

After Recording, Return To:

Three Rivers Recreational Area-Sauer, LLC
c/o Gerald T. Sauer and Mary P. Sauer
26300 NE 16th Street
Camas, WA 98607

Grantor:	Three Rivers Recreational Area-Sauer LLC
Grantee:	M & M Excavating LLC
Abbreviated Legal:	Lot 4, Loowit Short Plat 2006160728
Tax Parcel No.:	Portion of 07062400040000
Other Reference Nos.:	Lot 4

CABIN SITE LEASE

THREE RIVERS RECREATIONAL AREA – SAUER, L.L.C., a Washington Limited Liability Company, hereinafter called Lessor, in consideration of the rents to be paid and covenants to be performed by M & M Excavating LLC, hereinafter called Lessee, leases to Lessee the following described cabin site on the terms and conditions stated herein:

Cabin site number 4 of that certain Three Rivers Recreational Area – Sauer Camping Cabin Site Plan, recorded on 3-29-2012, under Skamania County Auditor’s Number 2012180359 and which is located on that certain property legally described on the attached Exhibit A and hereinafter referred to as the “Property.”

Subject to all those certain matters set forth in the Three Rivers Recreational Area Covenants Conditions and Restrictions (CC&R’s).

- 1. OCCUPANCY.
 - 1.1. Term. This Lease is granted for the period beginning May 1, 2013 and terminating on June 1, 2113, unless sooner terminated as hereinafter provided.
 - 1.2. Exceptions to Leasehold Title. Lessee’s rights hereunder are subject to all the terms, provisions, exceptions, easements, covenants, restrictions and reservations set forth in the Three Rivers Recreational Area Covenants Conditions and Restrictions (CC&R’s).

2. RENTAL.

2.1. Base Rent. Lessee shall pay to the Lessor a base rent payment of One hundred, thirty Dollars (\$130) at the commencement of the Lease. Thereafter, Lessee shall pay to Lessor an annual rent payment in the sum of the sum of One hundred, thirty Dollars (\$130). Annual Rent shall be paid in advance, of the first day of July in each year, hereinafter referred to as the "anniversary date." All payments shall be made to Lessor at 26300 NE 16th Street, Camas, WA 98607, or at such other place at which the Lessor may notify Lessee in writing. Rent for the fraction of any lease year shall be prorated. The lease year shall be from July 1 through the succeeding June 30.

2.2. Rent Adjustments. Lessor may, as of any anniversary date, increase the annual rental as follows:

2.2.1. Lessor may increase the Annual Rent hereunder because of taxes, water system maintenance assessments, and Three Rivers Recreational Area Owners Association dues ("Association dues") assessed against and/or apportioned to the leased premises.

2.2.2. Every ten years beginning May 1, 2023, at the option of Lessor, the Annual Rent shall be adjusted to reflect the percent of increase in the Consumer Price Index as published by the Bureau of Labor Statistics, US Department of Labor.

3. LEASE SUBJECT TO DECLARATION. In order to preserve the natural beauty of the Three Rivers Recreational Area, to provide for the control of structures erected thereon, improvements to be made thereon, and for the purpose of extending to the residents therein the greatest possible peace, enjoyment, privacy, health, comfort, safety, and preservation of property values, Lessee hereby acknowledges and agrees that this Lease is subject to the Third Amended And Restated Declaration of Covenants, Conditions, and Restrictions For Three Rivers Recreational Area Owners Association executed and adopted on July 20, 2011, and recorded on July 25, 2011, under Skamania County Auditor's Number 2011178700 (the "Declaration"), as may be amended or restated from time to time at Lessor's discretion.

4. USE OF SITE.

4.1. Permitted Use. The cabin site shall be used only for residential purposes. No building shall be erected, altered, placed, or permitted to remain on the cabin site other than one detached single-family dwelling and buildings incidental to residential use, and the cabin site shall not be further subdivided into building lots.

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

5. IMPROVEMENTS.

5.1. Plans Approved. Plans for any improvements to the cabin site or structures thereon shall be approved in advance in the manner set forth in Section 5 of the Declaration.

