

**After recording return to:**

Water Front Recreation, Inc.  
PO Box 7139  
Bend, OR 97708

**ASSIGNMENT, ASSUMPTION, CONSENT  
AND AMENDMENT OF LEASE**

**"ASSIGNOR"**

Phil S. Smith, Trustee and  
Debbie S. Smith, Trustee of the  
Smith Living Turst  
dtd 7/29/96  
24205 Wallace Road NW  
Salem, OR 97304

**REAL ESTATE EXCISE TAX**

NA

MAY 17 2011

Refer to Excise #29071

PAID

dtd 5-17-11

*Audrey Palmeri Deputy*  
SKAMANIA COUNTY TREASURER

**"ASSIGNEE"**

Debbie S. Smith  
24205 Wallace Road NW  
Salem, OR 97304

**"WATER FRONT"**

WATER FRONT RECREATION, INC.,  
a Washington Corporation  
P.O. Box 7139  
Bend, OR 97708-7139

**DATED:**

March 7, 2011

In consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor, Assignee, and Water Front hereby agree as follows:

1. Assignor hereby assigns to Assignee all right, title and interest Assignor has in and to:
- 1.1 Those certain premises described as follows:

**Cabin Site #32** of the Northwood's being part of Government Lots 4 and 8, Section 26, Township 7 N, Range 6 E Willamette Meridian, Skamania County, Washington.

Parcel #96-000032000000

1.2 And under that certain Cabin Site Lease from Water Front to Leland W. & Winnifred Irwin, dated September 1,, 1976, and subsequently assigned by mesne assignment to Assignor, a copy of which Cabin Site Lease is attached hereto marked Exhibit A, and incorporated herein by reference.

2. Assignee hereby accepts this Assignment and hereby assumes and agrees to perform all obligations of the Lessee under the Cabin Site Lease, as affected, if at all, by the Settlement Agreement of May 24, 1984, including, without limitation, payment of all rent required by the provisions thereof.

3. Water Front hereby consents to the foregoing Assignment and Assumption.  
IN WITNESS WHEREOF, the parties hereto have executed this Assignment, Assumption, and Consent in triplicate as of the date first herein above written.

ASSIGNOR:



Phil S. Smith, Trustee of the  
Smith Living Trust, dtd 7/29/96

ASSIGNEE:



Debbie Smith



Debbie S. Smith, Trustee of the  
Smith Living Trust, dtd 7/29/96

WATER FRONT RECREATION, INC.

By: Leslie Russell

Corporate Acknowledgment

State of Oregon )

County of Deschutes)

On this the 18 day of April, 2011, before me,

Heather Gross, the undersigned Notary Public, personally  
Name of Notary Public

Appeared Leslie Russell,  
Name(s) of Signer(s)

☐ Personally known to me - OR-

☒ Proved to me on the basis of satisfactory evidence to be the person(s) who executed the within  
instrument as President on behalf of the corporation therein  
Corporate Title(s) of Signers(s)

Named, and acknowledged to me that the corporation executed it. Witness my hand and official  
seal.



Heather Gross  
Signature of Notary Public

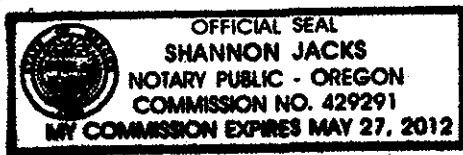
STATE OF Oregon

)ss:

County of Yamhill

This instrument was acknowledged before me on March 18<sup>th</sup>, 2011,  
by Phil S. Smith

Phil S. Smith, Trustee



Shannon Jacks  
Notary Public for State of Oregon  
My Commission Expires May 27, 2012

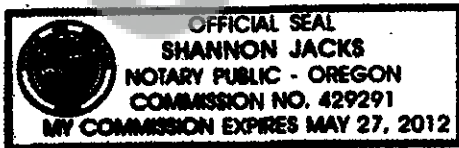
STATE OF Oregon

)ss:

County of Yamhill

This instrument was acknowledged before me on March 18<sup>th</sup>, 2011,  
by Debbie S. Smith

Debbie S. Smith, Trustee



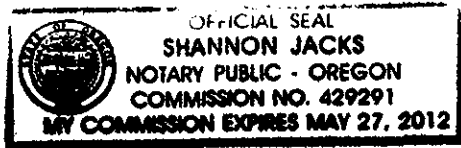
Shannon Jacks  
Notary Public for State of Oregon  
My Commission Expires May 27<sup>th</sup> 2012

