

Uniform Lease
as Amended May 20, 1995

SALISHAN
GLENEDEN BEACH, OREGON

L E A S E

From

SALISHAN LEASEHOLDERS, INC.

Successor to

SALISHAN PROPERTIES, INC.,

Lessor,

To: John Leaseholder

Mary Leaseholder

Address: 1539 West Viewmont

Portland, OR 97202

Lessees,

of

Homesite 567

Salishan

Lincoln County, Oregon

Date July 11, 1995

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L E A S E

THIS LEASE, made as of the date set forth above, by and between SALISHAN PROPERTIES, INC., an Oregon corporation, the lessor, and the Lessees named above, hereinafter called "Lessees",

W I T N E S S E T H

Salishan, Inc. is the owner of an unspoiled wooded wilderness lying between the Pacific Ocean and Siletz Bay in Lincoln County, Oregon, known as Salishan. Salishan, Inc. wishes to develop Salishan into a fine community of a distinctive character suitable for family living. At the same time it wishes to maintain, insofar as possible, the natural character of this scenic land and to require that all manmade structures blend into the natural background rather than stand out against it.

Salishan, Inc. is willing to lease to Lessees on a long-term basis a homesite in Salishan, provided that Lessees will agree to certain conditions and restrictions on the use of such site designed to protect Salishan and other Salishan tenants.

Lessees wish to lease a homesite. LESSEES UNDERSTAND THAT THEIR RIGHT TO USE THE HOMESITE WILL BE SUBJECT TO THE COVENANTS, RESTRICTIONS, AND CONDITIONS HEREIN SET FORTH AND THAT THE SAME WILL BE STRICTLY ENFORCED.

Now, therefore, Salishan, Inc., for and in consideration of the agreements, conditions, and stipulations of Lessees herein expressed, does hereby lease unto Lessees the premises described under the caption "Description of Leased Premises" on Schedule A.

TO HAVE AND TO HOLD the said premises unto Lessees for the term set forth below.

It is agreed between the parties as follows:

Leasing Provisions

Section 1. Lease Term.

The term of this lease shall commence as of the date set forth above and shall terminate ninety nine years following the date hereof, unless renewed in the manner set forth in Section 16.

Section 2. Rental.

- 2.1 Lessees shall pay to Salishan, Inc. as rental for the leased premises the sums set forth under the caption "Primary Rental" in Schedule A. Such rental is the primary rental.

- 2.2 Lessees shall pay to Salishan, Inc. as additional rental for the leased premises the sum of \$10 per month for each calendar month during the term of this lease commencing with the calendar month succeeding the month in which this lease is dated, which rental shall be payable in advance on or before the first day of each calendar month. Such rental is the maintenance rental. If the Lessees shall desire to pay the maintenance rental for an entire calendar year in advance, they may do so and if the maintenance rental for an entire calendar year is paid on or before January 1st of a particular calendar year the maintenance rental for such calendar year shall be the sum of \$114. Salishan, Inc. shall place the entire amount of the maintenance rental reserved in this Section in a maintenance fund to be established and used as provided in Section 6. herein; provided, however, that no maintenance rental shall be paid prior to the month of May 1963.

- 2.3 Salishan, Inc. intends to charge the same sums as maintenance rental to each Salishan tenant and to place all such sums in the maintenance fund referred to in Section 6. If Salishan, Inc. or Salishan tenants at any time shall deem such maintenance fund to be inadequate for the purposes set forth in Section 6, Salishan, Inc. may increase the amount of the maintenance rental, provided that the maintenance rental of all Salishan tenants is increased in a uniform amount at the same time and provided that Salishan, Inc. has first obtained the consent in writing of Salishan tenants holding leases of 75 per cent of the homesites in Salishan. When a particular homesite has been leased to more than one person it will be sufficient for the purpose of obtaining consent pursuant to this Section if Salishan, Inc. shall obtain the consent in writing of any one of the persons named as lessee in such lease.
- 2.4 If Salishan, Inc. shall at any time lease a homesite within Salishan in which provision is made for the payment of a lesser maintenance rental than that provided herein, then the amount of maintenance rental reserved herein shall be decreased to that amount provided in such other lease.

Section 3. Definitions.

