

WHEN RECORDED RETURN TO:

The Larson Law Firm, P.C.
1800 Blankenship Rd.
Ste. 400
West Linn, OR 97068

DOCUMENT TITLE(S)

Assignment, Assumption and Consent

REFERENCE NUMBER(S) of Documents assigned or released:

☐ Additional numbers on page ____ of document.

GRANTOR(S):

Robert L. Howard Trustee of the Mary K. Howard Trust

☐ Additional names on page ____ of document.

GRANTEE(S):

Del Mar Apartments, LLC

☐ Additional names on page ____ of document.

LEGAL DESCRIPTION (Abbreviated: i.e. Lot, Block, Plat or Section, Township, Range, Quarter):

Cabin Site #4 of the North Woods - being Part Government Lots 4 and 8, Section 26, Township 7 N, Range 6 E Willamette Meridian Skamania County, Washington

☐ Complete legal on page ____ of document.

TAX PARCEL NUMBER(S):

96000004000000

Skamania County Assessor

Date 6-1-18 Parcel# 96000004000000

☐ Additional parcel numbers on page ____ of document.

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information.

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recorded processing requirements may cover up or otherwise obscure some part of the text of the original document.

Company Name: The Larson Law Firm PC

Signature/Title: Holly Johnson

SKAMANIA COUNTY
REAL ESTATE EXCISE TAX
N/A

JUN 05 2018

Refer to Excise # 33288

PAID 6-5-18
Christy Johnson Deputy
SKAMANIA COUNTY TREASURER LPB 01-05

After recording return to:

Water Front Recreation, Inc.
P.O. Box 7139
Bend, OR 97708

ASSIGNMENT, ASSUMPTION AND CONSENT

"ASSIGNOR"

Robert L. Howard,
Trustee of the Mary K. Howard Trust
119 West Hereford
Gladstone, OR 97027

"ASSIGNEE"

Del Mar Apartments, LLC,
an Oregon limited liability company
Cynthia A. Howard, Manager
119 West Hereford
Gladstone, OR 97027

"GUARANTOR"

Robert L. Howard, Jr.
119 West Hereford
Gladstone, OR 97027

Jeffrey C. Howard
119 West Hereford
Gladstone, OR 97027

Cynthia A. Howard
119 West Hereford
Gladstone, OR 97027

Nancy J. Duncan
119 West Hereford
Gladstone, OR 97027 (collectively, "Guarantors")

"WATER FRONT"

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

DATED:

April 18, 2016

Skamania County Assessor
Date 5-14-16 Parcel# 9600000 4000000
6-1-18pm ym

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, Guarantors, and Water Front hereby agree as follows:

1. **Assignment.** 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 #4 of the North Woods-being part of Government Lots 4 and 8, Section 26, Township 7 N, Range 6 E Willamette Meridian, Skamania County, Washington (Assessor's Parcel #9600004000000).

1.2 And under that certain Cabin Site Lease of the Premises from Water Front to **Robert S. and Patricia H. Blackburn**, dated May 15, 1971, and subsequently assigned to **Kathryn Curry** by document dated August 15, 1972, and subsequently assigned to **Lawrence T. Usher** by document dated September 7, 1973, and subsequently assigned to **Robert L. Howard and Mary K. Howard, husband and wife** by document dated December 6, 1984, and subsequently assigned to **Mary K. Howard Trust**, by document entitled 'Assignment Assumption and Consent' dated 10-3-07 and recorded 2/7/08 in Skamania County, Washington Records as recording number 2008168926, a copy of which Cabin Site Lease is attached hereto marked Exhibit A, and incorporated herein by reference.

2. **Assumption.** Assignee hereby accepts this Assignment and hereby assumes and agrees to perform all obligations of the Lessee under the Cabin Site Lease as amended and 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. **Consent.** Water Front hereby consents to the foregoing assignment and assumption subject to the terms and conditions of this Assignment, Assumption and Consent.

4. **No Assignment Without Consent.** The transfer of any interest in the ownership of Assignee whether voluntarily or by operation of law or otherwise shall be deemed an assignment and subject to the prohibition against assignment without the prior written consent of Water Front pursuant to Section 7.04 of the Cabin Site Lease.

