subsequent year of the lease term, Lessee shall pay make payments in advance for the following year, payable no later than January 1. The payment for 2006 shall be **\$3000.00 due July 1st**, and in thereafter until other action is taken by Lessor to adjust the rates the rent shall be **\$6000.00** annually.

b) Lessee may pay one-half of the annual payment due on January 1, provided that the balance is paid no later than July 1.

c) A late fee of \$50.00 will be charged for any payment not made within 10 days of the due date.

d) Payments shall indicate the customer number assigned to the executed lease, and shall be sent to:

PacifiCorp

P.O. Box 5504

Portland, Oregon 97228-5504

12) Rental Adjustments.

a) As of and including the year 2000, and effective with the beginning of any calendar year, Company at its option, may increase the amount of said lease payment to reflect market value of the premises. In the event of an increase in the lease payment Lessor shall notify Lessee of its intent to increase the lease payment no later than 90 days prior to the expiration of the current lease term. The Company may terminate this Lease unless Permittee shall agree to pay said rental as so adjusted by Company. Market value shall be determined by the Company.

b) If Lessor increases the lease payment by an amount greater than fifty percent (50%), the increase shall be phased in equally over a period of four years.

13) Taxes, Assessments and Charges.

a) Lessee will pay, when due, all taxes, assessments or charges of any nature or kind whatsoever (including, but not limited to, water, fire protection, sanitary facilities, local improvement or service charges) assessed against Lessee's structures and improvements on the Premises or any increase in taxes assessed against Lessor which are directly or indirectly attributable to such structures of improvements. Lessee's obligations

shall extend to those taxes, assessments or charges that may be assessed for any part of the term of this Lease, including those due and payable after the termination of this Lease. If statements for such taxes, assessments or charges are submitted directly to the Company, Lessee promptly upon receipt of Company billing shall reimburse the Company. In the event of any failure on the part of Lessee to fully or timely discharge any of its obligations under this article, the Company may pay said obligations and Lessee shall immediately reimburse the Company. The Company shall pay all real estate taxes assessed against the land.

b) In the event Lessee fails to fully discharge any of Lessee's obligations under this section thirteen (13), the Company may terminate this Lease or, if it elects to continue the Lease, the Company may pay and discharge such taxes, assessments or charges and thereupon the Company shall have a lien upon any real or personal property of Lessee located on the Premises for the amount of any such payments, together with the amount of any cost or expense incurred by the Company plus interest upon such amounts at the highest rate permitted by law until such time as Lessee shall have reimbursed the Company for such amount plus interest. The provisions of Section thirteen (13) shall survive termination, transfer, or expiration of this Lease.

14) Future Use and Operation of Condit Dam. By the acceptance of this Lease Lessee acknowledges that the Company has made certain agreements concerning the future use and operation of Condit Dam, including removal of the dam in its entirety at such time as the Company is given final approval for such action. Lessee hereby releases the Company from any and all liability, actions, or claims arising from the operation, maintenance, and removal of the Condit Dam and the Reservoir and any other action relating thereto which may have an affect on the recreational uses associated with this Lease or the use or future values of this Lease and any property of Lessee located upon the Premises. Lessee further

acknowledges that the Company may sell or assign all or part of the demised Premises, subject to the terms of this Lease, and agrees to release the Company from any claims relating to such transfer or sale.

15) Compliance with Laws. Lessee shall comply with all federal, state, county and local laws, ordinances, plans and regulations relating to the occupancy or use of the Premises. In addition, Lessee shall comply with the White Salmon National Wild and Scenic River Management Plan to the extent the Premises fall within the jurisdictional boundaries of such plan. Lessee and the Company shall use best efforts and all necessary precautions to protect the environmental features of the Project including, without limitation, cooperating with each other and all governmental authorities having jurisdiction over the Project in taking measures to prevent soil erosion, to protect existing vegetation cover and the native growth, and to protect water quality.

16) Assignment of Lease. Transfer of Lessee's Personal Property on Premises. Subletting Prohibited.

a) During the term of this Lease, and subject to Company's consent, Lessee may transfer its personal property located on the Premises to a third person. Such consent may be withheld or conditioned at Company's sole and absolute discretion. Company specifically reserves the right, without limitation, to change, amend or augment the terms of this Lease as a condition of such consent. Any assignment or other such transfer of this Lease without the Company's prior written approval shall be null and void and shall not be binding upon the Company. At all times during the term of this Lease, Lessee must own or be in lawful possession of all personal property located on the Premises.

b) Prior to Lessee's offering its personal property located on the Premises for sale, Lessee shall notify Company of its intent to sell and submit to Company its description of property for sale. Company shall review Lessee's description of its personal property for

sale, the Premises, its cabin management plan and its objectives with regard for the Project and inform Lessee of any changes it will make to the description or use of the Premises as a condition of sale. Lessee shall incorporate Company response into its sale offering. Lessee's sale offering shall inform potential buyers that only Lessee's interest in this Lease and improvements, buildings and structures are offered for sale, and that assignment of the Lease may occur only upon prior written approval of Company. The Company shall notify Lessee in writing of any objections it has to the assignment of this Lease to any particular individual within thirty (30) days of being advised in writing of the name and address of the potential assignee of the Lease. Approval of a new lessee may be contingent on the review of financial records or referrals from previous Lessors. In connection with assignment, Company may require Lessee and the assignee to execute documentation submitted by Company, including release of interest in the Lease by Lessee, assumption by Assignee, acknowledgement of new lease terms or rules and regulations or a substitute standard lease form. In the event of assignment on terms approved by Company, Company may thereafter deal exclusively with the assignee, without notice to Lessee, including enforcement and termination of this Lease and Lessee shall have no reversionary or other remaining interest in this Lease.

c) Lessee may not rent, sublease, mortgage or otherwise transfer or encumber this Lease or Lessee's interest therein. Lessee may not list or advertise the Premises for rent, nor any part thereof.

17) One Recreation Residence Only Limitation. The Premises covered by this Lease has been designated for one recreation cabin only, and any attempt at evasion of such limitation, including use of the cabin as a primary residence, shall result in the immediate cancellation of this Lease.

18) Default, Termination, Expiration and Removal of Property.

a) By Lessee: This Lease may be terminated by Lessee upon sixty (60) days written notice to Company, but such termination will not relieve Lessee of obligations under this Lease incurred prior to the date of termination.

b) By Company: In addition to any other provision herein contained for termination of this Lease by the Company, Company may, without cause, terminate this lease upon one hundred and eighty (180) days written notice to Permittee. Furthermore, if Lessee defaults in the performance of or violates any of the terms, covenants and conditions of this Lease including without limitation, rules and regulations attached hereto as Appendix I, and fails to cure such default within thirty (30) days after written notice of such default, the Company may by written notice to Lessee declare this Lease terminated, and may thereupon immediately and without other or further notice re-enter and repossess itself of said Premises and expel Lessee, without being guilty of trespass and without prejudice to any other remedy or remedies which the Company may have at law or in equity on account of such default or violation. During any period of default or violation, the Company may suspend Company performance of any of its obligations under this Lease without liability to Lessee. Termination will not relieve Lessee of obligations under this Lease incurred prior to the date of termination.

c) Removal of Lessee's Personal Property: Upon expiration or termination of this Lease for any reason and provided Lessee is not in default of the provisions hereof, Lessee may, within sixty (60) days after the date of such termination, remove its property, including buildings, structures and improvements, from said Premises; provided further however, that if Lessee (1) does not remove said property, including buildings, structures or other improvements within such 60 day period or (2) if ownership of said personal property, structures or other improvements is not transferred on terms acceptable to

Company to an approved assignee of this Lease, or a new lessee approved by Company within 60 days after termination, then said personal property, buildings, structures or other improvements shall, at Company option, either become the sole property of Company as an appurtenance to the Premises which Company may transfer, demolish or otherwise dispose of as it chooses, or, at Lessee's sole cost and expense, be removed by Company from said Premises.

d) Restoration Plan. Upon termination of this Lease, for any reason and irrespective of whether the property, buildings, structures or other improvements of Lessee are removed, Lessee shall submit to Company a restoration and revegetation plan, and upon Company approval of same, shall carry out said plan at Lessee's sole cost and expense to the satisfaction of the Company, or Company may design and adopt a plan of restoration and revegetation, and charge Lessee for its design and implementation.

e) In the event of Lessee's default, Company may pursue any other right or remedy allowed by law.

19) Rights Specifically Reserved by Company.

a) Company reserves a right of way across the Premises for free pedestrian access for recreation purposes. In addition, the Company may grant permission to others to cross the Premises for purposes such as constructing and maintaining electric transmission and distribution lines, telephone lines, and water and sewer lines, or other utility lines upon, over, beneath and across the Premises. The Company and its authorized agents and contractors may enter upon the Premises at any time for any purposes deemed necessary by the Company in carrying out the requirements of this Lease or the Project license, including but not limited to, inspections, removing or thinning trees or engaging in any forest, land or water management practice deemed desirable by the Company.

b) Lessee agrees to hold the Company harmless from any physical damage to Lessee's improvements caused by the exercise of any of Company reserved rights pursuant to this Lease, except for its or its agents negligence or intentional misconduct.

20) Assumption of Risk and Liability, and Indemnity.

a) This Lease is subject to the right of the Company to operate the Reservoir now, or at any future time, as the Company deems necessary in its business as a public utility including, but not limited to, the right to raise, elevate, lower, draw down or in any way fluctuate the water surface level without notice or liability to Lessee, and Lessee agrees that Company and any related entity shall have no liability to Lessee, Lessee's family, or Lessee's invitees for injury, loss of life or property damage arising from such fluctuations, and Lessee agrees to indemnify, defend, save and hold Company harmless from any injury or loss of life of Lessee, Lessee family or Lessee invitees or damage to such persons' property caused by such fluctuations.

b) The Premises is situated in forested areas distant from fire protection services. Company has no responsibility to provide, and shall not provide, fire protection services to the Premises or the Project. Lessee has the option of insuring its improvements on the Premises. If such insurance is carried, Lessee and its insurer waive all rights of subrogation. Lessee agrees that Company shall have no liability to Lessee, Lessee's family, and Lessee's invitees for injury, loss of life, or damage to property arising from fire of any origin or cause, and agrees to indemnify, defend, save and hold harmless Company from any injury, loss of life or property damage of Lessee, Lessee's family or other invitees of Lessee arising from fire of any origin or cause including if caused in whole or in part by Company.

c) Company shall have no liability for, and Lessee assumes all risk and shall indemnify, defend, save and hold harmless Company from any claim of injury or loss of

life of persons and any and all damage to, loss or destruction of property (1) resulting from, incidental to or which would not have occurred but for Lessee activities on the Project, (2) or resulting in any way from the presence or condition of Lessee improvements on the Premises. Company shall have no responsibility to or liability for any injury, loss of life or property damage arising from the actions, negligence or presence of trespassers, invitees of Lessees, or the general public.

21) Liens and Mortgages.

a) Lessee shall do all things reasonably necessary to prevent the filing of any liens against the Premises or this Lease. If any such lien shall at any time be filed against the Premises or this Lease, Lessee shall either cause the same to be discharged of record within ten (10) days after receipt of written notice of the date of filing of the same, or, if Lessee determines that such lien should be contested, shall furnish such security as may be necessary or required to prevent any foreclosure proceedings against the Premises or this Lease during the pendency of such contest. If Lessee fails to discharge any lien within such period or fails to furnish security, then, in addition to any other right or remedy of Company resulting from Lessee's default, Company may discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by giving security or in such other manner as is, or may be, prescribed by law. Lessee agrees to repay Company, on demand, all such sums disbursed or deposited by Company pursuant to the foregoing provisions of this subarticle, including Company's costs, expenses with interest at the highest rate allowable by law, and reasonable attorney's fees incurred by Company in connection therewith. The provisions of this paragraph shall survive termination, transfer, or expiration of this lease.

b) Lessee may not mortgage, or attempt to mortgage, or otherwise encumber, the Premises or Lessee interest in this Lease. In applying for any loan to finance construction

of its recreational cabin or other improvements allowed by this Lease, Lessee shall represent to the financing entity that the Premises and this Lease may not be encumbered in any way.

c) If the personal property including without limitation cabins, fixtures and or improvements located on the Premises are encumbered by a mortgage, trust deed or security interest, or if a prior owner of the personal property has sold such property to the Lessee or assignee by contract or otherwise, the interest of the mortgage, trust deed beneficiary, or secured party or contract vendor shall be junior to the interest of the Company. Company may require Lessee to obtain from the holder of such mortgage, trust deed or security interest, or contract vendor interest an executed acknowledgment of this section 15c on terms satisfactory to Company. In any such matters, Company may act directly with Lessee.