As used herein the terms set forth below shall have the following meanings:

- 3.1 "Salishan, Inc." shall mean Salishan Leaseholders, Inc., an Oregon non-profit corporation, the Lessor, except in Section 2.1; in the closing paragraph of Section 6; and in Sections 14 and 25.1.
- 3.2 "The Site Plan of Salishan" shall mean the map of certain property located in Sections 9 and 10, Township 8 South, Range 11 West of the Willamette Meridian, Lincoln County, Oregon, attached hereto as Exhibit A.
- 3.3 "Salishan" shall mean the property owned by Salishan, Inc. shown on the Site Plan of Salishan, Inc. may acquire in the future to become a part of the development referred to herein.
- 3.4 "Common Areas" shall mean all areas within Salishan devoted by Salishan, Inc. to the common use of Salishan tenants and shall include the private ways referred to in Section 5, the community house, the swimming pool and tennis courts.
- 3.5 "The primary rental" shall mean the rental provided in Section 2.1.
- 3.6 "The maintenance rental" shall mean the rental provided in Section 2.2 as the sum may be increased as provided in Section 2.3 or decreased as provided in Section 2.4.
- 3.7 The term "architectural committee" shall mean the committee appointed in accordance with the provisions of Section 29.1 herein.
- 3.8 "Homesite" shall mean the areas numbered I through 168 on the Site Plan of Salishan, together with other sites leased by Salishan, Inc. for residential purposes within Salishan.
- 3.9 The term "Salishan tenant" shall mean any person having a lease of a homesite in Salishan.
- 3.10 The term "improvement" shall mean every building of any kind, fence or wall, pool, tennis court or other recreational facility which may be erected on any homesite, any drainage system which may be established thereon and any driveway or landscape development thereon.
- 3.11 "Mortgagee" shall mean any person to whom Lessees shall assign or otherwise hypothecate their interest in this lease for security purposes.

- 3.12 "Mortgage" shall mean any assignment, mortgage, or other instrument by which Lessees shall hypothecate their interest in this lease for security purposes.

Section 4. Recreational Facilities.

Salishan, Inc. agrees that within one year after 25 houses have been completed on homesites in Salishan or after 125 of such homesites have been leased, whichever occurs first, that it will build and complete a swimming pool, tennis court, and a community house within the area of Salishan. Salishan, Inc. will permit Lessees and their guests to use such facilities subject to such rules and regulations as Salishan, Inc. may adopt for the purpose of regulating the use of such facilities for the benefit of all entitled to use the same.

Section 5. Easements.

- 5.1 Salishan, Inc. does hereby grant unto Lessees an easement and right of way across the private ways described or referred to in Schedule A under the caption "Description of Premises Over Which Easement is Given Pursuant to Section 5, for the purpose of walking thereon or traveling thereon by bicycle or motor vehicle. The easement and right of way herein granted shall be nonexclusive and use thereof shall be subject to such reasonable rules and regulations as Salishan, Inc. may establish for safety purposes, for the purpose of protecting the private ways and for the purpose of protecting the peace and quiet of Salishan. Such rules and regulations may include, but need not be limited to, traffic regulations in general, speed limits, limits as to the size of vehicles which may use the private ways and the prohibition or limitation of parking. Lessees shall have the right to permit their guests and invitees to use the easement and right of way shall not be assignable. Salishan, Inc. intends to permit other Salishan tenants, their guests and invitees, patrons of nonresidential facilities, including the golf course, and Salishan, Inc. invitees to use the private ways.
- 5.2 By granting the right to Lessees and others to use such private ways, Salishan, Inc. does not intend to dedicate such private ways to the public but rather intends to preserve the private character of such ways. Salishan, Inc. shall be deemed to have dedicated such ways to the public only if it shall file in the records of Lincoln County an instrument clearly evidencing its intention to dedicate such ways to the public.
- 5.3 Salishan, Inc. reserves unto itself, its successors and assigns, an easement and right of way over the leased premises for the purpose of constructing and maintaining thereon:
- (a) Wires and conduits for the transmission of electricity, power, and telephone, and telecommunication messages and signals;
 - (b) Pipes and mains for water, gas, heat, sewers, storm drains and land drains; and
 - (c) Any facility necessary or useful for the purpose of furnishing any other public or quasi public utility.
- 5.4 If the leased premises are adjacent to the golf course on Salishan, Lessees will extend to the owners of errant golf balls the courtesy of entering the leased premises to retrieve the same.

Section 6. Maintenance of Common Areas and Maintenance Fund.