5. **Guaranty.** In order to induce Water Front to consent to this Assignment and for other good and valuable consideration, the Guarantors hereby agree as follows:

5.1. Guarantors hereby absolutely, unconditionally, and irrevocably jointly and severally guarantee to Water Front the full and prompt payment of all base rent and additional rent and any and all other sums and charges payable by Tenant under the Lease (collectively, the "Payment Obligations") and hereby further guarantee the full and timely performance and observance of all of the covenants, terms conditions and agreements therein provided to be performed and observed by Tenant (the "Performance Obligations" and together with the Payment Obligations collectively, the "Obligations"). In the event of a default under the Lease, Guarantors hereby covenant and agree with Water Front: (i) to make the due and full punctual payment of all Payment Obligations payable by Tenant under the Lease; (ii) to effect prompt and complete performance of all and each of the Performance Obligations, contained in the Lease on the part of Tenant to be kept, observed and performed; and (iii) to indemnify and save harmless Water Front from any loss, costs or damages arising out of any failure by Tenant to pay or perform any Obligation including, without limitation, attorneys' fees and costs of collection. This Guaranty is a continuing guaranty of payment and performance and is not conditional or contingent upon any attempt to collect from Tenant or upon any other condition or contingency.

5.2. In the event of a default under the Lease, Guarantors waive any right to require Water Front to first: (a) proceed against Tenant or pursue any rights or remedies with respect to the Lease; (ii) proceed against or exhaust any security that Water Front holds from Tenant; or (iii) pursue any other remedy whatsoever. Water Front shall have the right to enforce this Guaranty regardless of the acceptance of additional security from Tenant and regardless of the release or discharge of Tenant or any Guarantors by Water Front or by others, or by operation of law.

5.3. Guarantors hereby expressly waive: (a) any right of setoff, counterclaim or deduction against amounts due under this Guaranty; (b) notice of the acceptance of this Guaranty and notice of default of Tenant under the Lease; and (c) the right to interpose all substantive and procedural defenses

of the law of guaranty, indemnification and suretyship, except the defenses of prior payment or prior performance.

5.4. Without limiting the generality of the foregoing, the liability of Guarantors under this Guaranty shall not be deemed to have been waived, released, discharged, impaired or affected by (a) reason of any waiver or failure to enforce or delay in enforcing any of the Obligations, or (b) the granting of any indulgence or extension of time to Tenant, or (c) the assignment of the Lease, or the subletting of the leased premises by Tenant, with or without Water Front's consent, or (d) the expiration of the term, or (e) if Tenant holds over beyond the term of the Lease, or (f) any merger or reorganization or the release or discharge of Tenant or any other Guarantors in any voluntary or involuntary receivership, bankruptcy, winding-up or other creditors' proceedings, or (g) the rejection, disaffirmance or disclaimer of the Lease by any party in any action or proceeding, or (h) the release of any collateral held for the Obligations or release of any Guarantors or any other Guarantors, or (i) any defect or invalidity of the Lease or (j) the transfer by Guarantors of any or all of the interest held in Tenant, and shall continue with respect to the periods prior thereto and thereafter. The liability of the Guarantors shall not be affected by any repossession, re-entry or re-letting of the leased premises by Water Front.

5.5. This Guaranty will take effect when received by Water Front without the necessity of any acceptance by Water Front, or any notice to Guarantors or to Tenant, and will continue in full force until all Obligations incurred or contracted shall have been fully and finally paid and satisfied and all other Obligations of Guarantors under this Guaranty shall have been performed in full.

5.6. The liability of Guarantors under this Guaranty shall not be released by any modification or amendment to the Lease (including any extension or renewal of the term of the Lease), and in the case of any such modification, the liability of Guarantors shall be modified in accordance with the term of any such modification of the Lease. Guarantors waive any notice of the modification or amendment of the Lease.

5.7. Guarantors shall pay upon demand all of Water Front's attorneys' fees and all costs and other expenses incurred in any collection or attempted collection of this Guaranty or in any negotiations relative to the Obligations guaranteed under this Guaranty whether or not a lawsuit is commenced. All rights and remedies of Water Front under this Guaranty shall be cumulative and may be exercised singly or concurrently.