22) Rules and Regulations. Lessee shall comply with the rules and regulations issued by Company from time to time relating to Northwestern Lake cabins, and shall comply with such rules and regulations as though they were covenants of this Lease. The Lease hereby incorporates by reference such existing and future rules and regulations as adopted by Company from time to time, including without limitation those described in the attached Appendix 1.

23) Waiver. Failure of the Company to insist on strict performance of any provision or option hereunder shall not be deemed a waiver of such breach. No provision of this Lease shall have been deemed to be waived unless such waiver is in writing, signed by the Company authorized representative.

24) Cooperation among Lessees Encouraged. Company encourages Lessees in close proximity to each other to prepare, for Company written pre-approval, plans to maintain

common driveways or develop for joint use facilities such as domestic water supply systems and sewage disposal systems, and to provide for garbage disposal.

25) Notices: Any notices to be given either to Company or to Lessee or any payments to be made to Company may be given to either party by depositing same in the United States mail, to the addresses listed below. The address of either party may be changed by written notice given to the other party.

Lessee:

William C. Fleet OK
~~Bill Fleet & Sylvia Delacy~~
 2630 N. Hayden Island Drive #2
 Portland, Oregon 97217
 503-286-3801

Company:

(Address for payments is different; please see Section 11)
 PacifiCorp
 Attn: Real Estate Management
 825 N.E. Multnomah, Suite 1000
 Portland, Oregon 97232

26) Mortgage Provision. The permission hereby granted to Lessee is subject to any and all mortgages or deeds of trust executed by Company and now or hereafter of record in Skamania or Klickitat Counties, State of Washington.

27) Modification or Amendment of the Terms Hereof. Lessee agrees that the Company may change, modify or supplement the terms, conditions, covenants and limitations herein contained to conform to such additional or modified terms, provisions and conditions as Company is required by federal, state, county and local laws, ordinances, plans, regulations and policies to make generally applicable to all Lessees in the Project area, as needed by utility regulations, business changes, or as necessary for Project operation.

28) Prior Agreements. This Lease shall, when executed by the parties hereto, supersede and replace any and all prior agreements between said parties pertaining to the Premises hereinabove described.

29) Rights and Responsibilities Upon Termination of this Lease.

a) At the end of the term of this lease or upon termination or cancellation Lessee shall, within reasonable amount of time, remove all structures and improvements on the Premises and shall return the Premises to a condition approved by the Company.

b) In the event Lessee fails to take such action, all improvement made upon the Premises shall become the property of the Company, but in such event Lessee shall remain liable for the cost of their removal and restoration of the Premises.

EXECUTED in duplicate this 7th day of July, 2006.

By: Anna S. King
~~Brian D. Walsh, COMPANY~~
 Anna S. King

By: Katherine Hill
~~Curtis Meyers, COMPANY~~
 Katherine Hill

By: William C. Fleet
 William C. Fleet, LESSEE

By: Sylvia L. DeLacy, LESSEE

OK WCF Ash

APPENDIX I

The following rules and regulations, as amended from time to time, are incorporated by reference in any lease of any cabin site in the vicinity of Northwestern Lake, and are terms of the Lease. Company may change, amend, delete or add rules and regulations at anytime and such action will be immediately effective.

Building Limitations

1. The vertical dimension of any building on the Premises shall not exceed 35 feet, unless the natural tree canopy is lower than 30 feet, in which case the vertical dimension shall not exceed 30 feet. The horizontal dimensions of any buildings or structures on the Premises may not encroach upon wetland areas of the Reservoir or the White Salmon River or its tributaries.

Environmental, Health and Safety

1. At any time during the term of the Lease, if wastewater or sewage is escaping from the Premises, Lessee shall have no longer than thirty (30) days to present an acceptable disposal plan to the Company nor longer than three (3) months to complete repairs and improvements to prevent such discharge from the Premises, or such lesser time as governmental authorities require for compliance.

2. At any time during the term of the Lease, if Company becomes obligated to comply or agrees to comply with additional, or more restrictive, environmental, safety or health ordinances, laws, regulations or plans, the Company shall promptly notify Lessee, and Lessee shall comply with said ordinances, laws, regulations or plans at Lessee's expense, within a reasonable time period thereafter. Nothing in this article shall excuse Lessee from compliance with ordinances, laws, regulations or plans when Lessee's compliance is required directly by an appropriate authority other than the Company.

3. Lessee may not appropriate or develop any new domestic water supply, from ground or surface water, without first seeking approval from Company, which approval shall not be unreasonably withheld. Any such application shall be in the name of the Company and shall be for domestic use only on the Premises. No water or water right may be distributed or transferred off Company land.

4. Lessee may not seek to amend or change a permit or certificate of water rights for domestic supply on the Premises during the term of this Lease without the prior written consent of Company.

5. Only the Lessee, or, in the case of group water systems, the Lessees, shall own and maintain facilities to develop and supply its domestic water supply for the Premises. Said facilities shall be included with Lessee's property offered for sale as

described in the Lease. Whenever possible, Lessees are encouraged to purchase connections to existing domestic water supply systems.

Fires and Fire Protection.

1. Interior fireplaces, stoves or other type burners must be fireproofed by use of chimney spark arrester equipment and must comply with local and state fire safety codes. All fires must be extinguished before leaving the Premises.

2. One fully charged fire extinguisher of at least two-quart capacity must be kept on the Premises, and one operational smoke detector shall be maintained on each floor of each residential building on the Premises.

3. No outside incineration shall be allowed on the Premises without prior written consent of the appropriate governmental authority.

Miscellaneous Provisions.

1. Signs: One identification sign, measuring not more than 12 inches x 24 inches, displaying the Lot Number, must be displayed on each cabin at a point nearest the main entrance. The Lot Number shall be preceded by the word "Cabin," e.g., Cabin 1, Cabin 57A. Postal addresses, if displayed on the cabin, shall include the street name, e.g., 64 Lakeview Road, 28 Big Buck Creek Road. No other signs of any kind, specifically including "No Trespassing" signs, shall be displayed to the public view on any site except one professional sign, of not more than 18 inches x 24 inches in size, advertising Lessee's personal property for sale.

2. Animals: No animals, livestock or poultry of any kind shall be raised, bred or kept on the Premises, except for household pets. Household pets shall not be allowed to become an annoyance or nuisance to the neighborhood or to damage the Native Growth Protection Area, and must be kept on leashes when outside the Premises.

3. Tents and Trailers: No tent, trailer, mobile home, whether on wheels or not, used for habitation on the Premises, shall be permitted on the Premises for more than seven (7) days without the written consent of the Company. Recreational vehicles may not be used for residential purposes on the Premises.

4. Vehicles: Motorized vehicles shall not be operated carelessly or in excess of 10 miles per hour, nor operated except on designated driveways and roads. No vehicles shall be parked in roadways, nor operated without a muffler in good working order. No ATV's, off-road vehicles, motorbikes or motorcycle riding of any nature shall be allowed except for ingress and egress to the Premises.

5. Access: Company does not guarantee vehicular access to the Premises. Company will maintain existing or new general access roads, but not driveways, according

to standards determined by the Company. Company will determine the location of and maintain access road gates. In some instances, access to the Premises may be limited to foot or boat. No roads, driveways or parking areas shall be built, improved, rerouted or changed without the prior written consent of the Company.

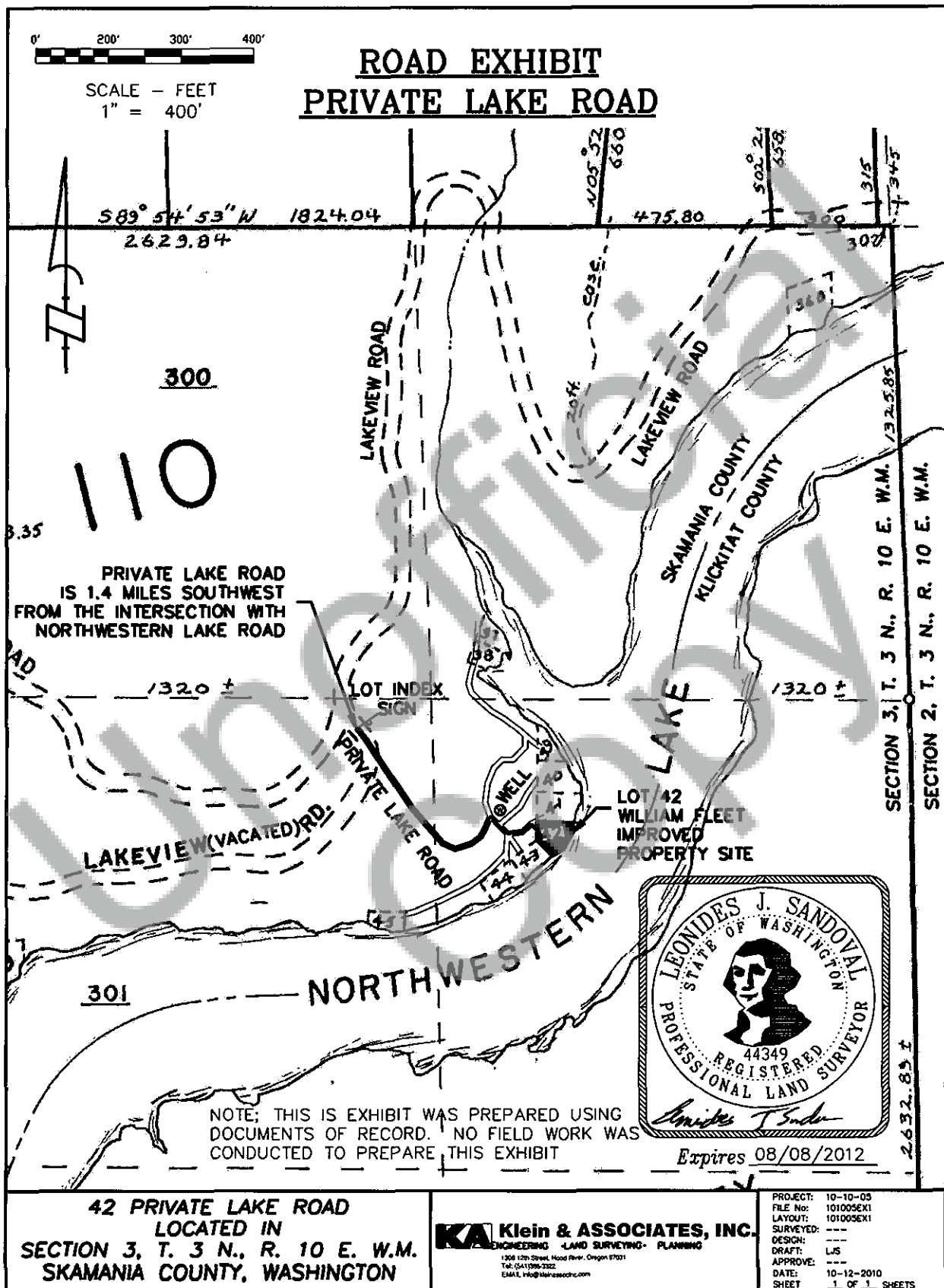
6. Gates and Fences: Lessee shall not place gates or fences on the Premises without prior written consent of the Company. Fences between cabins or along lot lines or elsewhere are not generally allowed and in most cases must be removed. Existing fences and gates, and requests for new fences, will be reviewed for possible Company approval on an individual cabin basis. Gates installed by the Company are intended to prevent nuisance vehicular traffic, and are not intended as impediments to public access on foot for recreation purposes.

7. Commercial Use: No commercial use of the Premises is allowed without prior written approval by the Company.

8. Motor Boats: Lessee shall not operate motorboats on the lake at speeds in excess of 5 mph or in such a manner as to create a wake.

9. Firearms and Fireworks: Lessee shall not discharge firearms, firecrackers, rockets, or any other type of firework anywhere on the land owned by the Company surrounding Northwestern Lake.

10. Lessee shall inform guests and invitees of these rules and regulations and shall require compliance therewith.



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PacifiCorp ID #: WNL-0042

CABIN SITE LEASE

This Cabin Site Lease (the "Lease") is entered into by and between PACIFICORP d/b/a Pacific Power, an Oregon corporation ("Lessor") and WILLIAM FLEET ("Lessee").