Salishan, Inc. has reserved as maintenance rental in each lease of a homesite in Salishan the same sum as is provided in Section 2.2 herein and Salishan, Inc. intends to reserve such sum in any new lease of a homesite in Salishan. Salishan Inc. agrees that it will keep the moneys reserved in Section 2.2 herein, similar moneys reserved in other leases of homesites in Salishan, and fines collected pursuant to Sections 17.1 and 21 herein separate and apart from its other moneys and shall use such moneys only for the following purposes:

- (a) Payment of the cost of maintaining private ways, street lights, entrance and other signs, common areas, hiking trails, the swimming pool, tennis courts, the community house, recreational facilities, a sewage system, a sewage treatment plant, and other facilities designed to serve Salishan tenants;
- (b) Payment of taxes assessed against private ways and other common areas within Salishan and the improvements thereon;
- (c) Payment of the cost of providing patrol service;
- (d) Payment of the cost of insurance, including insurance protecting Salishan, Inc. against liability;
- (e) Payment of the cost of enforcing restrictions on the use of property in Salishan;
- (f) Payment of the costs and fees of the professional members of the architectural committee;
- (g) Payment for other services which Salishan, Inc. deems to be of general benefit to Salishan tenants; and
- (h) Payment to Salishan, Inc. of a portion of its overhead reasonably attributable to the performance of the functions set forth in (a) through (g) above.

Except as stated above no part of the maintenance fund will inure to the benefit of Salishan, Inc. No part of the maintenance fund will be used for the maintenance of any golf course operated by Salishan, Inc. Salishan, Inc. shall have no obligation to provide the services set forth above except to the extent that moneys are available in the maintenance fund.

Section 7. Assignment.

- 7.1 Lessees may assign their interest in this lease or sublet the leased premises only after first obtaining the written consent of Salishan to such assignment or subletting. This provision shall not be construed to prevent the assignment of this lease for security purposes.
- 7.2 In the event that Lessees shall mortgage their interest in this lease the mortgagee shall notify Salishan, Inc. in writing at least 30 days before it shall institute a suit or take other steps to foreclose its mortgage. During such 30-day period Salishan, Inc. shall have the option to purchase from the mortgagee the mortgagee's interest in the mortgage with the obligation for which the mortgage was given as security for the amount due to the mortgagee by Lessees on account of such obligation at the time of purchase. In the event that such mortgagee shall intend to sell Lessees' interest in this lease at public sale it shall give Salishan, Inc. 10 days' notice in writing of the time and place of such sale before holding such sale and Salishan, Inc. shall be permitted to be a bidder at such sale.
- 7.3 The provisions of Section 7.1 shall not be deemed to prevent the transfer of Lessees' interest in this lease to a parent, spouse, child or grandchild of any of Lessees, to any person to whom a Lessee shall leave such interest by provision in his will or to any person who may receive such interest by operation of law upon the death of one of the Lessees.

Section 8. Notices to Lessees.

Any notice which Salishan, Inc. or the architectural committee shall desire to give to Lessees shall be sufficient if deposited in the United States mails in an envelope with postage prepaid addressed to Lessees at the address set forth above unless Lessees have notified Salishan, Inc. in writing of some other address to which notices should be sent. In the latter event notices will be sufficient if so mailed to the Lessees at the address which they have so furnished to Salishan, Inc.

Section 9. Warranty of Title.

Salishan, Inc. warrants that it is the owner of the leased premises in fee simple free

from all liens or encumbrances having priority over Lessees' interest herein. Salishan, Inc. warrants that Lessees on paying the rentals herein reserved and performing the other covenants and agreements on their part to be performed hereunder, shall and may peaceably and quietly have, hold and enjoy the leased premises during the entire term of this lease.

Section 10. Real Property Taxes.

- 10.1 Lessees will pay all ad valorem real property taxes assessed against the leased premises and the improvements thereon for all years during the term of this lease except that Lessees shall be required to pay only a portion of the taxes payable with respect to the first and last years of this lease based upon the portion of such tax year during which Lessees shall have the right to occupy the leased premises according to the terms of this lease.
- 10.2 Lessees will pay all special assessments against the leased premises which become liens thereon during the term of this lease.
- 10.3 During the term of this lease Lessees will not suffer or permit any lien to be imposed against the leased premises which will affect Salishan, Inc.'s interest therein. If Lessees shall violate this provision Salishan, Inc. may take such steps as may be necessary to eliminate the lien and shall be entitled to recover the amount paid in so doing from Lessees at once.
- 10.4 Lessees shall have the right to contest the validity of any tax or special assessment against the leased premises which they deem to have been illegally assessed or levied and for that purpose shall have the right to institute such proceeding or proceedings in the name of Salishan, Inc. as it may deem necessary provided that the expenses incurred by reason thereof shall be paid by Lessees.