STATE OF Oregon

County of Yamhill )ss:

This instrument was acknowledged before me on March 18<sup>th</sup>, 2011,  
by Debbie S. Smith

Debbie S. Smith



Shannon Jacks  
Notary Public for State of Oregon  
My Commission Expires May 27, 2012

102041

BOOK 103 PAGE 20

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES  
BRIAN J. BOYLE, Commissioner of Public Lands  
Olympia, Washington 98504

Lease No. 58985

THIS RESTATED LEASE supersedes the original Lease No. 58985, dated August 11, 1970 and all subsequent amendments thereto (dated February 10, 1972; September 17, 1975; and August 30, 1977) and is entered into pursuant to the terms of the North Woods Settlement Agreement dated May 24, 1984. The STATE OF WASHINGTON, acting by and through the Department of Natural Resources, (hereinafter called the State) and WATER FRONT RECREATION, INC., a Washington Corporation, (hereinafter called the Lessee). The State leases to the Lessee the following described school land in Skamania County, Washington, on the terms and conditions stated herein, to wit:

Government Lots 4 and 8, Section 26, Township 7 North, Range 6 East, W.M., having an area of 88.40 acres, more or less.

Subject, however, to an easement for right of way for access road acquired by the United States of America, United States Forest Service.

## SECTION 1 OCCUPANCY

1.01 Term. This lease originally commenced on June 1, 1970 and shall extend to May 31, 2069.

1.02 Renewal. The Lessee shall have the right to the extent provided by law, to apply for a re-lease of the site.

## SECTION 2 USE OF SITE

2.01 Permitted Use. The site shall only be used for the purposes stated in the Lessee's bid, unless the Lessee first obtains written permission from the State to amend the development plan to use the site for other purposes.

## SECTION 3 RENTAL

3.01 Rental. The Lessee shall pay to the State at the Department of Natural Resources, Olympia, Washington 98504 annually in advance \$15,680.00 commencing September 15, 1985. The State acknowledges that Lessee has paid all rents due for the use of the premises until September 15, 1985 except for those sums which may be calculated or become due pursuant to Sections 3.3 and 21 of the North Woods Settlement Agreement (dated May 24, 1984).

3.015 Annual Rental Adjustment. The State agrees not to charge rent otherwise due under Sections 3.01, 3.02, and 3.03 for the time overnight use of the property is denied by government action based upon another actual or potential eruption of Mount St. Helens (after May 18, 1982) when such overnight use is prevented for at least thirty (30) consecutive days. Any such rental reduction shall be calculated on a prorated basis (i.e.: number of days access denied divided by 365).

FILED FOR RECORD  
BY WILLIAM J. STUBBS

OCT 22 2 24 PM '85  
GARY H. HAN

REAL ESTATE EXCISE TAX  
OCT 22 1986

PAID 111  
SKAMANIA COUNTY TREASURER

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BOOK 103 PAGE 21

**3.02 Reappraisal.** On June 1, 1980, and at intervals of not less than ten years thereafter for the period of June 1, 1980 to June 1, 2024, a new annual rental will be established. The new rental will be the Fair Market Rental Value of the leased land, exclusive of the Lessee's improvements, as determined by the State's appraiser. In determining Fair Market Rental Value the appraiser will consider any tax benefits afforded the land and improvements accruing to the Lessee by reason of leasing State land in comparison to leasing privately owned land, and adjust the rental to eliminate any tax advantage. The land shall be appraised within six months of a rental adjustment period, provided that in the event such reappraisals should be cause for an increase in the annual rental, such increase shall not be greater than 40% of the annual rental as established for the preceding ten year rental period. However, in no event will the adjusted annual rental be less than \$11,200.00.

The annual rental payable in advance September 15, 2025 and each succeeding year thereafter to the end of the lease term under Section 3.01 shall be based upon the full Fair Market Rental Value of the leased land, exclusive of any improvement of the Lessee or Sub-lessees. Such full Fair Market Rental Value shall be determined by the State's appraiser and shall be binding unless disputed by the Lessee. The annual rental shall be adjusted as of June 1, 2025 and at five year intervals thereafter. There shall be no limitation (40% or otherwise) upon any increase or decrease in rent needed to achieve full Fair Market Rental Value of the leased lands as compared to any prior annual rental.