RECITALS

WHEREAS, Lessor owns certain real property (the "Property") located in Skamania and Klickitat Counties, Washington, more particularly shown on Exhibit "A"; and

WHEREAS, Lessor also owns the Condit Hydroelectric project (the "Project") on the White Salmon River in Skamania and Klickitat Counties, Washington, consisting of Condit Dam (the "Dam") and a reservoir known as Northwestern Lake (the "Reservoir") licensed by the Federal Energy Regulatory Commission ("FERC") as Project No. 2342; and

WHEREAS, Lessor is party to a settlement agreement whereby Lessor agreed to remove the Project and Lessor continues to seek all necessary permits and intends to remove the Project once all applicable permits have been obtained in final form and any other preconditions of the agreement or of the FERC's surrender order have been satisfied; and

WHEREAS, Lessor desires to lease to Lessee and Lessee desires to lease from Lessor certain real property ("Cabin Site 42"); and

WHEREAS, Lessee desires to construct and/or maintain thereon certain personal property such as one recreational cabin (the "Cabin") and Improvements, hereinafter defined; and

WHEREAS, Lessor and Lessee have previously entered into a lease agreement dated July 7, 2006, as extended or modified, for Cabin Site 42 located on the Property; and

WHEREAS, Lessor and Lessee desire to enter into a new agreement for Lessee's lease of Cabin Site 42 that will replace and supersede all previous agreements, verbal or written;

NOW THEREFORE, Lessor and Lessee agree to the following terms and conditions:

OTHER DEFINITIONS

A. Improvements: Those manmade improvements including decks, docks, accessory buildings, storage areas, waterlines and systems, septic systems, decorative fences, wood piles, retaining walls, walkways, bridges, driveways or other access, earthwork and boardwalks for Lessee's exclusive use.

B. Shared Use Improvements: Docks, boardwalks, walkways, staircases or other structures which may benefit more than one cabin owner.

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C. FERC: Federal Energy Regulatory Commission.

D. Native Growth Protection Area: All land within the Property except for the cabin sites and Landscape Band.

E. Landscape Band: That area not to exceed twenty feet (20') from the exterior walls of Lessee's cabin. Where two cabins are closer than forty feet (40') the Landscape Band shall be one-half (1/2) the distance between those cabins.

F. Fire Buffer: An area not to exceed fifteen feet (15') from the outside of the Landscape Band, designated as a fire safety buffer for brush or debris removal, but which shall remain in an otherwise natural state with only native vegetation used for landscaping.

G. Grandfathered Improvements: Those Improvements existing as of the date of Lease execution and located on Cabin Site 42, which have been approved by Lessor subject to Section 13(a).

H. Final Dam Decommissioning Order: The License Surrender Order received from FERC in its final form which identifies the requirements and or conditions Lessor shall meet in removing Condit Dam.

TERMS AND CONDITIONS

1. Acknowledgment of FERC License and Acceptance of Conditions. Lessee acknowledges that this Lease is subject to FERC licensing agreements and certain resource management plans. Lessee further acknowledges that the use of the Cabin Site and the terms of this Lease are and shall be subordinate to Lessor's FERC commitments as imposed by licensing, relicensing and surrender of license requirements, both existing and future, and hereby accepts Cabin Site 42 under those terms and conditions.

2. Term.

a. Term: The term of this Lease shall commence on January 1, 2010, and terminate on December 31, 2039, unless sooner terminated in accordance with the terms of this Lease.

b. Holdover: If Lessee retains possession of any part of Cabin Site 42 after the termination of this Lease, Lessee shall be deemed to have a month-to-month tenancy and Lessee shall pay to Lessor a monthly installment of rent at one-hundred and fifty percent (150%) of the rate due and payable for the year immediately preceding such holdover, computed on a per-month basis for each month Lessee remains in possession of Cabin Site 42. The provisions of

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this Section shall not limit or exclude any of Lessor's rights of reentry or any other right granted to Lessor under this Lease or at law.

3. Cabin Site.

a. The Lease is for Northwestern Lake Cabin Site 42 as shown on Exhibit "B".

b. Cabin Site 42 has not been surveyed and all distances are approximate. There are no designated boundary lines between individual cabin sites. In the event of any errors or ambiguity in the descriptions or misunderstandings with respect to the location or boundary of a cabin site, Lessor may designate the area in dispute on the ground or have it marked which decision shall be final.

c. Lessor reserves the right at any time to redefine or mark Cabin Site 42, and to substitute and replace Exhibit "B" when required for the Project.

d. At all times during the term of this Lease, Lessee must own or be in lawful possession of all personal property located on Cabin Site 42.

4. Cabin. Lessee may construct, reconstruct or maintain one recreational Cabin, subject to prior written approval by Lessor as may be required herein.

5. Improvements. Subject to Lessor's prior written approval, Lessee may construct and/or maintain Improvements on Cabin Site 42. All Improvements shall be maintained and kept in good condition and safely maintained to standards reasonably acceptable to Lessor.

6. Shared Use Improvements. Lessee, or a group of lessees, may install and/or maintain Shared Use Improvements subject to prior written approval by Lessor. Shared Use Improvements shall be made available for use by the public unless otherwise specified in writing by Lessor. Shared Use Improvements shall be duly maintained and kept in good condition and safely maintained to standards reasonably acceptable to Lessor and are subject to removal upon termination of the Lease.

7. Rent.

a. Beginning on January 1, 2010, and for each subsequent year of the Lease term, Lessee shall pay rent in advance on a semi-annual basis with one-half (1/2) the annual rent becoming due on each January 1 and the remaining one-half (1/2) becoming due on each July 1.

b. The initial annual rent shall be as follows and based upon the category assigned by the Lessor and as defined in Exhibit "C":

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- I. Category A: \$6,000
- II. Category B: \$4,500
- III. Category C: \$3,600

Effective on the first day of the month after the dam is removed, which shall be the date on which the Reservoir is initially drained, the rent classified as Category A shall be re-classified to Category B. Any rent adjustments due to this change in classification will be applied to the installment of rent coming due under the Lease.

c. Rent shall be adjusted annually on each January 1 in accordance with the following procedures:

I. Beginning with January, 2011, the annual rent shall increase by the percentage change in the Consumer Price Index (CPI).

II. The CPI shall be that published by the United States Department of Labor, Bureau of Labor Statistics, Portland-Salem, OR (CPI-U), not seasonally adjusted, for all Urban Consumers (Index 1982-1984 = 100). If such index is discontinued, then any successor CPI of the United States Bureau of Labor Statistics, or successor agency thereto, shall be used, and if there is no successor CPI, Lessor shall reasonably designate a substitute index or formula.

III. Beginning October 31, 2010, the parties shall calculate the rent increase, if any, by October 31 of each year (each, a "Calculation Date").

IV. The "Comparison CPI" shall be the CPI for July of the same year of each Calculation Date and the "Base CPI" shall be the CPI for July of the year previous to the Calculation Date. An example is shown in Appendix 2.

V. The rent shall be determined by increasing the previous year's rent by the percentage increase in the CPI, but the increase shall not be less than zero percent (0%) nor more than five percent (5%), notwithstanding category changes made under Section 7(b) of this Lease.

d. Lessee acknowledges that late payments of rent or other charges payable under this Lease will cause Lessor to incur costs, the exact amount of which will be extremely difficult to determine. Accordingly, if Lessee shall fail to pay rent or other charges within fifteen (15) days of the rent due date, Lessee shall pay a late charge equal to five percent (5%) of the delinquent payment, payable forthwith with the late payment. The parties hereto agree that such late charge

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payment represents a fair and reasonable estimate of the costs Lessor will incur by reason of Lessee's late payment.

e. Payments shall indicate the customer number assigned to the executed Lease (#10003980) and shall be sent to:

PacifiCorp
Attn: Central Cashiers
P.O. Box 5504
Portland, Oregon 97228-5504

8. Use of Cabin Site 42.

a. Except as provided in paragraph 8(b), Lessee may not prohibit public foot access for recreational purposes across Cabin Site 42 by any method including but not limited to posting signs or erecting fences or barricades.

b. Lessee has the exclusive right to use all existing Improvements and said Improvements are Lessee's personal property.

c. Unless specifically allowed in writing by Lessor, all Improvements shall be confined to Cabin Site 42, to minimize disturbance to the Project and to adjoining lessees. Each exemption from this stipulation shall be unique and independent of any other exemption and will be granted on a case by case basis to an individual lessee only.

d. Outhouses or toilets unattached to the recreational Cabin on the Cabin Site are not permitted. Lessor and local health and sanitation agencies must approve waste water and sewage disposal systems.

9. Future Use and Operation of Condit Dam. Lessee acknowledges that Lessor has made certain agreements concerning the ongoing and future use and operation of Condit Dam, including removal of the dam in its entirety at such time as Lessor is given final approval for such action. Lessee hereby releases Lessor from any and all liability, actions, or claims arising from the operation, maintenance, and removal of the Condit Dam and the Reservoir and any other action relating thereto which may have an affect on the recreational uses associated with this Lease or the use or future values of this Lease and any property of Lessee located upon Cabin Site 42. Lessee further acknowledges that Lessor may sell or assign all or part of the demised Property, including the cabin sites, subject to the terms of this Lease, and agrees to release Lessor from any claims relating to such transfer or sale.

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10. Restriction on Use of Cabin Site during Dam Removal. Lessee acknowledges that Lessor may issue rules and regulations, as Lessor may determine are necessary in its sole discretion, related to any dam removal activity, and Lessee shall comply with such rules and regulations as though they were covenants of this Lease. Lessee further acknowledges that due to safety concerns, Lessor may need to restrict or prohibit access to and use of the Cabin Site during periods of dam construction, deconstruction and/or removal. Lessor shall abate rent for any time period in which Lessee is thus restricted from using the Cabin Site under this Section and shown on the schedule in Exhibit "D". Except for the abatement of Rent under this Section, Lessee hereby releases Lessor from any and all liability, actions, or claims arising from the operation, maintenance, and removal of the Condit Dam and the Reservoir and any other action whereby Lessee's use of the Cabin Site may be restricted or prohibited.

11. Property Damages Incurred by Dam Removal Activity. Lessor agrees that it shall be responsible for damages to Lessee's Cabin or Improvements which are directly caused by activities performed by or under the direction of Lessor directly associated with decommissioning of the dam after Lessor has received the Final Dam Decommissioning Order ("Dam Removal Activities"). Lessee shall submit sufficiently detailed claims believed to be related to Dam Removal Activities to the address and in the manner identified in Section 35. Within thirty (30) days of receipt of such claim, a Lessor representative shall review the claim with the Lessee and the parties together shall reasonably determine the percentage of fault and amount of damages. In the event the parties cannot agree to said percentage and amounts, either party may submit the claim to mediation in the manner identified in Section 43.

12. Landscaping. Lessee may landscape only within the Landscape Band; however in no event shall Lessee install any plants that are considered noxious by the Washington State Noxious Weed Control Board or any successor agency. Lessor must pre-approve in writing any removal of trees. Following Lessor's receipt of its Final Dam Decommissioning Order, Lessor shall allow the implementation of the Fire Buffer.

13. Non-Conforming Uses of Cabin Site.

a. Grandfathered Improvements: Within six (6) months of Lease execution, Lessor shall review Cabin Site 42 and identify all Grandfathered Improvements and detail the same for Lessee.

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b. Non-conforming Uses Existing as of the Execution Date of this Lease: Upon receipt of the detail of Grandfathered Improvements per Section 13(a), Lessee shall remove all existing Non-conforming Uses within six (6) months and restore the area of the Non-conforming Use to Lessor's reasonable satisfaction at Lessee's sole expense.

c. Future Non-conforming Uses: Except where controlled by Section 13(b), upon receipt of Lessor's notice, Lessee shall remove all Non-conforming Uses within sixty (60) days, unless sooner removal and restoration is required due to safety hazard or jurisdictional requirement, and restore the area where Non-conforming Use to Lessor's reasonable satisfaction at Lessee's sole expense.

14. Native Growth Protection Area. The Native Growth Protection Area has been established for habitat protection and enhancement, and shall remain in an undisturbed condition unless Lessor specifically pre-approves modification or improvement to the area in writing. This Section shall survive Lessor's FERC license obligations.

15. Use of Fallen or Trimmed Trees. Lessee may use fallen trees or limbs that have been trimmed within the Landscape Band as firewood at the option of the Lessee.

16. Roads and Common Areas.

a. The common areas ("Common Areas") are those areas within the Property that are not delineated as cabin sites, including private (non-County) roads. Lessee shall have access to all of the roads and the Common Areas within the Property.

b. Lessor does not guarantee vehicular access to cabin sites. Lessor shall maintain existing or new private general access roads, but not driveways, according to standards determined by Lessor. Roads are expressly shown on Exhibit "E". Lessor will determine the location of and maintain any access road gates and may remove any existing gates at Lessor's option. In the event emergency repairs are required, Lessee acknowledges that said repairs may be delayed for reasons beyond Lessor's control, such as the availability of contractors to perform the work. In no event, shall Lessor be obligated to provide snow removal.