Section 11. Repairs and Governmental Regulations.

- 11.1 Salishan, Inc. shall have no obligation to repair or in anyway maintain the leased premises.
- 11.2 Lessees will comply with all lawful orders and regulations of the County of Lincoln, State of Oregon, or any other governmental agency having jurisdiction over the premises with respect to the maintenance, construction upon and occupation of the leased premises, all at Lessees' sole expense.

Section 12. Indemnity.

During the term of this lease or any extension thereof or any occupancy hereunder Lessees will indemnify and hold harmless Salishan, Inc. from all liability and claims for damages by reason of any injury to any person or persons or any damage to property of any kind whatsoever and to whomsoever belonging, including the property of Lessees, resulting from or in any way connected with Lessees' occupation of the leased premises or the occupation by any tenant of Lessees of such premises. Lessees further will indemnify and save harmless Salishan, Inc. from all demands of whatever nature resulting from noncompliance or miscompliance with any laws, ordinances or regulations respecting the condition, use, occupancy, sanitation or safety of the leased premises or any part thereof.

Section 13. Waiver.

Any waiver by Salishan, Inc. of the performance or observance of any of the covenants and conditions contained in this lease on the part of Lessees to be performed, or any leniency shown to Lessees in respect thereto or to any other Salishan tenants, shall not be deemed to constitute a waiver of the right of Salishan, Inc. to proceed against the Lessees upon any subsequent breach by Lessees of the same or any other covenant or condition of this lease.

Section 14. Transfer of Salishan, Inc.'s Functions.

Salishan, Inc. contemplates that at some time an organization of property owners within Salishan may be formed. At such time as Salishan, Inc. deems desirable Salishan, Inc. may transfer its rights reserved hereunder and delegate its obligations to such an organization or to any other person or entity which Salishan, Inc. deems qualified to perform Salishan, Inc.'s functions under the terms of this lease. In the event of any such transfer the maintenance fund referred to in Section 6 shall be transferred subject to the restrictions contained in Section 6.

Section 15. Right to Remove Improvements.

At any time within 60 days following the expiration or termination of this lease Lessees shall have the right to remove from the leased premises any improvements which shall have been constructed thereon, provided that all moneys due Salishan, Inc. shall have first been paid, provided that any mortgagee of the improvements shall have consented to the removal, provided that in so doing Lessees shall leave the leased premises in as nearly as possible its natural state and provided that before so removing any such improvements Lessees shall furnish to Salishan, Inc. such security as Salishan, Inc. shall deem adequate to insure that such premises shall be restored to as nearly as possible their natural state within such 60-day period.

Section 16. Option to Renew.

At any time within six months prior to the expiration of this lease Lessees shall have the right to renew this lease for an additional period of 20 years. At any time within six months prior to the expiration of any extended term of this lease Lessees shall have the option to renew this lease for an additional 20-year term. Lessees may exercise their option by notifying Salishan, Inc. in writing of their election so to do within any such six-month period. During any extended term of this lease all of the terms, covenants, conditions and restrictions herein contained shall remain in force, except that Lessees shall not be required to pay the primary rental reserved in Section 2.1 herein.

Salishan, Inc.'s Remedies

Section 17. Violation of Rules or Regulations Concerning Use of Private Ways.

- 17.1 In the event that Lessees or any member of Lessees' family shall violate any rule or regulation which Salishan, Inc. may establish pursuant to Section 5.1 herein, Salishan, Inc. may impose upon Lessees a fine of not to exceed \$25 for each violation, which fine shall become payable at such time as Salishan, Inc. shall deliver to Lessees notice of such fine. The amount of the fine shall be added to the maintenance fund referred to in Section 6.
- 17.2 In the event that any person other than Lessees or a member of Lessee's family shall violate any rule or regulation which Salishan, Inc. may establish pursuant to Section 5.1 herein, Salishan, Inc. may bar such person from further use of the private ways in Salishan referred to in Section 5.

Section 18. Violation of Rules or Regulations Concerning Use of Common Areas.

In the event that any person shall violate any rule or regulation which Salishan, Inc. may establish in accordance with the provisions of Section 4 herein or for the use of any common areas within Salishan, Salishan, Inc. shall have the right to bar such person from further use of the recreational facilities to be provided pursuant to Section 4 and from any common areas within Salishan.