5.8. This Guaranty shall remain in full force and effect until the payment or performance of all Obligations and the other amounts payable under this Guaranty (whether or not the Lease shall have been terminated). Until the payment and performance of all Obligations and the amounts payable under this Guaranty Guarantors: (a) shall have no right of subrogation against Tenant by reason of any payments or acts of performance by the Guarantors in compliance with the obligations of the Guarantors under this Guaranty; (b) waive any right to enforce any remedy which Guarantors now or hereafter shall have against Tenant by reason of any one or more payments or acts of performance in compliance with the obligations of Guarantors under this Guaranty; or (c) subordinate any liability or indebtedness of Tenant now or hereafter held by Guarantors to the obligations of Tenant to Water Front under the Lease.

5.9. This Guaranty may not be changed, modified, discharged or terminated orally or in any manner other than by an agreement in writing signed by the parties.

5.10. All of the terms, agreements and conditions of this Guaranty shall extend to and be binding upon Guarantors, and the heirs, legal representatives, and/or successors and assigns of Guarantors and shall inure to the benefit of and may be enforced by Water Front, its successors and assigns.

6. **Counterparts.** This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

08/17/2016 10:45 FAX

001/001

IN WITNESS WHEREOF, the parties hereto have executed this instrument in triplicate as of the date first herein above written.

GUARANTORS:

Robert L. Howard Jr.
Robert L. Howard, Jr.

Jeffrey C. Howard
Jeffrey C. Howard

Cynthia A. Howard
Cynthia A. Howard

Nancy J. Duncan Howard
Nancy J. Duncan Howard

ASSIGNOR:

MARY K. HOWARD TRUST

By: Cynthia A. Howard
Robert L. Howard, Trustee
Cynthia Howard

ASSIGNEE:

DEL MAR APARTMENTS, LLC

By: Cynthia A. Howard
Cynthia A. Howard, Manager

WATER FRONT:

WATER FRONT RECREATION, INC.

By: Leslie Russell Secretary
Leslie Russell, Secretary/Treasurer

Assignor Acknowledgment:

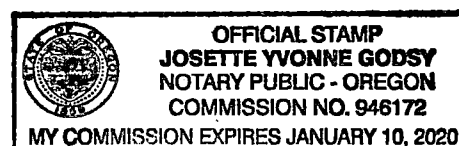
State of Oregon)
County of Clatsop) ss

I certify that I know or have satisfactory evidence that Robert L. Howard, Jr. is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it, as Trustee of the Mary K. Howard Trust, to be his free and voluntary act of such party for the uses and purposes mentioned in this Instrument by authority of the Trust.

Dated: September 19, 2016

Joseette Godsy
Notary Public for Oregon
My Appointment Expires: Jan 10, 2020

[CONTINUED]



08/17/2016 10:52 FAX

001

Guarantors Acknowledgments:

State of Washington)
 County of Clark) ss

I certify that I know or have satisfactory evidence that Robert L. Howard, Jr. is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: Sept. 21st, 2016

[Signature]
 Notary Public for Clark County
 My Appointment Expires: Aug. 8, 2020

State of Oregon)
 County of Deshutes) ss

I certify that I know or have satisfactory evidence that Jeffrey C. Howard is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: August 17, 2016

OFFICIAL STAMP
 LINDA MARIE COOPER
 NOTARY PUBLIC - OREGON
 COMMISSION NO. 947093
 MY COMMISSION EXPIRES FEBRUARY 17, 2020

State of Oregon)
 County of Deshutes) ss
Clackamas Co.

I certify that I know or have satisfactory evidence that Cynthia A. Howard is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: Sept 19, 2016

[Signature]
 Notary Public for Oregon
 My Appointment Expires: Jan 10, 2020

OFFICIAL STAMP
 JOSETTE YVONNE GODSY
 NOTARY PUBLIC - OREGON
 COMMISSION NO. 946172
 MY COMMISSION EXPIRES JANUARY 10, 2020

State of Oregon)
 County of Deshutes) ss

I certify that I know or have satisfactory evidence that Nancy J. Duncan Howard is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: August 17, 2016

OFFICIAL STAMP
 LINDA MARIE COOPER
 NOTARY PUBLIC - OREGON
 COMMISSION NO. 947093
 MY COMMISSION EXPIRES FEBRUARY 17, 2020

[Signature]

Assignee Acknowledgment:

State of Oregon)
 County of Clackamas) ss

I certify that I know or have satisfactory evidence that **Cynthia A. Howard** 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 the Manager of Del Mar Apartments, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument by authority of its Members.