5.2. Pursuant to Skamania County Code 21.68.120, camping cabin facilities must satisfy and comply with the following standards:

5.2.1. Each camping cabin shall be allowed a maximum footprint of nine hundred (900) square feet (not including decks).

5.2.2. Total floor area of each camping cabin shall not exceed one thousand two hundred (1,200) square feet (not including decks);

5.2.3. Decks shall be limited in size to thirty percent (30%) of the building's footprint to which the deck is attached. Decks may be covered but shall not be enclosed.

5.2.4. Camping cabins shall be separated from other buildings and structures by at least 10 feet.

5.2.5. Camping cabins are detached facilities and shall not be connected to another building.

5.2.6. Individual camping cabins shall not have attached accessory structures but shall be allowed one (1) detached accessory structure with a maximum footprint not to exceed two hundred (200) square feet;

5.2.7. At least two hundred (200) square feet of parking space shall be required for each vehicle, with a minimum of two (2) parking spaces located at each camping cabin. A common overflow parking area shall be provided by Lessor equal to ten percent (10%) of the required number of spaces.

5.2.8. No person seeking to develop a camping cabin facility shall be permitted to divide the land so that an individual cabin is located on an individual parcel. The owner of the development shall be permitted to sell camping cabin units individually, but the land the structure is located on shall stay under the ownership of one entity. If the camping cabins are sold separately, the development shall continue to function as one entity with respect to but not limited to lot access, interior circulation, common area, landscaping, drainage facilities, maintenance, and parking.

5.2.9. Camping cabin facilities shall meet all applicable State and Local Health Jurisdiction requirements.

5.3. Improvements Other Than on Cabin Site. No improvements of any kind shall be constructed or placed upon any area covered by this Lease without Lessor's prior written consent.

5.4. Ownership of Improvements. All buildings and improvements, excluding removable personal property and fixtures on the lease site erected by Lessee will remain on said site after expiration of this Lease or termination prior to the term of this Lease; provided, upon the termination or expiration of this Lease that, as a condition of any re-lease of the leased site to any other party made during the three year period following thereafter, the Lessor shall require the subsequent lessee to purchase the Lessee's interest in the improvements as allowed by law. Expiration, as used in this paragraph, shall mean the expiration of the Lease as of June 1, 2111. The parties hereto agree that the foregoing terms and conditions shall be applicable provided:

5.4.1. That Lessee is not in default under any of the terms and conditions of this Lease; and

5.4.2. That Lessee's Lease expires June 1, 2111. In the event of earlier expiration and/or termination of this Lease, all buildings and improvements located upon the premises shall be the property of Lessor.

5.4.3. Extension of first lease. Lessee has option to renew Lease under same terms providing that all payments are current.

5.5. Taxes and Assessments. Lessee shall pay all taxes and assessments that are now charged or may become chargeable against the improvements placed upon the cabin site, now or in the future, commencing with the taxes first becoming due and payable after the date hereof, all before such taxes and assessments become past due. Lessee agrees to hold harmless, protect, indemnify, and defend Lessor from and against any damage, loss, claim, or liability resulting from Lessee's failure to pay any and all taxes and assessments that are charged against any and all improvements placed upon the cabin site, including any attorneys' fees and costs incurred. This indemnity will survive the termination of this Lease, whether by expiration of the term of this Lease or otherwise.

5.6. Liens Placed On and Against Leasehold. Except for a leasehold mortgage, leasehold deed of trust, and/or a UCC fixture filing executed by the Lessee to finance or refinance the purchase of any improvements to be placed on the cabin site, Lessee agrees and affirmatively covenants to keep the cabin site free and clear of all liens, including but not limited to any liens attaching to said cabin site under RCW 60.04 et al. Lessee agrees to hold harmless, protect, indemnify, and defend Lessor from and against any damage, loss, claim, or liability resulting from Lessee's violation of this covenant, including any attorneys' fees and costs incurred. This indemnity will survive the termination of this Lease, whether by expiration of the term of the Lease or otherwise. If Lessee executes a leasehold mortgage,

leasehold deed of trust, and/or UCC fixture filing against the Lessee's interest in the leasehold, said leasehold mortgage, leasehold deed of trust, and/or UCC fixture filing will encumber only the Lessee's interest and shall at all times be subordinate to the Lessor's interest.