In the event that agreement cannot be reached between the State and the Lessee on the Fair Market Rental Value of the land, such valuation shall be submitted to arbitration. The arbitration shall be as follows: One arbitrator to be selected by the Lessee and his expenses shall be borne by the Lessee; one arbitrator selected by the State and his expenses shall be borne by the State; these arbitrators so selected shall mutually select a third arbitrator and his expenses shall be shared equally by the Lessee and the State. The majority decision of these arbitrators shall be binding on both parties. Provided that in the event of arbitration, the Lessee shall pay, in advance, the amount established for the preceding year's rental; and, if additional rental is required as a result of arbitration, such money shall be due and payable within ten days after arbitration. If a refund should be due, it shall be returned by the State within ten days after arbitration.

**3.03 Percentage Rental From Subleases.** In addition to the annual rental, the Lessee will pay to the State as additional rental an amount equal to 10% of the gross receipts from subleases and 5% of the gross receipts from concessions. Any increase in a sublease rental which results from the reappraisal provided herein, as noted in Section 3.02, will not be considered in determining the additional rental based on the 10% of gross receipts from the sublease.

**3.04 Definition of Gross Receipts From Concession.** "Gross receipts" shall mean the amount paid or payable for all goods, wares, merchandise, personal property, and services by the Lessee or others, including credit transactions. Where goods, wares, merchandise, personal property, and services are exchanged or bartered, gross receipts shall mean the reasonable value thereof. Sales or services rendered by the Lessee or others directly or indirectly from any other premises because of orders originating in or arising out of business transacted on the leased premises are included. Amounts not collected on credit sales are included. State business and occupation taxes on any activity or business operated on the premises and State sales taxes are excluded. Notwithstanding the foregoing, gross receipts exclude, among other things, profits, commissions and rents on the building, sale or leasing of cabins.

**3.05 Yearly Payments.** Payments of percentage rent shall commence on September 15, 1978 and be made annually thereafter (except for percentage rents for prior periods calculated pursuant to Section 5.3 of the North Woods Settlement Agreement dated May 24, 1984). Delinquent percentage rental shall draw interest at the rate of 12 per month. Payment shall be made to the State at the Department of Natural Resources, Olympia, Washington 98504.

BOOK 103 PAGE 22

**3.06 Records.** The Lessee shall install and maintain at a location reasonably accessible to the State an accounting system wherein appear clear, complete, and detailed records of all business of every kind and character affecting gross receipts, whether by the Lessee or others. The State shall at all reasonable times have access to any and all of the Lessee's books, records, files and State and Federal tax and contribution returns of all kinds for the purpose of examining and copying them. Examination and copying shall only be utilized for the purpose of determining whether or not the Lessee has performed this lease in all respects. In order to assure accurate percentage payments that are based on concession receipts, Lessee shall provide:

1. Quarterly, a copy of the Stores, State Department of Revenue Combined Excise Tax Return - Form REV. 40-2406 (6-76).
2. Available for immediate audit:
  - A. Daily Cash Register and/or receipt book records to confirm gross revenue
  - B. Federal Income Tax returns
  - C. Sales Tax Statements
  - D. S & O Tax Statements

**3.07 Reports.** The Lessee shall render yearly reports of gross receipts at the time yearly payments of percentage rent are due. The reports shall show in reasonable detail as the State shall specify, the amount of gross receipts during the preceding year.

**3.08 Audits.** The Lessee shall provide once each year, without expense to the State, an audit report certified by an accountant satisfactory to the State showing sales and other income credits affecting gross receipts and components thereof.

#### SECTION 4 RESERVATIONS

**4.01 Compliance.** The State shall have access to the site at all reasonable times for the purpose of securing compliance with the terms and conditions of this lease.

**4.02 Access.** The State reserves the right to grant easements and other land uses on the site to itself and others when the easement or other land uses applied for will not unduly interfere with the use to which the Lessee is putting the site or interfere unduly with the plan of development for the site. No easement or other land uses shall be granted until damages to the leasehold shall first have been ascertained by the State and paid to the Lessee by the applicant for the easement or other land use.