Dated: Sept 19, 2016

Josette Godsy
 Notary Public for Oregon
 My Appointment Expires: Jan 10, 2020

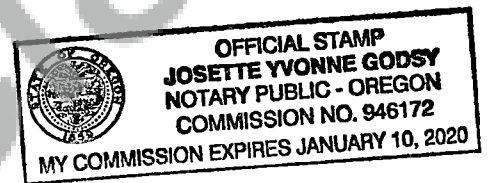
Water Front Acknowledgment:

State of Oregon)
 County of Deschutes) ss

I certify that I know or have satisfactory evidence that **Leslie Russell** 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 the Secretary/Treasurer of Water Front Recreation, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: _____, 20____

Notary Public for Oregon
 My Appointment Expires: _____



PLEASE SEE ATTACHED
 ACKNOWLEDGEMENT/JURAT
 FROM SECRETARY PUBLIC

CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of San Mateo }

On December 21, 2016 before me, Helen Sutherland, Notary Public
(Here insert name and title of the officer)

personally appeared Leslie Russell
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Helen Sutherland
Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Assignment, ...
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages 10 Document Date 12/21/16

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
☐ Corporate Officer

(Title)

- ☐ Partner(s)
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/~~they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

EXHIBIT A

CABIN SITE LEASE

WATER FRONT RECREATION, INC., a Washington corporation, hereinafter called Lessor, in consideration of the rents to be paid and covenants to be performed by Robert S. Blacklock, Jr. hereinafter called Lessee, leases to Lessee the following described cabin site on the terms and conditions stated herein:

Cabin site number 41 of the North Woods is shown in red on Exhibit "A" attached hereto (all distances being approximations), being part of Government Lots 4 and 5, Section 26, Township 7 North, Range 8 East, W.M., Skamania County, Washington. SUBJECT, however to an easement for right of way for access road acquired by the United States of America, United States Forest Service.

SECTION 1. OCCUPANCY

1.01 Term. This Lease is granted for the period beginning July 1, 1971 and terminating on June 30, 2025, unless sooner terminated as hereinafter provided.

1.02 Master Lease. Lessor holds the above-described premises under a lease, hereinafter referred to as the "Master Lease," dated August 11, 1970, from the State of Washington, acting by and through the Department of Natural Resources.

1.03 Master Lease Incorporated. The master lease is on file with Lessor and is available for inspection. Lessee's rights hereunder are subject to all the terms, provisions, exceptions and reservations set forth in said master lease (as to which Lessee is a sub-lessee and incorporated herein by reference), including, without limiting the foregoing an easement for right of way for an access road acquired by the United States of America, United States Forest Service and the right of the State of Washington to inspect the premises at reasonable times.

SECTION 2. RENTAL

2.01 Basic Rental. As rental for each lease year, the Lessee shall pay the sum of Seventy Three Dollars (\$73.00). Rent shall be paid in advance, on the first day of September in each year, hereinafter referred to as the "anniversary date." All payments shall be made to Lessor at 8065 S.W. Canyon Road, Portland, Oregon, or at such other place at which the Lessor may notify the Lessee in writing. Rent for the fractional part of any lease year shall be pro-rated. The lease year shall be from September 1 through the succeeding August.

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

(a) Under the master lease, Lessee's rental in the State of Washington may be increased on June 1, 1980, and at intervals of not less than ten (10) years thereafter. Lessor may increase Lessee's rental hereunder at such times as Lessor's rental under the master lease is increased. The amount of such increase shall be the Lessee's share of the increase and required to pay shall equal the total annual increase under the master lease to Lessor multiplied by the Lessee's annual rental to the Lessor divided by the total annual rental of the Lessees of the sites in the North Woods. Annual rental as used herein shall mean the total rent the Lessee is required to pay to Lessor for the year immediately preceding the year of the increase. The aforesaid formula is illustrated as follows:

Lessee's share of increase	=	Increase under master lease to Lessor	X	Lessee's annual rental	-----	Total annual rental of sites
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(b) In addition to the increase permitted under subparagraph (a) above, Lessor may as of any anniversary date, increase the annual rental hereunder on account of taxes and assessments against real property in an amount, which together with price increases on account of taxes and assessments, shall not exceed the total of the amount by which taxes and assessments on the land covered by the master lease exceeds such taxes for 1970, divided by the number of improved cabin sites on said anniversary date.