6. **THREE RIVERS RECREATIONAL AREA OWNERS ASSOCIATION AND ROAD OWNERSHIP.** Lahar Lane and certain other common areas shall be held in the name of THREE RIVERS RECREATIONAL AREA OWNERS ASSOCIATION, a non-profit corporation (referred to in this Lease as the "Association"), of which Lessee in Lessee's capacity as owner of a camping cabin improvement shall be a member. Said Association shall be responsible for the maintenance and repair of roads, common areas, and improvements thereon (if any), as well as other community functions that be given it by its members. The Lessee shall be required to pay Lessee's proportional share of dues and assessments attributable to the property leased by the Lessee. Lessor, at its sole discretion, will determine the amount of Lessee's proportional share. Lessee's liability for said dues and assessments shall commence at the commencement of this Lease. It is understood and agreed that Lessor shall and it is hereby delegated to fulfill all duties, responsibilities, and functions of the Three Rivers Recreational Area Owners Association.

7. **UTILITIES.**

7.1. **Water.** Each cabin site has been furnished water at or near the cabin site line. Each Lessee agrees to receive water from the water system supplying the Three Rivers Recreational Area and further agrees to pay Lessor \$225.00 for the right to connect to said system. An annual charge will be assessed for generator fuel to power the well based on each cabin site's water usage.

7.2. **Maintenance.** Lessee shall bear the responsibility and expense of furnishing, installing, backfilling, and maintaining each underground trench or other digging upon such cabin site that is necessary for any utility connections or facilities to serve such cabin site.

8. **MISCELLANEOUS.**

8.1. **Lessee's Duties.** Lessee agrees to comply strictly with the Lessor's rules and regulations and all applicable Federal, State, County, and Municipal laws, rules, and regulations relating to all activities contemplated under this Lease, including but not limited to use of public or private roads, parking, fire and prevention of fire, public health, and pollution of streams or lakes, and to assume all obligations thereby imposed upon the Lessor. Lessor, or its authorized agent, may inspect the cabin site and cabin at any time to determine compliance with the terms of this Lease.

8.2. **Indemnification.** Lessee hereby agrees to assume all risk of, and indemnify and hold harmless, and at Lessee's expense, defend the Lessor from and against, any claims, loss, cost, legal actions, liability, or expense on account of personal injury to or death of any

persons whomsoever, including but not limited to employees of the Lessor, or damage to or destruction of property to whomsoever belonging, including but not limited to property of the Lessor that might result from Lessee's activities on the leased premises. Lessee further agrees to indemnify and save harmless the Lessor from any loss, cost, suit or expense resulting from Lessee's failure to comply with any of the provisions of any applicable laws, rules, or regulations.

8.3. Insurance. Lessee shall obtain fire, casualty, and liability insurance per Section 5.2.13 of the Declaration. Lessee shall deliver to Lessor certificates and receipts evidencing said policies of insurance and further provide for the company or companies to give 30-days' notice of cancellation to Lessor.

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

8.5. Waiver. Any waiver by the Lessor of any provisions hereof must be in writing, and any of the covenants, conditions, and restrictions in this Lease may be annulled, waived, changed, or modified with respect to all or any portion of said property, by Lessor at any time. Failure of the Lessor to enforce promptly its rights will not waive such rights. Lessor's acceptance of rent subsequent to a breach by Lessee will not waive such breach.

8.6. Attorney Fees. In the event any action, suite, proceeding or appeal therefrom is brought to collect the rent due or to become due hereunder, or any portion thereof, or to get possession of said premises, or to enforce compliance with this Lease, or for failure to observe any of the covenants of this Lease, the prevailing party shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees to be allowed in said suit, action, proceeding, or appeal therefrom in addition to such other relief granted by the court.