**4.03 Restrictions on Use.** In connection with use of the site the Lessee shall:

- (1) Conform to all public authority concerning planning, zoning and other requirements which may affect the leased site in the same manner as if the land was leased from a private owner;
- (2) Cut no State timber or remove State-owned valuable material without prior written consent of the State. The Lessee must pay to the State the Fair Market Value of the timber or valuable material, as determined by the State, before cutting timber or removal authorization is granted;
- (3) Take all reasonable precautions to protect the land and improvements on the leased site from fire, make every reasonable effort to report and suppress such fires as may affect the leased site, and shall be subject to applicable fire laws affecting the leased site;
- (4) Not allow debris or refuse to accumulate on the leased site.



BOOK 103 PAGE 23

## SECTION 5 REQUIREMENTS

**5.01 Assignment and Sublease.** This lease or any portion thereof may not be assigned nor may the lands held hereunder be sublet without the written consent of the State, except as specified in the original or amended plan of development.

**5.02 Duty.** The Lessee, at his sole cost and expense, shall at all times keep or cause all improvements, including landscaping, installed pursuant to this lease (regardless of ownership) to be kept in as good condition and repair as originally constructed or as hereafter put, except for reasonable wear and tear. The State, or any authorized agency shall have the legal right to inspect the premises and improvements thereon. The Lessee shall carry, or he shall require his Sub-lessees to carry by a responsible company or companies satisfactory to the State, a sufficient amount of fire and casualty insurance to cover the replacement cost of any or all improvements that may be damaged by fire or other casualty. Such insurance policy or policies, excepting those for single-family residential subleases, are to be endorsed and delivered to the State with provisions for thirty (30) days notice of cancellation to the State. Such insurance policies for single-family residential subleases shall be carried by responsible companies satisfactory to the State. The policies shall be endorsed and delivered to Lessee with provisions for thirty (30) days notice of cancellation.

The Lessee shall supply evidence satisfactory to the State of insurance on single-family residential subleases. Once the initial evidence has been delivered to the State, the Lessee is not required to supply evidence of insurance on an annual basis, provided, however, the State reserves the right to call for proof of satisfactory insurance at any time. In the event of fire or casualty damage to any or all of the improvements, the paid insurance benefits shall be used to immediately replace said improvements in a manner subject to reasonable approval by the State, or at the option of the Lessee, the proceeds from such insurance may be paid to the State in lieu of replacing said improvements.

**5.03 Condition of Site and Liability.** The site has been inspected by the Lessee and is accepted in its present condition. The Lessee agrees to defend and hold the State harmless from any and all claims suffered or alleged to be suffered on the site or arising out of operations on the site. Prior to starting developmental work on the site, the Lessee shall procure and thereafter, during the term of the lease, shall continue to carry public liability and property damage insurance, with a financially responsible company, in the amount of not less than \$500,000.00 for injury to one person, \$1,000,000.00 for injury to two or more persons, and \$100,000.00 for damage to property. The amount of insurance required may hereafter be increased or decreased, at the option of the State, at the time the rental is reappraised pursuant to Section 3.02. Certificates evidencing such insurance and bearing endorsements requiring thirty (30) days' written notice to the State prior to any change or cancellation shall be furnished to the State before the Lessee commences any developmental work on the site.

**5.04 Liquidated Damages.** The Lessee hereby agrees that liquidated damages equal to the annual rental then in effect shall be paid to the State should the Lessee fail to complete the plan of development or should Lessee default on the rental payment or elect to forfeit his rights under this lease. A surety bond equal to the amount of required liquidated damages must be supplied to the State within thirty days after the lease is executed and remain in force until the expiration of the lease or such time as the State shall release, in writing, the Lessee from this obligation. Said bond to be supplemented according to any rental adjustment within 30 days of such adjustment.

**5.05 Improvement Bond.** Before commencement of construction by Lessee of any improvement costing in excess of \$2,500.00 on the leased site, Lessee agrees to provide security which will guarantee completion of the improvement, and payment in full of claims of all persons for work performed in or materials furnished for construction. Lessee may provide said security by either:

A. Posting a surety bond in an amount equal to the cost of each improvement, said bond to be deposited with the State and to remain in effect until the improvement is satisfactorily completed. Said bond shall be conditioned upon the faithful performance of Lessee, and give all claimants the right of action to recover upon said bond in any suit brought to foreclose mechanic's or materialmen's liens against the site;

B. Any other method first approved in writing by the State.

BOOK 103 PAGE 24

**5.06 Assessments.** The Lessee shall pay the annual payments on all assessments and taxes that are legally charged now or may be charged in the future to the State land or the improvements thereon.