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

SECTION 3. LESSOR'S COVENANTS

3.01 Declaration. In order to preserve the natural beauty of the North Woods, to provide for the control of structures erected thereon, improvements to be made thereon, and for the purpose of extending to the residents therein the greatest possible peace, enjoyment, privacy, health, comfort, safety, and preservation of property values, Lessor does hereby certify and declare that with the sole exception of lot 18, which is the North Woods Sales Office, the following reservations, conditions, covenants, agreements and restrictions shall become and are hereby made a part of all leases of property within the plot of the North Woods as the same appears on the map hereby recorded in the office of the County Auditor of Skamania County, Washington.

3.02 Boat Dock. Lessor shall construct a boat dock for the common use of residents of the North Woods. In the event construction of said boat dock is not completed by September 1, 1972, it is hereby agreed that in lieu of such construction, Lessor shall contribute \$5,000.00 to the North Woods Association, hereinafter described in paragraph 5.04, for construction of such dock.

SECTION 4. USE OF SITE

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

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

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

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

4.05 Signs. No signs of any kind shall be displayed to the public view on any lot in the tract except one professional sign, of not more than 10 inches by 24 inches in size, advertising the property for sale or rent, and except signs used by a builder or developer to advertise the property during the construction and sales period.

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

PAGE ONE - CABIN SITE LEASE

CABIN SITE LEASE**SECTION 5. IMPROVEMENTS** continued

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

4.08 **Insulation.** Because of unpleasant odors and unsightliness, no individual insulator will be permitted on any lot.

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

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

4.11 **Commercial Use.** No leased lot shall be used for any commercial purpose, except that a Lessee may rent his cabin from time to time, and in such case shall be responsible that his tenants abide by these covenants.

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

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

4.14 **Trailers and Bents.** No tent, house trailer, or mobile home, whether the same be on wheels or not, shall be permitted on any lot except during the period of cabin construction and for guests over a weekend period.

4.15 **Solicitation.** There shall be no solicitation or distribution of handbills or circulars of any kind without the written consent of Lessor.

4.16 **Smoke Alarms.** One smoke alarm shall be installed on outside wall of each cabin for fire protection on or before completion of the cabin.

SECTION 6. IMPROVEMENTS

6.01 **Plans Approved.** No building shall be erected, placed, or altered on the cabin site until the construction plans showing the location of the structure have been approved by the Lessor as to conformity with plan of development, quality of workmanship and materials, harmony of external design and color with existing structures, and as to location with respect to topography and finish grade elevation. Such approval shall be in writing.

6.02 **Building Materials.** All building construction shall be of log or wood frame. Wood frame should or simulated brick veneer construction is expressly prohibited. All roofs shall be of cedar shingle or shake, or of an acceptable composition - color to be approved prior to application by the Lessor or such person or persons designated by Lessor.

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

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

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

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

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

6.07 **Ownership of Improvements.** The master lease provides as follows:

"6.04 **Ownership of Sub-lease Improvements.** All buildings and improvements, excluding removable personal property and trade fixtures on the leased site (North Woods) erected by Sub-lessee (Lessee herein) will remain on said site after expiration of this lease (master lease) or termination prior to the term of this lease (master lease) of any sub-lease (this lease) held by the State under the provisions of paragraph 6.03; provided, however, upon the expiration of the lease (master lease), if the State is unsuccessful in re-leasing the leased site (North Woods), as a unit, then each sub-lease (Lessee herein) shall have a preferential right as allowed by law to re-lease from the State its sub-leased area; provided, further, upon the termination or expiration of this lease (master lease) or a sub-lease (this lease) assigned under paragraph 6.09 that as a condition of any re-lease of the leased site or sub-leased site to any other party made during the three year period following the State shall require the sub-tenant Lessee to purchase the Sub-lessee's (Lessee herein) interest in the improvements as allowed by law. Expiration, as used in this paragraph, shall mean the expiration of the term of the lease of May 31, 2025."

The parties hereto agree that the terms and conditions of the above quoted paragraph shall be applicable provided:

(a) That Lessee is not in default under any of the terms and conditions of this lease; and

(b) That Lessee's lease expires May 31, 2025. In the event of earlier expiration of this lease, all buildings and improvements located upon the premises shall be the property of Lessor.