8.7. Condemnation. The parties hereto shall receive any sums or damages paid or awarded by reason of any taking, condemnation, or acquisition during the existence of this Lease as their interests therein shall then appear, whether or not by litigation, by any authority, person, or corporation, whether public or private, of any title to or interest in all or any part of the premises.

8.8. Validity of Provisions. The determination of any court having competent jurisdiction that any provisions of this Lease are unlawful or void shall not affect the validity of any other provision hereof.

8.9. Enforcement of Restrictions. Without in any way limiting the rights of Lessor, if the parties upon whom the provisions hereof are binding, or any of them, shall violate or attempt to violate any of the reservations, restrictions, or covenants hereof, the Lessor, or any lessee of land in the tract, shall have the right to compel performance of or compliance with

the provisions hereof, to seek damages for any such violation or attempted violation of the provisions hereof, and to prosecute any proceedings at law or in equity in furtherance of the aforesaid remedies in any court having jurisdiction of such cases.

8.10. **Reservations on Land.** All of the reservations, conditions, covenants, agreements and restrictions shall run with the land and shall be binding on Lessees of all property covered hereby and all parties and persons claiming under them and on all property within the tract.

8.11. **Notice.** Any notice required or permitted hereunder must be in writing and will be effective upon the earlier of personal delivery, or 3 calendar days after being mailed by certified mail, return receipt requested, addressed to Lessee or to Lessor at the address for the that party designated under the parties respective signature line in this Lease. Either party may specify a different address for notice purposes by written notice to the other.

8.12. **Prior Agreements.** This Lease contains all the agreements of the parties with respect to any matter covered or mentioned in the Lease, and no prior agreement, letter of intent or understanding pertaining to any such matter will be effective for any purpose. No provisions of this Lease may be amended or added to, except by an agreement in writing signed by the parties or their respective successors in interest.

8.13. **Performance by Tenant.** Except as otherwise expressly provided hereunder, all covenants and agreements to be performed by the Lessee under this Lease will be performed by Lessee at Lessee's sole cost and expense and without any abatement of Rent. If Lessee fails to pay any sum of money owed to any party other than the Lessor for which the Lessee is liable hereunder, or if Lessee fails to perform any other act on its part to be performed hereunder, and such failure continues for 10 days after notice thereof by Lessor, Lessor may without waiving or releasing Lessee from its obligations, make any such payment or perform any such other act to be made or performed by Lessee. Lessee shall pay Lessor, on demand, all sums so paid by Lessor and all necessary incidental costs, together with interest thereon at the lesser of 1-1/2% per month or the maximum rate permissible by law, from the date of such payment by Lessor.

8.14. **Execution Required.** Submission of this instrument for examination or signature by Lessee does not constitute a reservation of or option for lease, and is not effective as a lease or otherwise, until execution by and delivery to both Lessor and Lessee.

8.15. **Governing Law; Venue.** This Lease is to be governed by and construed in accordance with the laws of the State of Washington. Lessor and Lessee hereby agree that venue of any action between parties relating to this Lease will be in Skamania County, Washington.

8.16. **Hazardous Substances.** Lessee shall not generate, handle, store, or dispose of any Hazardous Substance on the Property or on or in any structure constructed on the

property. As used herein, the term "Hazardous Substance" means any hazardous toxic, or dangerous substance, waste, or material, which is or becomes regulated under any federal, state or local statute, ordinance, rule, regulation, or other law now or hereafter in effect pertaining to environmental protection, contamination, or cleanup. Lessee agree to hold harmless, protect, indemnify, and defend Landlord from and against any damage, loss, claim, or liability resulting from any breach of this covenant, including any attorneys' fees and cost incurred. This indemnity will survive the termination of this Lease, whether by expiration of the Term or otherwise.

9. LESSOR'S ASSIGNMENT. Without limiting Lessor's right to sell or assign this Lease or land, Lessor may assign this Lease to any person and/or legal entity, and, if said person and/or legal entity assumes the obligations of Lessor hereunder, Lessor shall thereby be released of and relieved from any and all obligations under this Lease.