**5.07 Default.** If any rent shall be and remain unpaid when the same shall become due, or if Lessee shall violate or default in any of the covenants and agreements herein contained, then the State may cancel this lease, provided the Lessee has been notified of the rental due, the violation or the default, 60 days prior to said cancellation and said violation, default or nonpayment has not been cured by Lessee within 60 days.

**5.08 Insolvency of Lessee.** If the Lessee becomes insolvent, the State may cancel, at its option, the lease unless the lease has been used as collateral with the State's consent. If the Lessee should default in payment to the lending agency, the State upon request by the lender shall assign the lease to the lending agency who may, thereafter, either operate the leased site or, with the approval of the State, assign the lease.

**5.09 Status of Subleases.** Termination of this lease, by cancellation or otherwise, prior to the lease termination date, shall not serve to cancel approved subleases, nor derogate from the rights of the lesseholders of record, but shall operate as an assignment to the State of any and all such subleases, together with the unrestricted right of the State to receive all sublease payments therein provided for from the date of said assignment. Upon termination of this lease, by cancellation or otherwise, prior to the termination date of said lease, the Lessee shall have no claim to sublease payments and/or sublease improvement values herein contained.

#### SECTION 6 MISCELLANEOUS

**6.01 No Partnership.** The State is not a partner nor a joint venturer with the Lessee in connection with business carried on under this lease and shall have no obligation with respect to the Lessee's debts or other liabilities.

**6.02 Warranty.** The State warrants that it is the owner of the leased site and has the right to lease it free of all encumbrances except those set out under the description of the leased premises.

**6.03 Non-Waiver.** Waiver by either party of strict performance of any provisions of this lease shall not be a waiver of nor prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

**6.04 Attorney Fees.** If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover costs including such sum as the court may adjudge reasonable as attorney fees.

**6.05 Succession.** Subject to the limitations as stated in Sections 5 - 5.01 and 5 - 5.08, on transfer of the Lessee's interest, this lease shall be binding upon and inure to the parties, their respective successors and assigns.

**6.06 Notices.** Any notice required or permitted under this lease shall be given when actually deposited in the United States mail as certified mail addressed as follows: To the State: Department of Natural Resources, Olympia, Washington 98504. To the Lessee: At the address given by the Lessee in the signature block or as specified in writing by the Lessee.

**6.07 State's Right to Cure Defaults.** If the Lessee is in default by failure to perform any covenant(s) of this lease, the State shall have the option to correct the default or cancel the lease after sixty (60) days' written notice to the Lessee. All of the State's expenditure to correct the default shall be reimbursed by the Lessee on demand with interest at the rate of 8 1/2 per annum from the date of expenditure by the State. The written notice shall have no effect if the Lessee cures the default specified in the notice during the 60 day period. Provided that, if the default is injurious to the public health or safety, the State may, in the absence of an indicated attempt by the Lessee to cure the default, immediately enter upon the site and cure said default. Any expense so incurred by the State shall be charged against the Lessee and be payable by the Lessee within 30 days after the receipt of the billings for said expense.

BOOK 103 PAGE 25

**6.08 Lease Recording.** Within 30 days after receipt of this lease, a notification of leasing is to be recorded by the Lessee with the Skamania County Auditor's office located in Stevenson, Washington.

**6.09 Reservoir Level.** The Lessee or Sublessee, if any, acknowledge by signing this lease that Pacific Power and Light Company has the right to fluctuate the waters of Swift Reservoir at any time within the provisions of Federal Power Commission License No. 2111. The Lessee or Sublessee, if any, shall waive all claims of damage and shall indemnify Pacific Power and Light Company, the State or their successors, if any, against any claim of damage arising from recreational use of the reservoir or shoreline or floating facilities.

#### SECTION 7 OPERATION OF SITE

**7.01 Operational Uses and Responsibilities.** In conjunction with the operation of the site, the following uses shall be allowed:

(1) Subleasing of buildings and/or facilities located on the site as indicated in original or amended plan of development;

(2) Construction, improvements, operation, repair, etc., made or performed under the lease shall be at the sole cost of the Lessee or Sublessee. The Lessee or his Sublessee shall furnish all utilities and shall obtain all Federal, State and local permits and licenses necessary to perform the terms, conditions and covenants of this lease.