17. Changes to Cabin.

a. Changes Not Subject to Lessor's Consent: Lessee may paint its Cabin without Lessor's consent, provided said color choice is either the then existing color or natural colors that blend in with the natural surroundings. Lessor acknowledges that in the event of damage or loss,

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Lessee may replace the Cabin in substantially the same size and form, however, subject to approval by the proper jurisdictions.

b. Changes Subject to Lessor's Consent: Except as identified in Section 17(a), Lessee shall not make changes to Cabin without Lessor's prior consent, which shall not be unreasonably withheld. It shall not be unreasonable for Lessor to deny approval of changes that would cause the cabin to exceed two standard stories in height, increase the footprint more than twenty percent (20%) or encroach too close to another lessee's cabin site. In no event shall a change to a cabin encroach on wetlands or other ecologically sensitive areas, which Lessor shall determine in its sole discretion.

c. For all changes to cabins, Lessee shall be responsible to comply with all applicable state and local zoning and building codes and obtain all necessary permits and authorizations and provide copies of such permits and authorizations to Lessor.

18. Maintenance of Cabin Site 42 and Compliance with Applicable Regulations.

a. Lessee agrees at all times during the continuance of this Lease, at its sole expense, to keep and maintain Lessee's site, Cabin and Improvements in a clean, attractive and sanitary condition, satisfactory to Lessor.

b. Lessee shall not use nor allow Cabin Site 42 to be used in such a manner as to endanger the health or safety of others, to create a nuisance or annoyance, to be incompatible with overall Project uses or carry on a noxious, offensive or illegal activity or trade.

c. Lessee shall properly dispose of all garbage, refuse and waste at Lessee's sole cost. Lessee may not dispose of garbage, refuse or waste on the Property or in dumpsters Lessor provides for recreational park use. Lessee shall not store garbage, refuse waste or lumber or other building materials Cabin Site 42.

19. Taxes, Assessments and Charges.

a. Lessee will pay, when due, all taxes, assessments or charges of any nature (including but not limited to water, fire protection, sanitary facilities, local improvement or service charges) assessed against Lessee's structures and improvements on the Cabin Site or any increase in taxes assessed against Lessor which are directly or indirectly attributable to such structures or improvements. Lessee's obligations shall extend to those taxes, assessments or charges that may be assessed for any part of the term of this Lease, including those due and

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payable after the termination of this Lease. If statements for such taxes, assessments or charges are submitted directly to Lessor, Lessee shall promptly reimburse Lessor upon receipt of Lessor billing. In the event of any failure on the part of Lessee to fully or timely discharge any of its obligations under this Section, Lessor may pay said obligations and Lessee shall immediately reimburse Lessor. Lessor shall pay all real estate taxes assessed against the land.

b. In the event Lessee fails to fully discharge any of Lessee's obligations under this Section, Lessor may terminate this Lease or, if it elects to continue the Lease, Lessor may pay and discharge such taxes, assessments or charges and thereupon Lessor shall have a lien upon any real or personal property of Lessee located on the Cabin Site for the amount of any such payments, together with the amount of any cost or expense incurred by Lessor plus interest upon such amounts at the highest rate permitted by law until such time as Lessee shall have reimbursed Lessor for such amount plus interest. The provisions of this Section shall survive termination, transfer, or expiration of this Lease.

20. Compliance with Laws. Lessee shall comply with all federal, state, county and local laws, ordinances, plans and regulations relating to the occupancy or use of Cabin Site 42. In addition, Lessee shall comply with the White Salmon National Wild and Scenic River Management Plan to the extent the Cabin Site falls within the jurisdictional boundaries of such plan. Lessee and Lessor shall use best efforts and all necessary precautions to protect the environmental features of the Property including, without limitation, cooperating with each other and all governmental authorities having jurisdiction over the Property or Project in taking measures to prevent soil erosion, protect existing vegetation cover and native growth, and protect water quality.

21. Assignment of Lease and Subletting.

a. During the term of this Lease, Lessee may transfer its personal property and assign this Lease to a third party subject to Lessor's prior written approval, which shall not be unreasonably withheld. It shall not be unreasonable for Lessor to condition its approval on Lessor's review of the new lessee's credit worthiness or background check, or referrals from previous lessors. In the event Lessor has concerns about a new lessee's financial ability to assume this Lease, Lessor may also require the new lessee to provide a security deposit equal to one (1) year's rent at the then current rate. No assignment approved by Lessor shall be effective

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as to Lessor until Lessee has furnished Lessor with an executed copy of the assignment instrument. Lessor's acceptance of rent from any other person shall not be deemed to be a waiver by Lessor of any provision of this Lease. Any assignment or other such transfer of this Lease without Lessor's approval shall be null and void and shall not be binding upon Lessor.

b. Lessee's sale offering shall inform potential buyers that only Lessee's interest in this Lease and improvements, buildings and structures are offered for sale, that the land is leased and that assignment of the Lease may occur only upon Lessor's prior written approval.

c. Except as otherwise permitted under this Lease, Lessee may not rent, sublease, mortgage or otherwise transfer or encumber this Lease or Lessee's interest therein.

22. Use of Cabin as a Rental. At all times throughout the term of this Lease, this Section 22 is subject to Lessor's sole and absolute discretion, and the permissions granted herein may be revoked by Lessor with ten (10) days' advance written notice, at which time this Section 22 shall be considered deleted from this Lease.

a. Lessee may not rent out the Cabin on a full-time basis.

b. Lessee may rent the Cabin as a vacation rental subject to the following:

I. Limited to maximum thirty (30) days for each individual period and not to exceed one hundred twenty (120) days in a calendar year;

II. Lessee shall not be exempted from the provisions of 23(b) from actions caused by or attributed to its renters; however, Lessor shall not be obligated to respond to any complaints from Lessee regarding any issues relating to another lessee's renter(s) in any way.

23. Default, Termination, Expiration of Lease and Removal of Cabin and Improvements.

a. By Lessee: Lessee may terminate this Lease upon one hundred eighty (180) days' written notice to Lessor; however, such termination will not relieve Lessee of obligations under this Lease incurred prior to the date of termination.

b. By Lessor: Lessor may terminate this Lease if Lessee defaults in the performance of or violates any of the terms, covenants and conditions of this Lease including without limitation, rules and regulations attached hereto as Appendix I, and fails to cure such default within thirty (30) days after written notice of such default. Upon such termination Lessor may thereupon immediately and without other or further notice re-enter and repossess itself of said Cabin Site and expel Lessee, without being guilty of trespass and without prejudice to any other remedy or

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remedies which Lessor may have at law or in equity on account of such default or violation. If Lessee defaults in the performance of or violates any of the terms, covenants and conditions of this Lease (including the payment of rent) more than two (2) times within any thirteen (13) month period, regardless of whether Lessee has cured such defaults, the third (3rd) default, at Lessor's election and in its sole and absolute discretion, may be deemed a non-curable default and Lessor may, by written notice to Lessee, declare this Lease terminated and exercise the rights of entry and repossession set forth above. During any period of default or violation, Lessor may suspend Lessor's performance of any of its obligations under this Lease without liability to Lessee. Termination will not relieve Lessee of obligations under this Lease incurred prior to the date of termination. In the event of Lessee's default, Lessor may pursue any other right or remedy allowed by law.

c. Removal of Lessee's Personal Property: Within one hundred twenty (120) days after the date of expiration or termination of this Lease for any reason and provided Lessee is not in default of the provisions hereof, Lessee may remove its personal property; provided that if Lessee (1) does not remove said property within such one hundred twenty (120) day period, or (2) if ownership of said personal property, structures or other improvements is not transferred on terms acceptable to Lessor to an approved assignee of this Lease, or a new lessee is approved by Lessor within one hundred twenty (120) days after termination, then said personal property shall, at Lessor's option, either become the sole property of Lessor which Lessor may remove, transfer, demolish or otherwise dispose of as it chooses at Lessee's sole cost and expense.

24. Restoration Plan. Upon termination of this Lease for any reason and irrespective of whether Lessee's personal property is removed, Lessee shall submit to Lessor a restoration and revegetation plan, and upon Lessor's approval of same, shall carry out said plan at Lessee's sole cost and expense to the satisfaction of Lessor, or Lessor may design and adopt a plan of restoration and revegetation, and charge Lessee for its design and implementation.

25. Lessor's Specifically Reserved Rights.

a. Lessor reserves a right of way across Cabin Site 42 for foot access for members of the general public for recreation purposes. Lessor may grant permission to others to cross Cabin Site 42 for such purposes as constructing and maintaining electric transmission and distribution lines, telephone lines, and water and sewer lines, or other utility lines upon, over, under and

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across Cabin Site 42. Lessor and its authorized agents and contractors may enter upon Cabin Site 42 at any time for any purposes deemed necessary by Lessor in carrying out the requirements of this Lease or the Project license, including but not limited to, inspections, removing or thinning trees or engaging in any forest, land or any water management practice.

b. Lessee agrees to hold Lessor harmless from any physical damage to Lessee's personal property caused by the exercise of any of Lessor's reserved rights pursuant to this Lease, except for its or its agents' negligence or intentional misconduct.

26. Assumption of Risk for Operations. Lessee hereby agrees that this Lease and use of the Property and Cabin Site 42 is subject to Lessor's right to operate the Reservoir now, or at any future time, as Lessor deems necessary or convenient in its utility operations, including but not limited to the right to raise, elevate, lower, draw down or in any way fluctuate the water surface level without notice or liability to Lessee, and Lessee further agrees to and does assume the risk of any and all injury to or death of persons and any and all damage to or loss or destruction of property resulting from, incidental to, or which would not have occurred but for the exercise by Lessee of the permission hereby granted, irrespective of whether such injury, death, loss, damage or destruction results from Act of God, flood, or other natural causes or otherwise.

27. Release and Indemnification.

a. Except where controlled by Section 11, Lessee hereby agrees to indemnify, defend, and hold harmless Lessor, and Lessor's affiliates, directors, officers, employees and agents, with the exception of Third Party Contractors, (collectively, the "PacifiCorp Indemnitees") from and against demands, suits, losses, costs and damages of every kind and description, including attorneys' fees and/or litigation expenses, brought or made against or incurred by the PacifiCorp Indemnitees caused by, arising from or in any manner connected with the Lessee's use of the Cabin Site under this Lease, except to the extent that such demands, suits, losses, costs and damages arise from the gross negligence or willful misconduct of the PacifiCorp Indemnitees.

b. Lessor agrees to indemnify, defend, and hold harmless Lessee from and against all claims, demands, obligations, losses, liabilities, damages, recoveries and deficiencies, including attorneys' fees, which Lessee faces resulting from or related to the extent caused by

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Lessor's gross negligence or willful misconduct with respect to Lessor's obligations under this Lease.

c. Lessee acknowledges that all cabins located on the Property are the personal property of each respective cabin owner and in the event of a claim, demand, loss, cause of action or costs (collectively, "Damages") arises from the act or failure to act by a cabin owner(s), Lessee shall pursue such cabin owner(s) for any and all Damages.

28. Fire Protection. The Property and Cabin Site are situated in forested areas distant from fire protection services. Lessor shall not provide fire protection services to Cabin Site 42, the Property or the Project.

29. Insurance. Lessee shall carry a comprehensive personal liability insurance policy on an all risk basis for personal acts or omissions by the insured and the insured's invitees or guests in a minimum amount of One Million Dollars (\$1,000,000). The foregoing minimum amount may be reasonably adjusted by Lessor from time to time to reflect current industry standards.

30. Joint and Several Liability. Each person who signs this Lease as Lessee agrees to be jointly and severally liable for the compliance of all of the terms and conditions set forth herein and arising from this Lease, including the payment of rent.

31. Liens and Mortgages.

a. Lessee shall do all things reasonably necessary to prevent lien filing against the Cabin Site or this Lease. If any lien shall be filed against the Cabin Site or this Lease, Lessee shall either cause the same to be discharged of record within twenty (20) days after receipt of written notice of the date of filing of the same, or, if Lessee determines that such lien should be contested, shall furnish such security as may be necessary or required to prevent any foreclosure proceedings against the Cabin Site or this Lease during the pendency of such contest. If Lessee fails to discharge any lien within such period or fails to furnish security, then, in addition to any other right or remedy of Lessor resulting from Lessee's default, Lessor may discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by giving security or in such other manner as is, or may be, prescribed by law. Lessee agrees to repay Lessor, on demand, all such sums disbursed or deposited by Lessor pursuant to the foregoing provisions of this subsection, including Lessor's costs, expenses with interest at the highest rate allowable by law, and reasonable attorneys' fees incurred by Lessor in connection

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therewith. The provisions of this paragraph shall survive termination, transfer, or expiration of this Lease.

b. Lessee may mortgage its Cabin and Improvements, so long as Lessee does not encumber in any way Lessor's real property or Lessee's interest in this Lease. In applying for any loan to finance the Cabin or Improvements allowed by this Lease, Lessee shall represent to the financing entity that the cabin site and this Lease may not be encumbered in any way.