10. TERMINATION.

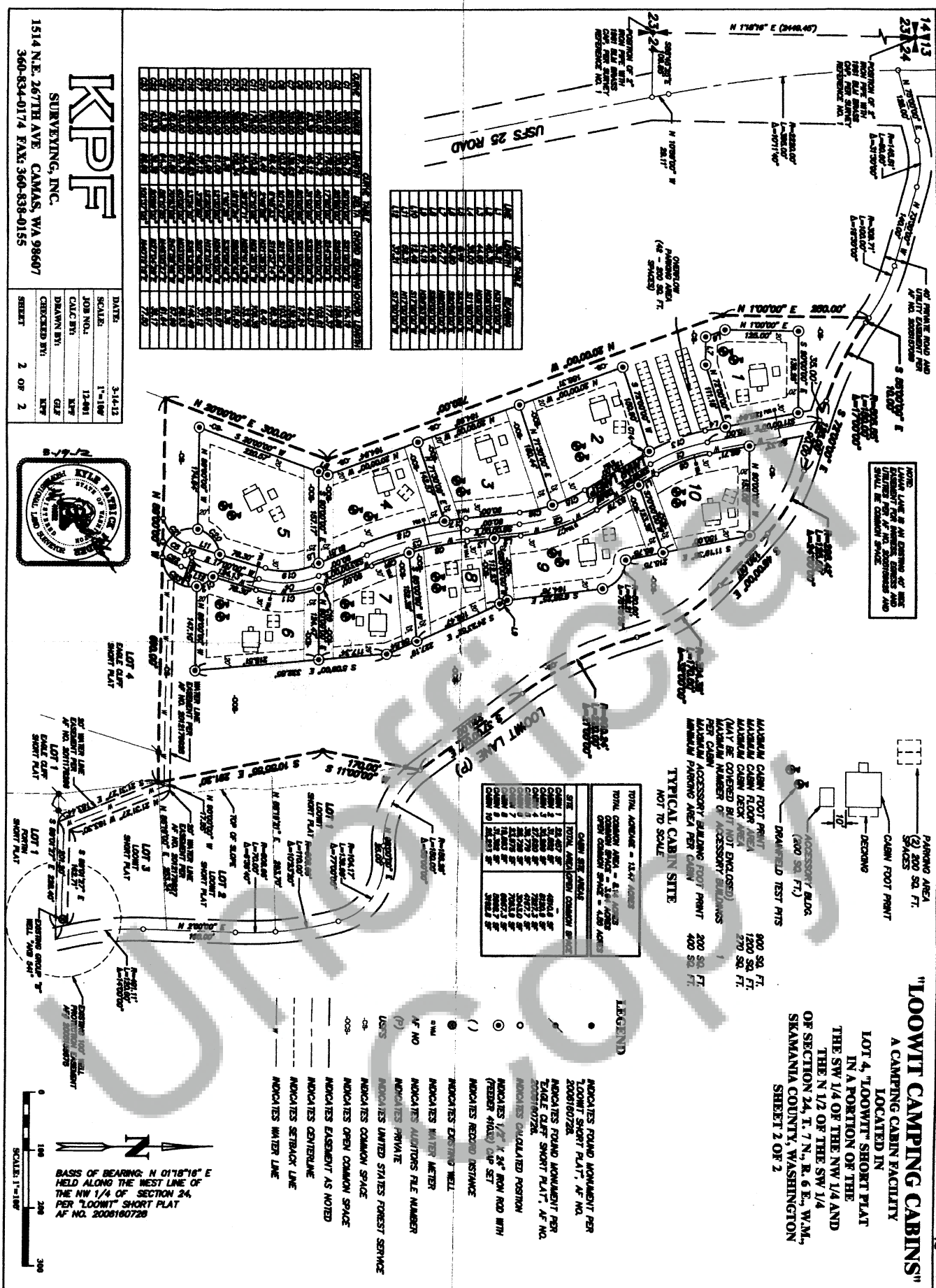
10.1. Default and Notice. If any default shall be made on the part of Lessee in the observance or performance of any of the terms, covenants, agreement, or provisions of this Lease by Lessee to be observed or preformed and such default continues for sixty (60) days after written notice, the Lessor may, at its option, immediately terminate this Lease, forfeit Lessee's interest therein, and forthwith exclude Lessee from the premises and from all rights hereunder, but Lessee shall nevertheless be liable to the Lessor for all liabilities incurred hereunder prior to such termination. Waiver of any default hereunder shall not constitute a waiver of any subsequent default. Service of any notice provided for herein by the Lessor may be made in the manner provided for in Section 8.11 of this Lease.