#### SECTION 8 IMPROVEMENTS

**8.01 Unauthorized Improvements.** All improvements not included in the original or amended plan of development made on or to the site without the written consent of the State shall immediately become the property of the State.

**8.02 Severance of Improvements not on State Land.** If any of the Lessee's improvements utilize, in addition to State land, lands adjoining State land but not owned by the State, the State shall have at the expiration, termination, or the surrender of the leasehold to enter upon the adjoining land to physically sever at the boundary, without liability for damage as result thereof, the improvements; thereafter, to use the severed improvements remaining on State land for any purpose.

**8.03 Ownership of Improvements.** All buildings and improvements, excluding removable personal property and trade fixtures on the lease site will remain on said site after termination or expiration of this lease or any renewal thereof and shall thereupon become the property of the State; except as provided in 8.04, provided, however, that as a condition of any re-leasing of the subject property to any other party made during the three year period following the expiration of this lease or any renewal thereof, the State shall require the subsequent Lessee to purchase the Lessee's interest in the improvements as allowed by law, and provided further that the written consent of the State is required for those Lessee owned improvements having an individual value in excess of \$10,000.00 and placed on or to the site after January 1, 1990. Such consent may provide that the improvements shall become the property of the State on a specific date following the expiration of this lease. At the expiration of this lease or any renewal thereof the State shall make a reasonable effort to re-lease the site.

BOOK 103 PAGE 26

**8.04 Ownership of Sublessee Improvements.** All buildings and improvements, excluding removable personal property and trade fixtures on the leased site erected by Sublessees will remain on said site after expiration of this lease or termination prior to the term of this lease of any sublease held by the State under the provisions of Section 5.09; provided, however, upon the expiration of the lease, if the State is unsuccessful in re-leasing the leased site as a unit, then each Sublessee shall have a preferential right as allowed by law to re-lease from the State its subleased area; provided, further, upon the termination or expiration of this lease or a sublease assigned under Section 5.09 that as a condition of any re-lease of the leased site or subleased site to any other party made during the three year period following the State shall require the subsequent Lessee to purchase the Sublessee's interest in the improvements as allowed by law. Expiration, as used in this paragraph, shall mean the expiration of the lease as of May 31, 2069.

The Lessee expressly agrees to all covenants herein and binds himself for the payment of the rental hereinbefore specified.

Signed this 26th day of February, 19 86.

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

[Signature]  
Commissioner of Public Lands

Signed this 3rd day of February, 19 86.

WATER FRONT RECREATION, INC.

By [Signature]  
Robert T. Curry, President Title

By [Signature]  
Secretary Title

2293 Varus Street  
San Diego, California 92154

[Signature]  
p. No. 58985  
091152

BOOK 103 PAGE 27

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA }  
COUNTY OF SAN DIEGO }

On this 3rd day of February, 1986, before me  
personally appeared ROBERT T. CURRY

to me known to be the President  
of the corporation that executed the within and foregoing instrument, and acknowledged  
said instrument to be the free and voluntary act and deed of said corporation, for the  
uses and purposes therein mentioned, and on oath stated that (he/she was) (they/you were)  
authorized to execute said instrument and that the seal affixed is the corporate seal  
of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the  
day and year first above written.



*Donna R. Thompson*  
Notary Public in and for the State of  
California residing at

BOOK 103 PAGE 28

CORPORATE ACKNOWLEDGMENT


STATE OF OREGON )  
COUNTY OF WASHINGTON ) ss

On this 10TH day of FEBRUARY, 1986, before me  
personally appeared BARBARA MOYD

to me known to be the SECRETARY  
of the corporation that executed the within and foregoing instrument, and acknowledged  
said instrument to be the free and voluntary act and deed of said corporation, for the  
uses and purposes therein mentioned, and on oath stated that (he/she was) (they were)  
authorized to execute said instrument and that the seal affixed is the corporate seal  
of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the  
day and year first above written.