The parties hereto further agree that the benefits of paragraph 6.04 of the master lease shall be enforceable solely against the State of Washington.

6.08 **Taxes and Assessments.** The Lessee shall pay in annual payments all taxes and assessments that are now charged or may become chargeable against the improvements placed upon the cabin site, 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.

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

PAGE TWO - CABIN SITE LEASE

CABIN SITE LEASE continued

SECTION 6. UTILITIES

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

6.02 Reservation. Lessor reserves to itself and to its successors and assigns easements in, under, and along all roads and other common areas in the plot for any utilities whether presently installed or not. In addition, an easement is reserved in an area five (5) feet by ten (10) feet in one corner of each lot to be selected by Lessor adjoining the road, for electric transformer vault and/or telephone and power service pedestals if any. And the assignment of the lease as to each individual lot shall be subject to the right to cross over or under the same along the lot lines, with utility lines if such may be necessary in the development of this subdivision or adjoining subdivisions.

6.03 Water. Each cabin site hereon will be furnished water at or near the lot line. Each Lessee agrees to receive water from the water system supplying the North Woods and further agrees to pay Lessor \$225.00 for the right to connect to said system.

6.04 Maintenance. The Lessee shall bear the responsibility and expense of furnishing, installing, back-filling, and maintaining each underground trench or other digging upon each cabin site which is necessary for any utility connections or facilities in or near such cabin site.

SECTION 7. MISCELLANEOUS

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

7.02 Indemnification. Lessee hereby agrees to assume all risk of, and indemnify and hold harmless, and at the Lessee's expense, defend the Lessor from and against, any claim, 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 or belonging, including but not limited to property of the Lessor which might result from Lessee's activities on the leased premises. The Lessee further agrees to indemnify and save harmless the Lessor from any loss, cost, suit or expense resulting from Lessee's failure to comply with any of the provisions of any applicable laws, rules or regulations.

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

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

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

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

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

7.04 Assignment. Without limiting the consent of Lessor, Lessee shall not assign this lease or any interest therein, or sublet, and no sub, executor, administrator, trustee, trustee in bankruptcy or other assignee by operation of law shall assign or sublet without and with her consent.

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

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

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

7.08 Reservoir Level. The Lessee acknowledges by signing this lease that Pacific Power and Light Company has the right to fluctuate the waters of Swift Reservoir at any time within the provisions of Federal Power Commission License No. 2111 or as amended. The Lessee shall waive all claims for damage and shall indemnify Pacific Power and Light Company, the State of Washington, Lessor or their successors, if any, against any claim of damage arising from fluctuation in reservoir level or impairment of recreational use of the reservoir or shoreline or flooding facilities.

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

7.10 Enforcement of Restrictions. Without in any way limiting the rights of Lessor, if the parties upon whom the provisions hereof are binding, or any of them, shall violate or attempt to violate any of the reservations, restrictions or covenants hereof, the Lessor or any lessee of land in the tract, shall have the right to compel performance of or compliance with the provisions hereof, to enjoin and restrain, at the expense of the offending lessee or lessees of the property, any structure or structure in violation of the provisions hereof, to recover damages for any such violation or attempted violation of the provisions hereof and to prosecute any proceedings at law or in equity in furtherance of the aforesaid remedies in any Court having jurisdiction of such cause.

7.11 Reservations on Land. All of the reserved lands, conditions, covenants, agreements and restrictions shall run with the land and shall be binding on the lessees of all property covered hereby and all parties and persons claiming under them and on all property within the tract.

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

CABIN SITE LEASE continue

SECTION 9. TERMINATION

9.01 **Default and Notice.** If any default shall be made on the part of the Lessee in the observance or performance of any of the terms, covenants, agreements, or provisions of this lease by him to be observed or performed and such default continues for sixty (60) days after written notice, the Lessor may, at its option, immediately terminate this lease, forfeit Lessee's interest therein, and forthwith exclude the Lessee from the premises and from all rights hereunder, but the Lessee shall nevertheless be liable to the Lessor for all liabilities incurred hereunder prior to such termination. Waiver of any default hereunder shall not constitute a waiver of any subsequent default. Service of any notice provided for herein by the Lessor may be made by depositing such notice in the United States mails addressed to the Lessee at:

21214 SE 16TH BETHLEHEM, WASH 98005

9.02 **Master Lease Termination.** It is expressly understood that Lessor has leased the premises from the State of Washington for a period ending June 3, 2025. The master lease provides that in the event it is terminated for any reason whatsoever, prior to the lease termination date, such termination shall operate as an assignment to the State of Washington of this lease together with the unrestricted right of the State to receive payment of the rents herein provided from the date of said assignment.