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

[CONTINUED ON NEXT PAGE]

EXHIBT "A"


CH-10-01 Pg2 of 2




WITNESS WHEREOF, the parties have executed this Lease, in duplicate, this 9
day of May, 2013

LESSOR:

THREE RIVERS RECREATIONAL AREA – SAUER, LLC,
by its Member:



Gerald T. Sauer



Mary P. Sauer

Notice Address: 26300 NE 16th Street
Camas, WA 98607
Telephone: 360-607-1646
Fax: 360-834-7559
Email: G TSAUER@COMCAST.NET

LESSEE

Printed Name: M&M Excavating LLC
Title, if Lessee is a Legal Entity: Owner/Member/Manager

Printed Name: M&M Excavating LLC
Title, if Lessee is a Legal Entity: Member/Manager

Notice Address: P.O. Box 49
GLENWOOD WA. 98619
Telephone: 509 364-3401
Fax: 364-3401
Email: M&M EXCAVATING@GMAIL.COM

State of Washington)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that GERALD T. SAUER is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Member of THREE RIVERS RECREATIONAL AREA – SAUER, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: April 30, 2013.

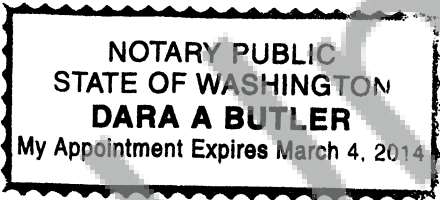
Printed Name: Dara Butler
Notary Public for Washington
My Appointment Expires March 4, 2014

State of Washington)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that MARY P. SAUER is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as a Member of THREE RIVERS RECREATIONAL AREA – SAUER, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: April 30, 2013.

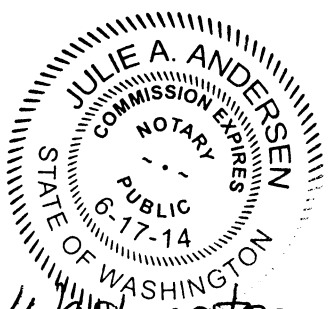
Printed Name: Dara Butler
Notary Public for Washington
My Appointment Expires March 4, 2014



STATE OF Washington }
COUNTY OF Skamania } SS:

I certify that I know or have satisfactory evidence that Aaron Montgomery
signed this instrument, on oath stated that He authorized to execute the instrument and acknowledged it
as
the Member of M & M Excavating LLC
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: May 9, 2013

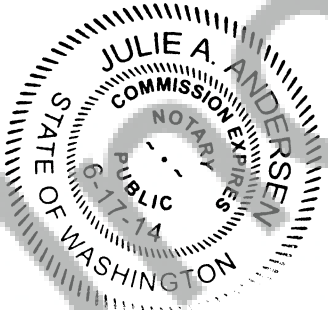


Julie A. Andersen
Notary Public in and for the State of Washington
Residing at Carson, Washington
My appointment expires: June 17, 2014

STATE OF Washington }
COUNTY OF Skamania } SS:

I certify that I know or have satisfactory evidence that Colby Masden
signed this instrument, on oath stated that He authorized to execute the instrument and acknowledged it
as
the Member of M & M Excavating LLC
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: May 9, 2013



Julie A. Andersen
Notary Public in and for the State of Washington
Residing at Carson, Washington
My appointment expires: June 17, 2014