  
Notary Public in and for the State of  
OREGON residing at \_\_\_\_\_  
MY COMMISSION EXPIRES 11-6-88

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES  
JENNIFER M. BELCHER, Commissioner of Public Lands

## LEASE AMENDMENT

122475

BOOK 150 PAGE 340

THIS AMENDMENT OF LEASE NO. 39-058985 is made and entered into his 10th day of August, 1994, by and between the STATE OF WASHINGTON, acting through the Department of Natural Resources (hereinafter referred to as "State"), and Water Front Recreation, Inc., a Washington Corporation (hereinafter referred to as "Lessee").

WHEREAS, the parties hereto have entered into a certain Lease Agreement No. 39-058985 (the "Lease") dated August 12, 1970 and restated February 26, 1986, demising certain real property located in Skamania County, Washington more particularly described in said Lease; and

WHEREAS, it is the desire of the parties to amend said Lease;

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, it is hereby mutually covenanted and agreed as follows:

1. Section 5.02 of the Lease is hereby amended to read as follows:

5.02 DUTY. The Lessee, at his sole cost and expense, shall at all times keep or cause all improvements, including landscaping, installed pursuant to this lease (regardless of ownership) to be kept in as good condition and repair as originally constructed or as hereafter put, except for reasonable wear and tear. The State, or any authorized agency shall have the legal right to inspect the premises and improvements thereon.

The Lessee shall carry, or he shall require his Sublessees to carry in the joint names of the Lessee, Sublessee, State and Mortgagee (if any), a sufficient amount of fire and casualty insurance to cover the replacement cost of any or all improvements that may be damaged by fire or other casualty, and public liability insurance (to the extent not covered under Section 5.03 below) against claims for bodily injury, death or property damage occurring on or about and adjacent to the demised premises. Such policies of insurance shall be with a responsible insurance company or companies satisfactory to the State. Lessee shall require Sublessees to provide certificates evidencing insurance coverage with provisions for at least ten (10) days notice of cancellation to the Lessee. Lessee shall be responsible for monitoring and insuring that Sublessees maintain appropriate levels of

Signed \_\_\_\_\_  
Indirect, Inc. \_\_\_\_\_  
Indirect \_\_\_\_\_  
Filed \_\_\_\_\_  
Noted \_\_\_\_\_

7-6-26-500

BOOK 150 PAGE 341

insurance coverage, provided, however, the State reserves the right to call for proof of satisfactory insurance at any time.

In the event of fire or casualty damage to any or all of the improvements, any money derived therefrom in case of loss shall be held in trust and be immediately available to and used as soon as reasonably possible by Lessee for rebuilding, repairing or otherwise reinstating the same buildings so destroyed or damaged or such modified plan as shall be previously approved in writing by State.

All other terms and conditions of said Lease, as supplemented, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES  
JENNIFER M. BELCHER  
COMMISSIONER OF PUBLIC LANDS

By *Jennifer M. Belcher*  
Its *Commissioner of Public Lands*

WATER FRONT RECREATION, INC.

By *Robert J. Lang*  
Its *P.O.*

Approved as to form this *30* day  
of *Aug* 1994.

*James Schubert*  
Assistant Attorney General



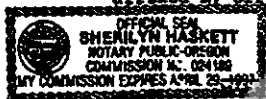
BOOK 150 PAGE 342

Corporate Acknowledgment

STATE OF OREGON )  
COUNTY OF Deschutes ) ss.

On this 12<sup>th</sup> day of August,  
1994, personally appeared before me Robert T. Curry to me known to  
be the President of the corporation that executed the within and  
foregoing instrument, and acknowledged said instrument to be the  
free and voluntary act and deed of said corporation, for the uses  
and purposes therein mentioned, and on oath stated that he was  
authorized to execute said instrument for said corporation and that  
the seal affixed is the corporate seal of the said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and  
affixed my official seal the day and year first above written.



Sherilyn Haskett  
Notary Public in and for the State of  
Oregon residing at 2459 SW Haines Rd.  
My appointment expires 4-23-97 Redmond, OR

BOOK 150 PAGE 343

Commissioner of Public Lands Acknowledgment

STATE OF WASHINGTON }  
COUNTY OF Thurston } ss.

On this 27<sup>th</sup> day of September, 1994, personally appeared before me Jennifer M. Belcher, to me known to be the Commissioner of Public Lands, and as official administrator of the Department of Natural Resources of the State of Washington, the Department that executed the within and foregoing instrument on behalf of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of the State of Washington for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the State of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Michelle Benton  
Notary Public in and for the State of  
Washington residing at Olympia  
My appointment expires 4/1/97