32. Rules and Regulations. Lessee shall comply with the rules and regulations as reasonably issued by Lessor from time to time relating to Northwestern Lake cabins, and shall comply with such rules and regulations as though they were covenants of this Lease. The Lease hereby incorporates by reference such existing and future rules and regulations as reasonably issued by Lessor from time to time, including without limitation those described in the attached Appendix 1.

33. Waiver. Failure of Lessor to insist on strict performance of any provision or option hereunder shall not be deemed a waiver of such breach. No provision of this Lease shall have been deemed to be waived unless Lessor has made such waiver in writing.

34. Cooperation Among Lessees Encouraged. Lessor encourages lessees in close proximity to each other to prepare, for Lessor's written pre-approval, plans to maintain common driveways or develop for joint use facilities such as domestic water supply systems and sewage disposal systems, and to provide for garbage disposal.

35. Notices. Notice is considered given either: (i) when delivered in person to the recipient named below, or (ii) upon receipt when sent via express courier (such as Federal Express or UPS) or United States mail by either registered or certified mail, return receipt requested, postage prepaid, addressed by name and address to the party or person intended. All notices shall be given to the following, except that upon written notification, either party may designate a different individual or address for notices:

Lessee:

William Fleet
2630 N. Hayden Island Drive #2
Portland, OR 97217

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Lessor:(Address for payments is different; please see Section 7)

PacifiCorp
Attn: Property Management
825 N.E. Multnomah, Suite 1700
Portland, Oregon 97232

36. Mortgage Provision. This Lease is subject to any and all mortgages or deeds of trust executed by Lessor and now or hereafter of record in Skamania or Klickitat Counties, State of Washington.

37. Modification or Amendment. Lessee agrees that Lessor may change, modify or supplement the terms, conditions, covenants and limitations herein contained to conform to such additional or modified terms, provisions and conditions as Lessor is required by federal, state, county and local laws, ordinances, plans, regulations and policies to make generally applicable to all Lessees in the Project area, as needed by utility regulations, or as necessary for Project operation. Lessor shall use reasonable efforts to provide written notice where possible or practicable.

38. Severability. In the event any condition, covenant, or other provision herein contained is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Lease and shall in no way affect any other covenant or condition contained herein. If such condition, covenant, or other provisions shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

39. Titles and Captions. Section titles and captions to this Lease are for convenience only and shall not be deemed part of this Lease and in no way define, limit, augment, extend, or describe the scope, content, or intent of any part or subparts of this Lease.

40. Applicable Law. This Lease shall be construed in accordance with and governed by the laws of the State of Washington.

41. Binding Effect Upon Successors. This Lease shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, successors, legal representatives, and assigns; provided that this provision shall not be construed as permitting

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assignment or other transfer of rights or obligations except strictly in accordance with the provisions of this Lease.

42. Integration. This Lease constitutes the entire agreement between the parties pertaining to the subject matter hereof and shall, when executed by the parties hereto, supersede and replace any and all prior written agreements or correspondence, or verbal communications or agreements between said parties pertaining to Property, and the previous lease agreement, the effect being that this Lease replaces the previous lease in all respects.

43. Mediation. Except where Lessee is in default of the Lease for non-payment of rent, which shall continue to be governed by Section 23 of this Lease, either party may request the submission of any dispute, controversy or claim arising under, out of or relating to this Lease and any subsequent amendments of this Lease to mediation in accordance with RCW Chapter 7.07, the Uniform Mediation Act. Said mediation proceeding shall be limited to a total of sixteen (16) hours of the mediator's time and shall be concluded within seventy-five (75) days of submission, unless otherwise agreed to by both parties. Said mediation shall consist of an informal, non-binding conference or conferences between the parties and the mediator jointly, or separately, whereby the mediator will seek to guide the parties to a resolution of the case. Immediately upon successful resolution, the mediator shall document, and the parties shall sign, the same during the final mediation session. The parties may select any mutually acceptable Evaluative Mediator, but in the event the parties cannot agree on a mutually acceptable mediator, then the parties shall utilize the services of Six Rivers Community Mediation Services. The mediator shall fix a time for mediation to occur and shall notify the parties or their counsel, in writing, at least ten (10) days before the mediation of the time and place of the mediation. Should the mediation process result in a finding of no possible resolution by the mediator at the conclusion of the mediation, either party may proceed with action, suit, or proceeding at law or in equity, subject to Section 44 of this Lease. Each party shall bear the costs of its own legal counsel and in addition, shall pay one-half the cost of mediation.

44. Enforceability and Litigation Expenses. If any action, suit, or proceeding is brought by a party hereto with respect to a matter or matters covered by this Lease or if a party finds it necessary to retain an attorney to enforce its rights under this Lease, all costs and expenses of the

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prevailing party incident to such preceding or retention, including reasonable attorneys' fees, shall be paid by the non-prevailing party.

45. Authorization. Each individual executing this Lease represents and warrants that s/he has been duly authorized by appropriate action of the governing body of the party for which s/he signs to execute and deliver this Lease in the capacity and for the entity set forth where s/he signs and that as a result of this signature, this Lease shall be binding upon the party for which s/he signs.

46. Recordation and Disclosure. This Lease may be recorded on behalf of either party in the form of a memorandum of lease in substantially the same form as attached hereto and incorporated herein as Exhibit "F" (the "Memorandum of Lease"). The party that elects to record the Memorandum of Lease (the "Recording Party") shall provide the other party with a recorded copy of the Memorandum of Lease. In the event of an assignment or termination of this Lease, the Recording Party shall record an assignment or release of Memorandum of Lease and provide the other party with a recorded copy of the same.

47. Right of First Refusal. The parties hereto have negotiated a Right of First Refusal for the purchase of certain property. The Right of First Refusal is attached hereto as Exhibit "G".

48. Exhibits and Appendices. This Lease includes the following exhibits and appendices, all of which are attached hereto and incorporated herein by reference:

Exhibit "A"—the "Property"

Exhibit "B"—Northwestern Lake Cabin Site 42

Exhibit "C"—Rent Categories

Exhibit "D"—Rent abatement schedule for restricted use

Exhibit "E"—Driveways

Exhibit "F"—Memorandum of Lease

Exhibit "G"—Right of First Refusal

Appendix 1—Rules and regulations

Appendix 2—CPI Calculation Example

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EXECUTED in duplicate as of the last date below.

LESSOR

PacifiCorp, an Oregon corporation

By: 

Stuart Kelly
Managing Director Construction
and Support Services

Date: 6/17/10

LESSEE

William Fleet

By: 

William Fleet

Date: 3/12/2010

Unofficial Copy

PacifiCorp Customer #: 10003980

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EXHIBIT "A"**The Property**

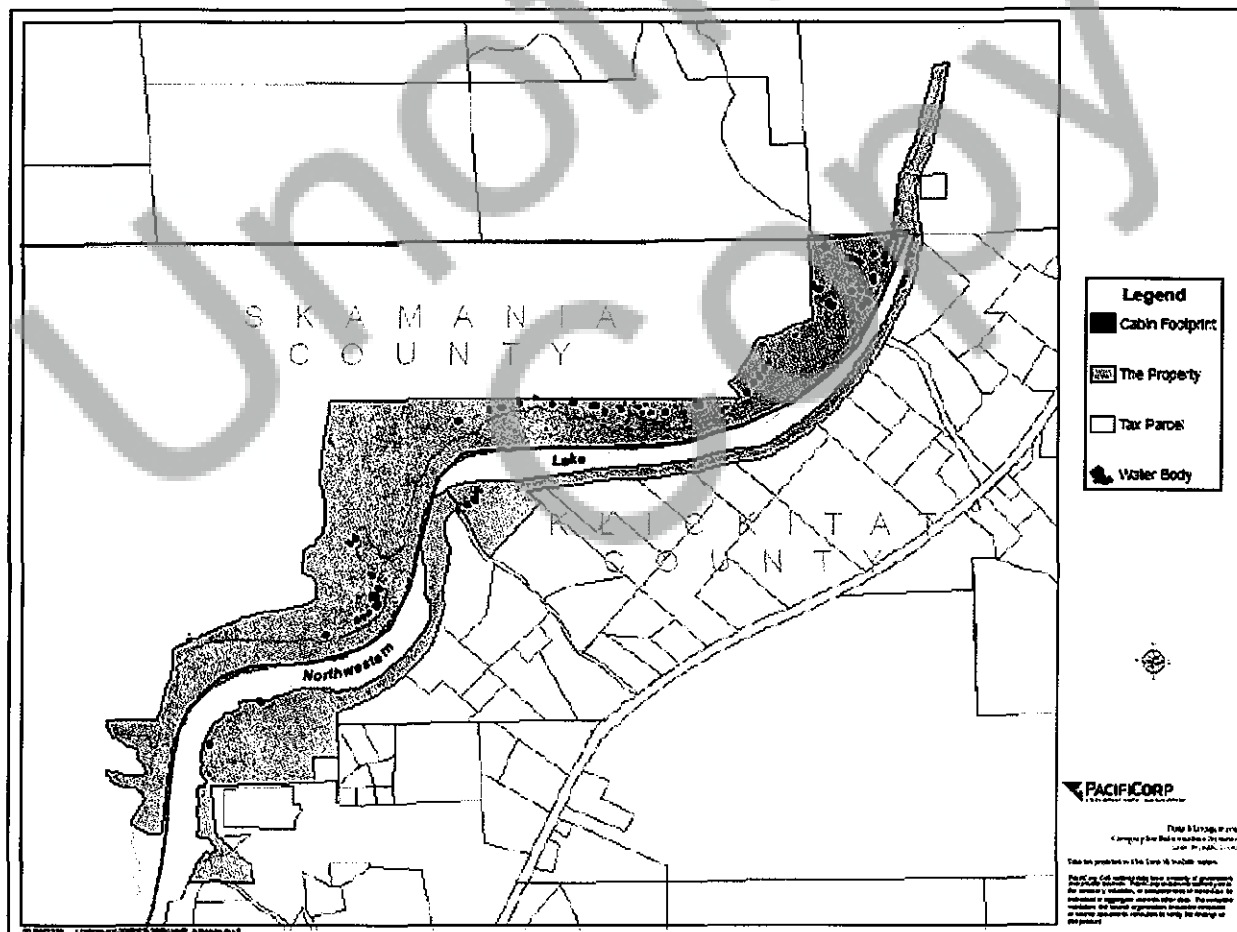
Page 1 of 1

A portion of the following tax lots:

Klickitat County Tax Lot 03100300000100
 Klickitat County Tax Lot 04103500009900
 Klickitat County Tax Lot 03100200100000

Skamania County Tax Lot 03100200040000
 Skamania County Tax Lot 03100300030006
 Skamania County Tax Lot 03100300030000

As generally depicted below:



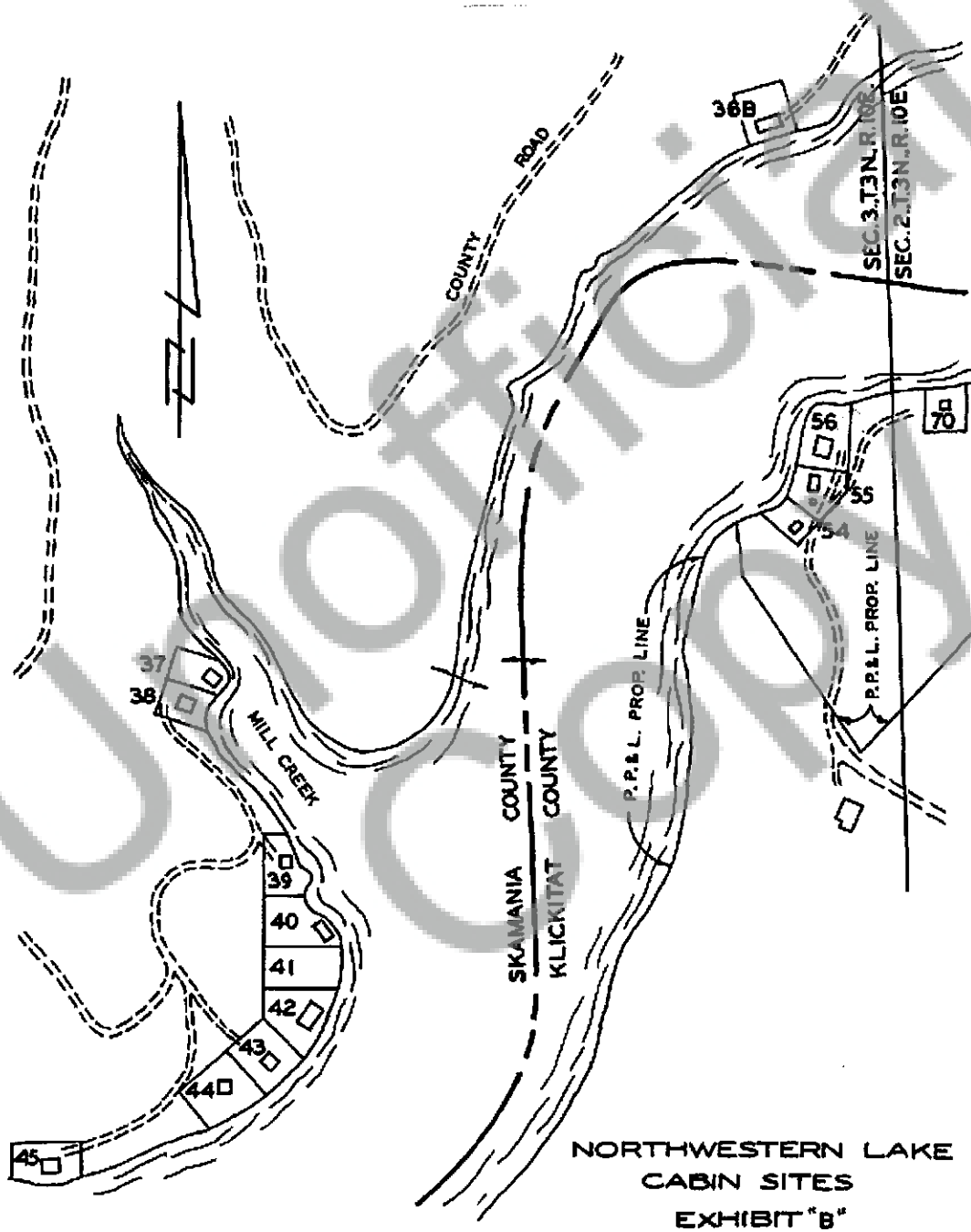
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EXHIBIT "B"

Northwestern Lake Cabin Site 42

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EXHIBIT "C"

Rent Categories

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Category

Cabin No.

A	2, 3, 4, 5, 6, 6A, 7, 8, 10, 11, 12, 17, 18, 19, 20, 21, 24, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 36B, 37, 38, 39, 40, 41, 42, 43, 44, 45, 54, 55, 56, 59, 60, 62, 66, 69
B	9, 9B, 9C, 9D, 9E
C	15, 15A

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EXHIBIT "D"

Rent Abatement Schedule for Restricted Use

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Restriction	Effective Period	Rent abatement percentage
Cabins are accessible, but access to lake is prohibited.	Day notice is effective until day able to re-access lake if, applicable.	25% from April 1 through September 30. No abatement any other time.
Normal vehicular access to cabin is restricted and pedestrian access to cabin exceeds 300 feet in distance and restriction exceeds four hours in duration. Applies only to dam related activities.	Day notice is effective until day restriction lifted.	15%
Heavy construction period prior to dam removal.	Effective starting with the work at the bridge, water line and dam area until heavy construction completed.	15%
Prohibited from accessing cabins.	Day notice effective until day able to re-access	100%
Normal non-restrictive work e.g. surveying, moving in heavy equipment	N/A	No reduction

All reductions are inclusive (e.g. a day that is partially restricted counts as a full day, except for four hour limit on normal access) and will be prorated on a daily basis on the following formula:
 $\text{Annual Rent} / 365 * \text{number of days restricted} * \text{rent abatement percentage}$.

As an example, if rent is \$6000 per year and the restriction is lake access prohibited for 10 days:

$6000 / 365 * 10 \text{ days} * 25\% = \$41.10 \text{ rent reduction.}$

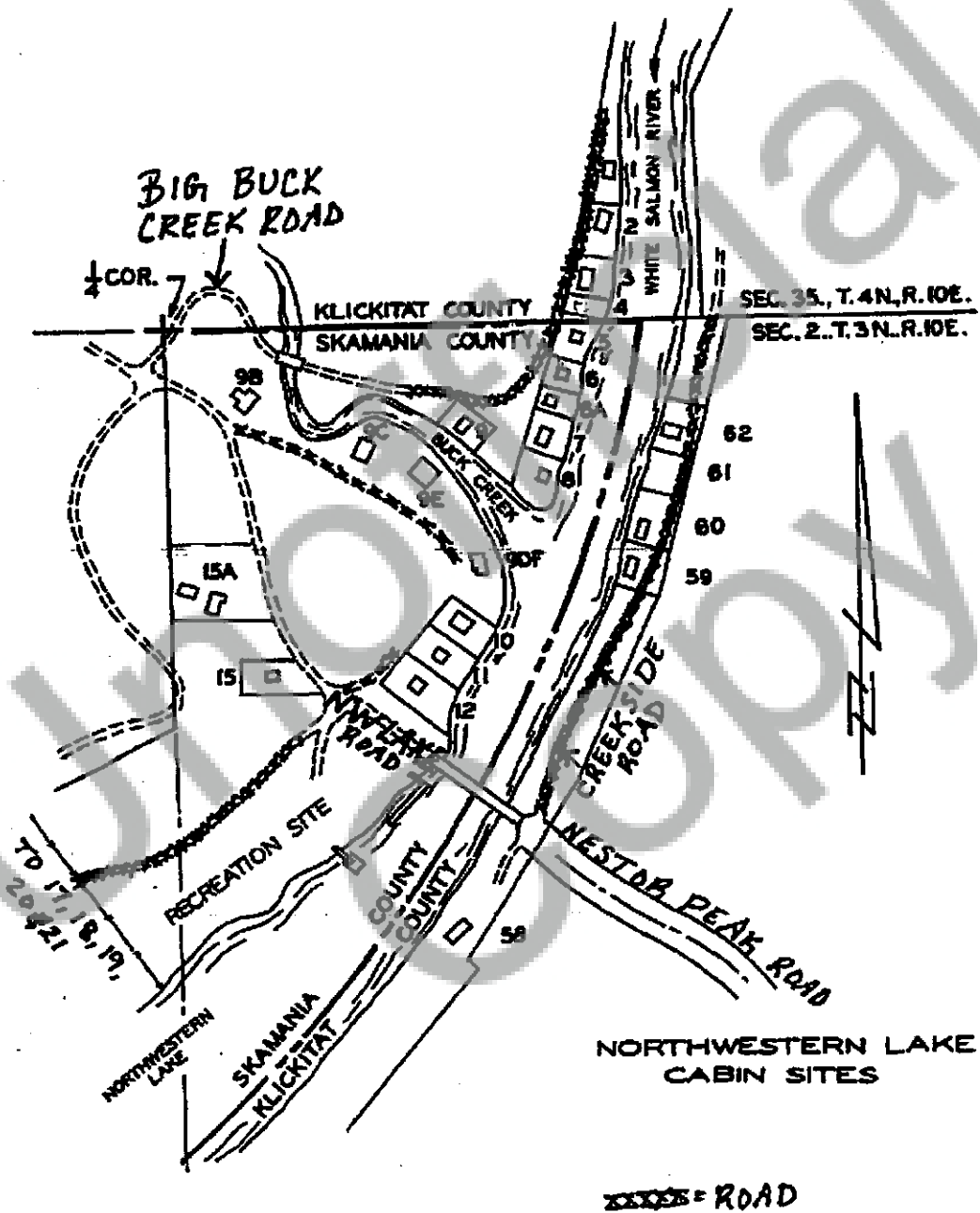
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EXHIBIT "E"

Roads

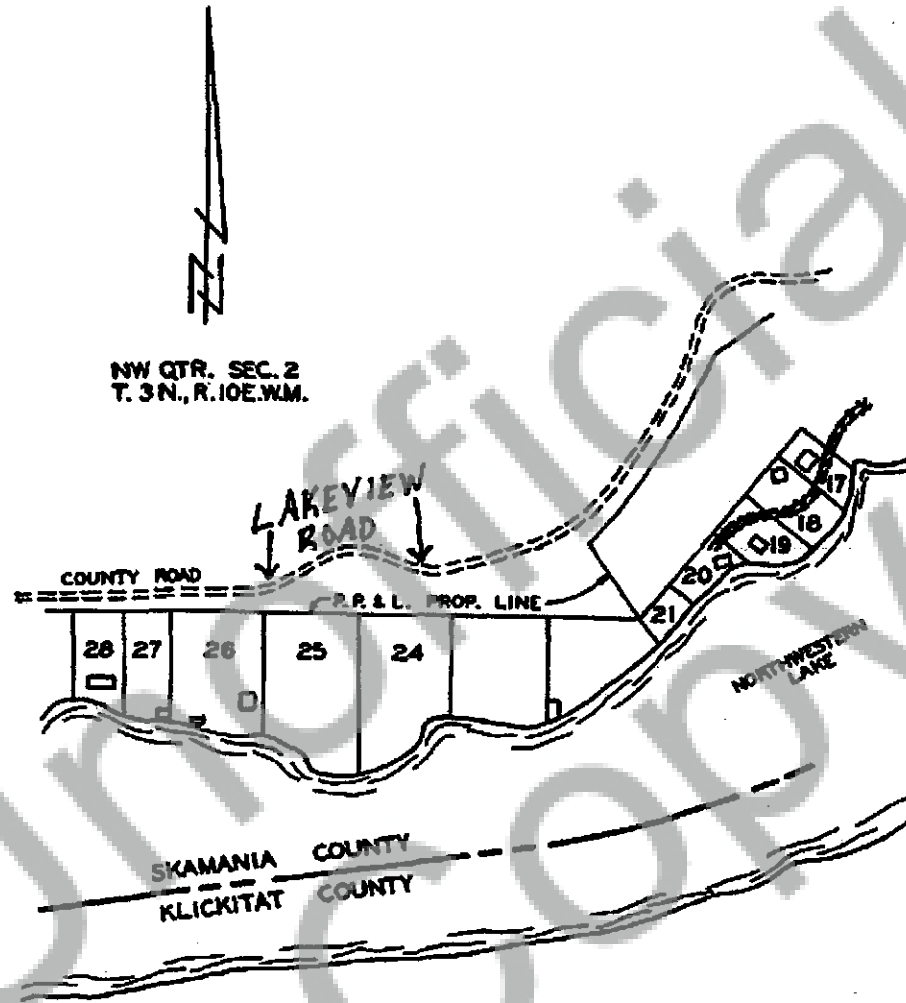
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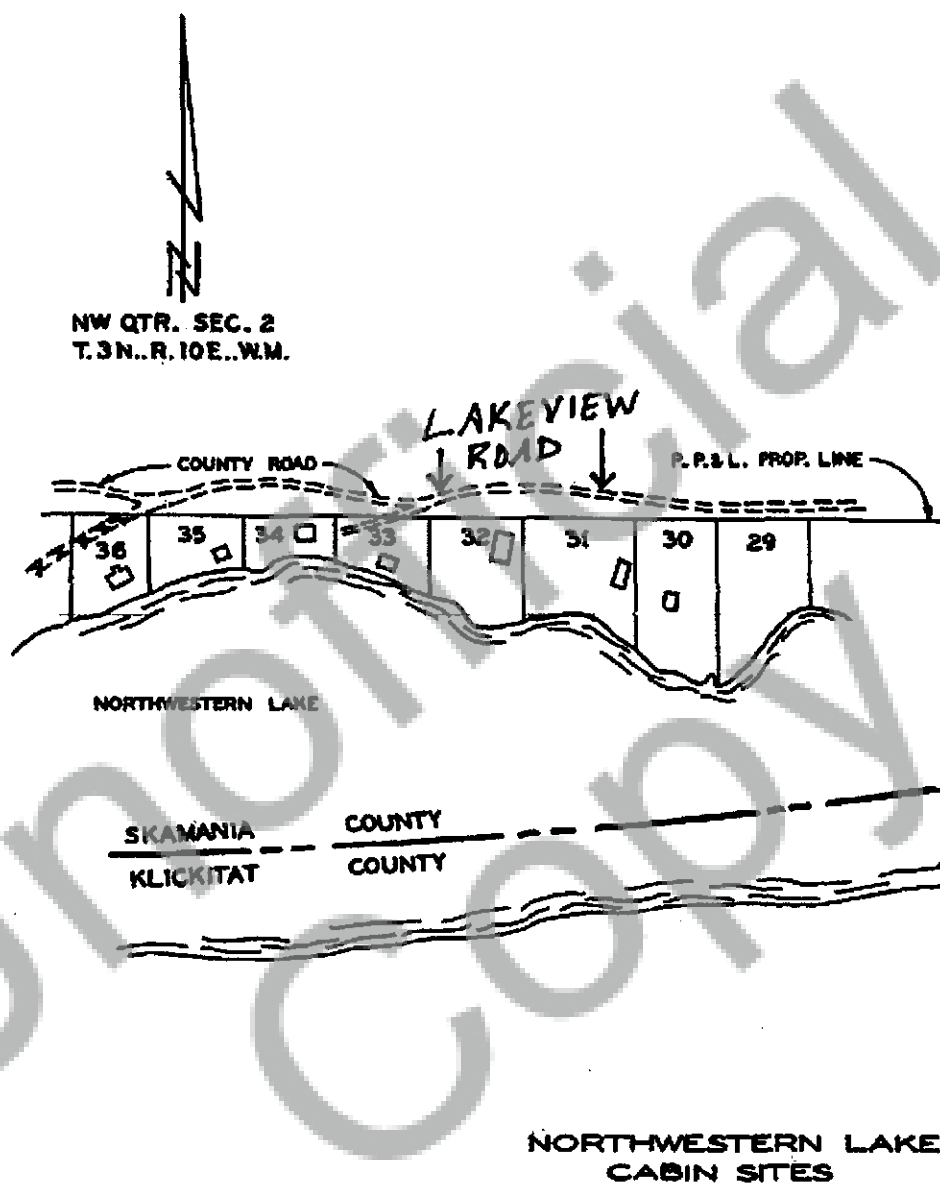