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

Lessee shall have the option to void this lease if he does not receive a property report prepared and pursuant to rules and regulations of the Oregon Subdivision Control Law ORS 92.210 - 92.950 in advance of his signing this lease.

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

9.04 **Easements.** As shown on the plat of "The North Woods", 20-foot easements reserved to the lessor and his assigns including the front easement of Lots 16, 19, 18, 20, 21, 22, and 23 for purposes of community boat docks. Lessee shall not develop or erect any structures on the above lots from developing their own shoreline docks and using such facilities to not interfere with the boat mooring system of the community dock system.

Five foot easements are reserved to the lessor and its assigns on the similarly titled lot of Lot 10, and the similarly titled lot of Lot 11 for access to the water front. Said access to serve as pathway to boat docks if it is determined by Lessor that additional boat docks are needed to serve "The North Woods" community.

IN WITNESS WHEREOF, the parties have executed this lease, in duplicate, this 15th day of

July, 1971.

WATER FRONT RECREATION, INC.

By Robert L. Blankhorn
President

By Thomas L. Fish
Secretary

Robert L. Blankhorn LESSOR

Thomas L. Fish LESSEE

I (we) hereby acknowledge that prior to the signing of this lease, I (we) have received, read, and understand the PROPERTY REPORT prepared pursuant to the rules and regulations of the U.S. Department of Housing and Urban Development (office of Interstate Land Sales Registration) and the PROPERTY REPORT prepared pursuant to rules and regulations of the Oregon Subdivision Control Law ORS 92.210 - 92.950. I (we) also acknowledge that I (we) have inspected the lot to be leased.

✓ Robert L. Blankhorn

✓ Thomas L. Fish

LESSEE

PAGE FOUR - CABIN SITE LEASE

102041

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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 5.3 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
OCT 22 1986
BY NOTARY PUBLIC

OCT 22 2 24 PM '86
GARY H. H. HON

REAL ESTATE EXCISE TAX
OCT 22 1986

PAID
SKAMANIA COUNTY TREASURER

RENT	\$
EXCISE TAX	\$
TOTAL	\$
PAID	\$
DATE	

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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 subleases.

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 1% per month. Payment shall be made to the State at the Department of Natural Resources, Olympia, Washington 98504.

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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. E & 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.

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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-lessee 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.

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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 lienholders 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% 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.

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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 Sublessees, 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 Sublessees, 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 Sublessees. 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.

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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 Verus Street
San Diego, California 92154

[Signature]
p. No. 58985
091152

BOOK 103 PAGE 27

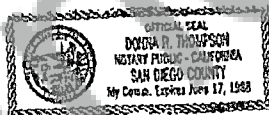
CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) ss

On this 3rd day of February, 19 86, 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/we 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)
) ss
COUNTY OF WASHINGTON)

On this 19TH day of FEBRUARY, 1986, before me
personally appeared MARRARA WOLD

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.



[Signature]
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 180 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 11, 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

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Indirect ☒
Filed ☒
Mailed ☒

7-4-26-500

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. Long
Its President

Approved as to form this 30 day
of Aug 1994.

James A. Schwartz
Assistant Attorney General

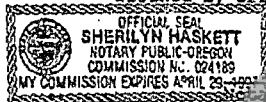
BOOK 150 PAGE 342

Corporate Acknowledgment

STATE OF OREGON)
COUNTY OF Deschutes) ss.

On this 12th 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 4659 NW Harris Rd
My appointment expires 4-29-97 Redmond, OR

BOOK 150 PAGE 343

Commissioner of Public Lands Acknowledgment

STATE OF WASHINGTON)
COUNTY OF Thurston) ss.

On this 30th day of September, 1994, personally appeared before me Jennifer M. Belcher, to me known to be the Commissioner of Public Lands, and ex officio 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 4/12/97