NORTHWESTERN LAKE
CABIN SITES

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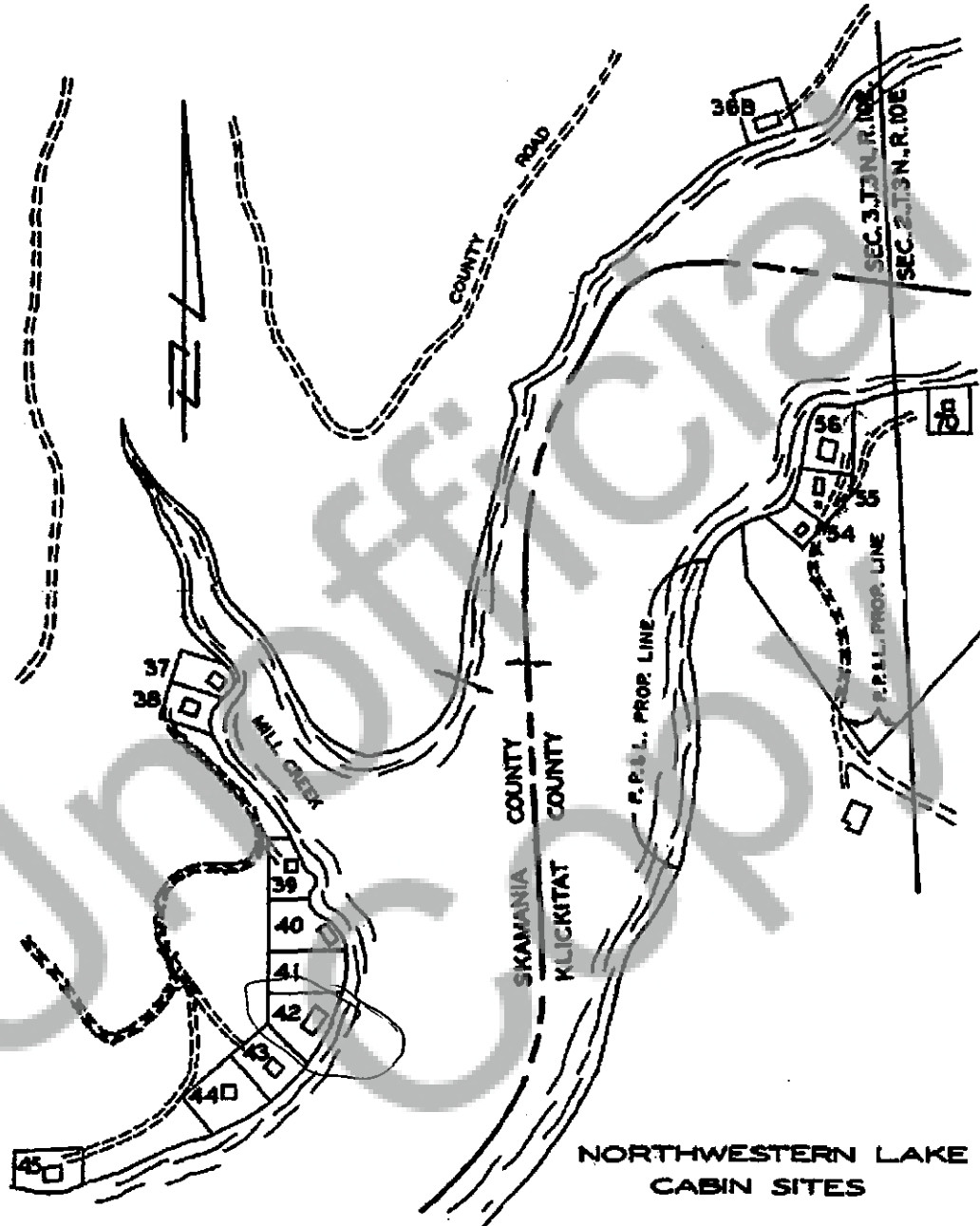
Page 3 of 5



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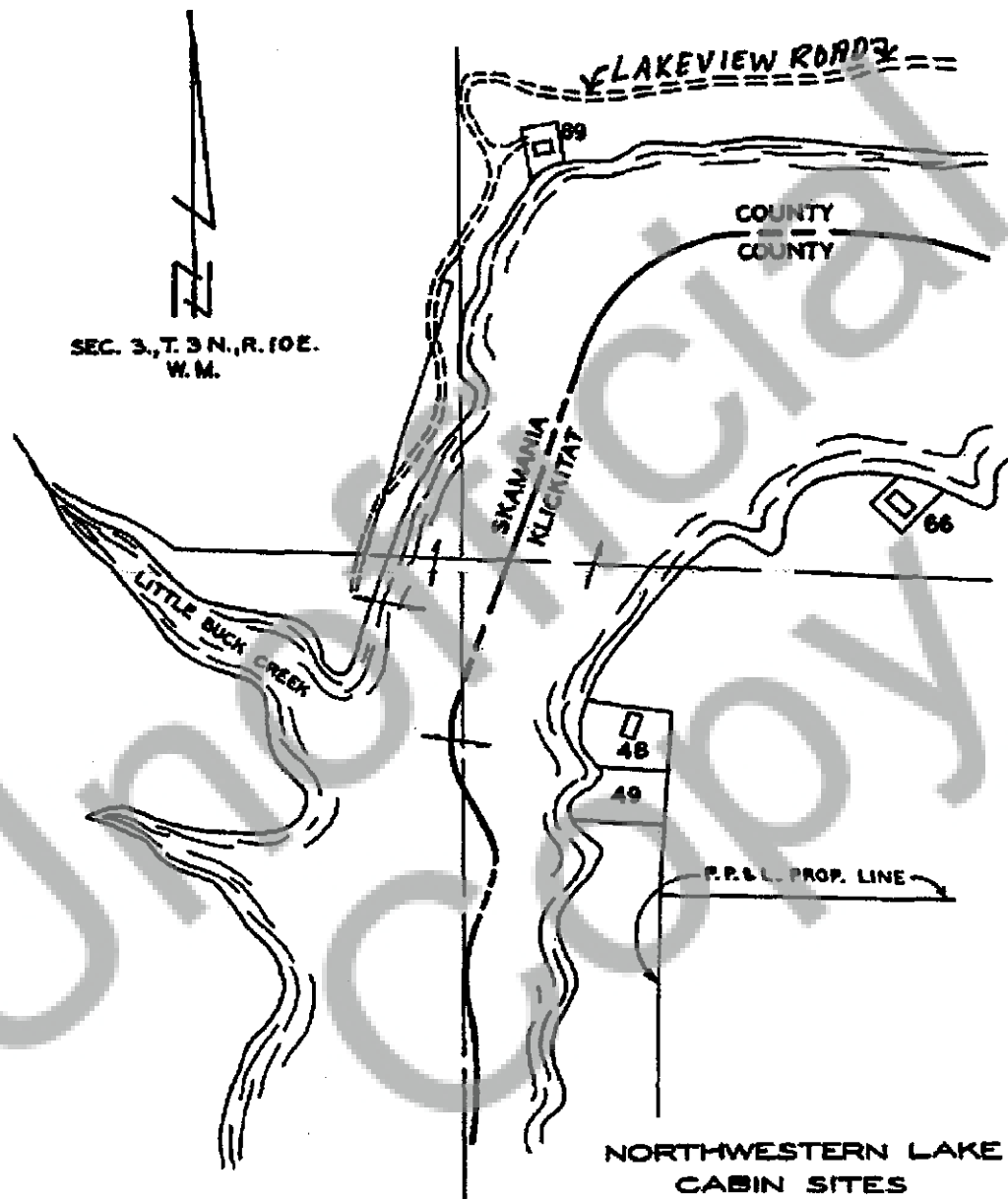
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EXHIBIT "F"

Memorandum of Lease

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After recording return to:
PacifiCorp—Prop. Mgmt
825 NE Multnomah, Suite 1700
Portland, OR 97232

Memorandum of Lease

This Memorandum of Lease is entered into by and between PACIFICORP, an Oregon corporation ("Lessor") and <<NAME>>, an individual, ("Lessee").

1. **DEMISE.** By a certain lease dated _____ (the "Lease") between Lessor and Lessee, Lessor has leased to Lessee, and Lessee has leased from Lessor, a cabin site ("Cabin Site") on Lessor's property (the "Property") in <SKAMANIA/KLICKITAT> County, Washington, described as follows:

Real property in the proximity of the White Salmon River and the Condit Dam (former or current) known as Northwestern Lake.

2. **TERM.** The term of the Lease is thirty (30) years commencing on January 1, 2010 and ending on December 31, 2039.
3. **ASSIGNMENT OF LEASE.** Lessee may transfer its personal property located on the on the Cabin Site and assign this Lease to a third party subject to Lessor's prior written approval.

IN WITNESS WHEREOF, this Memorandum of Lease is executed on the _____ day of _____, 2010.

PACIFICORP,
an Oregon corporation

<<NAME OF LESSEE>>
an individual

By: _____
Stuart Kelly
Managing Director Construction
and Support Services
Date: _____

By: William C. Hunt
<NAME>
Date: 3/12/2010

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STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

On this _____ day of _____, 2010 personally appeared before me Stuart Kelly, to me known to be the individual that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said PACIFICORP, for the uses and purposes therein mentioned and that she is authorized to execute said instrument.

Given under my hand and official seal this ____ day of _____, 2010.

Notary Public for Oregon

Residing at

My commission expires

STATE OF)
) ss.
COUNTY OF)

On this ____ day of _____, 2010 personally appeared <<NAME OF LESSEE>, to me known to be the individual that executed the foregoing instrument, and acknowledged said instrument to be his or her free and voluntary act and deed for the uses and purposes therein mentioned and that he is authorized to execute said instrument.

Given under my hand and official seal this _____ day of _____, 2010.

Notary Public for

Residing at

My commission expires _____

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EXHIBIT "G"**Right of First Refusal**

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RIGHT OF FIRST REFUSAL AGREEMENT

DATE: February 23, 2010 ("Effective Date")

PARTIES: PacifiCorp
d/b/a Pacific Power
825 NE Multnomah, Suite 1700
Portland, Oregon 97232 ("Owner")

Cabin Owners of Northwestern Lake Association ("Grantee")
PO Box 965
White Salmon, WA 98672

RECITALS

A. Owner is the owner of certain real property located in Skamania and Klickitat Counties, Washington, whereon are located certain recreational cabin sites (the "Cabin Sites") more particularly described in Exhibit A attached to and made a part of this Right of First Refusal Agreement (the "Agreement").

B. Owner also owns the Condit Hydroelectric project ("Project") on the White Salmon River in Skamania and Klickitat Counties, Washington, consisting of the Condit Dam and a reservoir known as Northwestern Lake, licensed by the Federal Energy Regulatory Commission ("FERC") as Project No. 2432. Owner has entered into a settlement agreement which is expected to result in the removal of the Project.

C. Grantee is an association of cabin owners organized under the laws of the State of Washington whose membership consists of leaseholders of recreational cabin sites located on Owner's property on Northwestern Lake, on which recreational cabins and associated improvements have been maintained and/or constructed by the leaseholders.

D. Grantee is interested in acquiring the property on which its members' cabins are located, but Owner is unwilling to sell at the present time.

F. Owner is willing to grant to Grantee the right of first refusal to purchase the property subject to the terms and conditions contained herein. Owner and Grantee desire to evidence their agreement regarding this right of first refusal.

AGREEMENT

For good and valuable consideration to Owner, the receipt and sufficiency of which is here acknowledged, Owner and Grantee agree as follows:

1. **Right of First Refusal.** Owner hereby grants to Grantee a right of first refusal with respect to the property as more particularly described as follows:

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A. When Owner receives from an arms-length third party (the "Third-Party Offeror") a bona fide offer which Owner reasonably believes the Third Party Offeror has the financial ability to purchase the Cabin Sites for cash or cash equivalent and Owner decides to sell the Cabin Sites under the terms of such offer, Owner shall give Grantee written notice (the "Notice") of the price, terms, and conditions of the offer and deliver a copy of the executed contract evidencing the offer (the "Offer") to Grantee; however Owner may redact the Third-Party Offeror's identity at that party's request.

B. When Grantee receives the Notice and a copy of the Offer, Grantee shall have the right to purchase the real property (or the portion of the property covered by the Offer, as the case may be) at the same price and on the same terms and conditions as are contained in the Offer, except: (1) the closing of the transaction contemplated by the Offer shall take place no earlier than 120 days after the date that Grantee elects to exercise the right of first refusal; and (2) Grantee may elect to receive a credit against in an amount equal to One Hundred Seventy-Seven Thousand Dollars (\$177,000.)

C. Grantee shall have 30 days from the date of the Notice to notify Owner in writing that Grantee elects to purchase the property pursuant to the terms of the Offer. If Grantee elects to exercise its right to purchase the property, then, Grantee also shall tender an amount equal to the earnest money deposit, if any, specified in the Offer within such 30-day period, which will be held and used in accordance with the terms of the Offer.

D. If Grantee fails to timely exercise its right to purchase the property pursuant to the terms of this Agreement, including failure of Grantee to provide the notice and deposit to Owner as described in Section 1.C., above, then Owner shall be entitled to sell the property according to the terms of the Offer to the Third-Party Offeror, subject to the terms of paragraph 1.E. below.

E. If Grantee fails to timely exercise its right to purchase the property pursuant to Section 1(C), and for any reason Owner does not sell or convey the property to the Third-Party Offeror on the terms contained in the Offer then Owner must submit any other offer to Grantee before selling the property, and such offers shall be subject to Grantee's right of first refusal under this Agreement.

F. Notwithstanding anything to the contrary contained herein, the right of first refusal granted hereunder shall not apply when Owner is obligated to sell the property or portions thereof in order to fulfill its obligations under settlement agreements entered into prior to the date of this Agreement or in order to satisfy regulatory, legal or statutory requirements.

2. **Term.** The term of this Right of First Refusal commences on the Effective Date of this Agreement and terminates on the earlier to occur of (1) the expiration of 30 years after the Effective Date, (2) the consummation of a sale of the property to a third party within the terms set forth in this Agreement; or (3) sale of the property or a portion thereof to Grantee. Grantee shall cooperate in providing Owner with any instruments that Owner may require for the purpose

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of removing from the public record any cloud on title to the property attributable in any manner to the grant or existence of this right of first refusal, pursuant to paragraph 8.

3. Excluded Transfers. The right of first refusal created by this Agreement shall not apply to any sale or conveyance of the property by Owner to any partnership, limited partnership, joint venture, corporation, or other entity in which Owner owns and controls at least a 50% ownership interest.

4. Notices. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed given and received five (5) days after deposit in the United States Mail, certified or registered form, postage prepaid, return receipt requested, addressed as follows:

To Owner:	PacifiCorp Attn: Property Management 825 NE Multnomah, Suite 1700 Portland, Oregon 97232
To Grantee:	Cabin Owners of Northwestern Lake Association PO Box 965 White Salmon, WA 98672

Notice given in any other manner shall be effective when it is received by the party for whom it is intended. Either party may change its address by giving ten (10) days' advance notice to the other party.

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the state of Washington.

6. Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their respective heirs, successors, and assigns. Grantee may freely assign its rights under this Agreement to a successor entity comprised of a majority of cabin owners.

7. Headings. The captions and headings used in this Agreement are for reference only and shall not be construed to define or limit the scope or content of this Agreement.

8. Recording. On request of Grantee, Owner agrees to join in executing a memorandum of this Agreement, to be filed for record in the Official Records of Skamania and Klickitat Counties, Washington, to give notice to the public of the rights of Grantee under this Agreement. Grantee shall pay the cost of recording the memorandum. The memorandum shall note the date that this Agreement expires and Grantee shall join in executing a termination agreement when this Agreement has expired or terminated, failing which, Owner may execute the termination agreement on behalf of Grantee.

9. Entire Agreement. This Agreement contains the final and entire understanding between Owner and Grantee with respect to its subject matter and is intended to be an integration

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of all prior negotiations and understandings. Owner and Grantee shall not be bound by any terms, conditions, statements, warranties, or representations not contained in this Agreement. No change or modification of this Agreement shall be valid unless it is in writing and is signed by both Owner and Grantee.

10. Waiver. A failure by Owner or Grantee to enforce any right under this Agreement shall not be deemed to be a waiver of that right or of any other right.

11. Attorney Fees. If litigation is instituted with respect to this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to all other sums and allowable costs, its reasonable attorney fees, both in preparation for and at trial and any appeal or review, such amount to be set by the court that hears the matter.

12. Counterparts; Pronouns. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall be effective when one or more counterparts have been signed and delivered by Owner and Grantee. With respect to any pronouns used herein, each gender used shall include the other gender and the singular and the plural, as the context may require.

13. Time Is of the Essence. Time is of the essence regarding this Agreement.

14. Authority to Execute. Each person executing this Agreement on behalf of Owner and Grantee, respectively, warrants his or her authority to do so.

15. Representations. Owner represents to Grantee that (1) Owner owns fee title to the Property; and (2) Owner has the authority to execute this Agreement, and executing it does not violate any agreement to which Owner is a party or any covenant by which the Property is bound.

Executed in duplicate as of the day and year first above written.

OWNER:

By: [Signature]
Name: Shawn Kelly
Title: Managing Director of Construction and Support Services

GRANTEE:

By: [Signature]
Name: ALAN GREENWOOD
Title: CHAIRMAN, CONCA

Attachments: Exhibit A—Cabin Sites

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**EXHIBIT A
CABIN SITES**

That portion of the following tax lots comprised of existing cabin sites, the landscape band for each site (a 30 foot band around the outer walls of each cabin) and access to each site from a public road.

Klickitat County Tax Lot 03100300000100
Klickitat County Tax Lot 04103500009900
Klickitat County Tax Lot 03100200100000

Skamania County Tax Lot 03100200040000
Skamania County Tax Lot 03100300030006
Skamania County Tax Lot 03100300030000

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APPENDIX 1
Rules and Regulations

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The following rules and regulations, as amended from time to time, are incorporated by reference in any Lease of any cabin site in the vicinity of Northwestern Lake, and are terms of the Lease. Lessor may change, amend, delete or add rules and regulations at anytime and such action will be immediately effective.

Building Limitations

1. The vertical dimension of any building on the Premises shall not exceed thirty five (35) feet, unless the natural tree canopy is lower than thirty (30) feet, in which case the vertical dimension shall not exceed thirty (30) feet. The horizontal dimensions of any buildings or structures on the Premises may not encroach upon wetland areas of the Reservoir or the White Salmon River or its tributaries.

Environmental, Health and Safety

1. At any time during the term of the Lease, if wastewater or sewage is escaping from the Premises, Lessee shall have no longer than fifteen (15) days to present an acceptable disposal plan to Lessor nor longer than thirty (30) days to complete repairs and improvements to prevent such discharge from the Premises, or such lesser time as governmental authorities require for compliance.
2. At any time during the term of the Lease, if Lessor becomes obligated to comply or agrees to comply with additional, or more restrictive, environmental, safety or health ordinances, laws, regulations or plans, Lessor shall promptly notify Lessee, and Lessee shall comply with said ordinances, laws, regulations or plans at Lessee's expense, within a reasonable time period thereafter. Nothing in this section shall excuse Lessee from compliance with ordinances, laws, regulations or plans when Lessee's compliance is required directly by an appropriate authority other than Lessor.
3. Lessee may not appropriate or develop any new domestic water supply, from ground or surface water, without first seeking approval from Lessor, which approval shall not be unreasonably withheld. Any such application shall be in the name of Lessor and shall be for domestic use only on the Premises. No water or water right may be distributed or transferred off Lessor land.
4. Lessee may not seek to amend or change a permit or certificate of water rights for domestic supply on the Premises during the term of this Lease without the prior written consent of Lessor.

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5. Only the Lessee, or, in the case of group water systems, the lessees, shall own and maintain facilities to develop and supply its domestic water supply for the Premises. Said facilities shall be included with Lessee's property offered for sale as described in the Lease. Whenever possible, Lessees are encouraged to purchase connections to existing domestic water supply systems.

Fires and Fire Protection.

1. Interior fireplaces, stoves or other type burners must be fireproofed by use of chimney spark arrester equipment and must comply with local and state fire safety codes. All fires must be extinguished before leaving the Premises.
2. One fully charged fire extinguisher of at least two (2) quart capacity must be kept on the Premises, and one (1) operational smoke detector shall be maintained on each floor of each residential building on the Premises.
3. No outside incineration shall be allowed on the Premises without prior written consent of the appropriate governmental authority and Lessor.

Miscellaneous Provisions.

1. Signs: One (1) identification sign, measuring not more than 12 inches x 24 inches, displaying the Lot Number, must be displayed on each cabin at a point nearest the main cabin entrance. The Lot Number shall be preceded by the word "Cabin," e.g., Cabin 1, Cabin 57A. Postal addresses, if displayed on the cabin, shall include the street name, e.g., 64 Lakeview Road, 28 Big Buck Creek Road.
2. No other signs of any kind, specifically including "No Trespassing" signs, shall be displayed to the public view on any site except one professional sign, of not more than 18 inches x 24 inches in size, advertising Lessee's personal property for sale.
3. Animals: No animals, livestock or poultry of any kind shall be raised, bred or kept on the Premises, except for household pets. Household pets shall not be allowed to become an annoyance or nuisance to the neighborhood or to damage the Native Growth Protection Area, and must be kept on leashes when outside the Premises.
4. Tents and Trailers: No tent, trailer, mobile home, whether on wheels or not, used for habitation on the Premises, shall be permitted on the Premises for more than seven (7) days without the written consent of Lessor. Recreational vehicles may not be used for residential purposes on the Premises.

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5. **Vehicles:** Motorized vehicles shall not be operated carelessly or in excess of ten (10) miles per hour, nor operated except on designated driveways and roads. No vehicles shall be parked in roadways, nor operated without a muffler in good working order. No ATV's, off-road vehicles, motorbikes or motorcycle riding of any nature shall be allowed except for ingress and egress to the Premises.
6. **Access:** Lessor does not guarantee vehicular access to the Premises. Lessor will maintain existing or new general access roads, but not driveways, according to standards determined by Lessor. Lessor will determine the location of and maintain access road gates. In some instances, access to the Premises may be limited to foot or boat. No roads, driveways or parking areas shall be built, improved, rerouted or changed without the prior written consent of Lessor.
7. **Gates and Fences:** Lessee shall not place gates or fences on the Premises without prior written consent of Lessor. Fences between cabins or along lot lines or elsewhere are not generally allowed and in most cases must be removed. Existing fences and gates, and requests for new fences, will be reviewed for possible Lessor approval on an individual cabin basis. Gates installed by Lessor are intended to prevent nuisance vehicular traffic, and are not intended as impediments to public access on foot for recreation purposes.
8. **Commercial Use:** No commercial use of the Premises is allowed without Lessor's prior written approval.
9. **Motor Boats:** Lessee shall not operate motorboats on the lake at speeds in excess of five (5) mph or in such a manner as to create a wake.
10. **Firearms and Fireworks:** Lessee shall not discharge firearms, firecrackers, rockets, or any other type of firework anywhere on the land owned by Lessor surrounding Northwestern Lake.
11. Lessee shall inform guests and invitees of these rules and regulations and shall require compliance therewith.

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APPENDIX 2

CPI Calculation Example

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Calculation Example. This example is for January 2010 in order to use published indexes. The parties acknowledge that the Rent for January 1, 2010 is determined under Section 7(b).

Comparison CPI (July 2009)	=	214.102
Less Base CPI (July 2008)	=	214.619
Equals index point change	=	-0.517
Divided by Base CPI (July 2008)	=	214.619
Equals	=	-0.0024
Result Multiplied by 100 equals % CPI change	=	-0.24%