Section 19. Violation of Provisions Relating to Use of Property.

In the event that Lessees shall construct or permit to be constructed an improvement on the leased premises contrary to the provisions of Section 30 herein or in the event that Lessees shall maintain any improvement or thing on the leased premises contrary to the provisions of Sections 30 and 32 herein, Salishan, Inc. may no sooner than 60 days after it has delivered to Lessees notice of the violation of one or more of the provisions of such sections enter upon the leased premises and remove any improvement or thing which may be on the leased premises in violation of one or more of the provisions of such sections or alter, repair or change any improvement or thing which may be upon the leased premises in violation of one or more of the provisions of such sections in such a manner as to make such improvements or thing conform to the provisions of such sections. Salishan, Inc. may charge Lessees for the entire cost of the work done by Salishan, Inc. pursuant to the provisions of this section, which sum shall become payable by Lessees to Salishan, Inc. at such time as Salishan, Inc. has delivered to Lessees notice of the amount due.

Section 20. Violation of Provisions Concerning Care and Appearance of Premises.

In the event that Lessees shall fail to comply with the provisions of Section 31 herein, Salishan, Inc. may no sooner than 30 days after it has delivered to Lessees written notice specifying the respects in which Lessees are violating such section enter upon the leased premises and take such steps as in its judgment may be necessary to remedy the violation of such section. Salishan, Inc. may charge Lessees for the entire cost of the work done by Salishan, Inc. pursuant to the provisions of this section, which sum shall become payable by Lessees to Salishan, Inc. at such time as Salishan, Inc. has delivered to Lessees notice of the amount due.

Section 21. Violation of Provisions Concerning Landscaping.

Salishan, Inc. shall have the right to impose upon Lessees a fine for each violation of the provisions of Section 34 herein in an amount not to exceed \$25 for each shrub removed in violation of the provisions to such section and not to exceed \$25 per inch of the diameter at the stump of each tree removed in violation of the provisions of such section, which fine shall become payable at such time as Salishan, Inc. shall deliver to Lessees notice of such fine. The fine shall be added to the maintenance fund referred to in Section 6.

Section 22. Injunction.

In the event of any violation or threatened or attempted violation of any of the covenants, conditions, stipulations or restrictions herein contained either Salishan, Inc. or any Salishan tenant affected or who may be affected by the violation or threatened or attempted violation may institute proceedings in the Circuit Court of the State of Oregon for the County of Lincoln or any other court of competent jurisdiction against the Lessees or any person occupying the leased premises to enjoin the violation.

Section 23. Interest.

If Lessees shall fail to pay to Salishan, Inc. any money due to Salishan, Inc. hereunder such sum shall bear interest from the date due until paid at the rate of 8 per cent per annum.

Section 24. Action to Collect Moneys Due and Damages.

Salishan, Inc. shall have the right to institute an action against the Lessees to recover any moneys which may be due from Lessees to Salishan, Inc. hereunder and any damages which it may sustain on account of the violation of any provision hereof.

Section 25. Termination of Lease.

- 25.1 If Lessees shall fail to pay the primary rent reserved hereunder or any installment thereof within 30 days from the time when the same shall become due Salishan, Inc. shall have the right to terminate this lease, provided that it has delivered to Lessees at least 10 days prior to the date of termination notice of its intention to terminate unless such rentals be paid.
- 25.2 If Lessees shall fail to pay to Salishan, Inc. any moneys other than those referred to in Section 25.1 within 120 days after the same shall become due Salishan, Inc. shall have the right to terminate this lease, provided that it has delivered to Lessees at least 30 days prior to the date of termination notice of its intention to terminate unless such sums be paid.
- 25.3 In the event that Lessees shall violate any provisions of this lease other than the provisions referred to in 25.1 and 25.2 and those set forth in Sections 31, 32.3, 32.4, 32.6, 32.12, 32.14, 33, and 34, and such violation is not remedied within 120 days after Salishan, Inc. has delivered to Lessees notice of such violation then Salishan, Inc. may terminate this lease.
- 25.4 In the event of repeated wilful violations of Sections 31, 32.3, 32.4, 32.5, 32.12, 32.14, 33, and 34, or of the rules and regulations adopted pursuant to Section 5, Salishan, Inc. may terminate this lease, provided that it has delivered to Lessees notice that it will terminate in the event of a further or continued violation of such sections and a further or continued violation occurs following delivery of such notice.

Section 26. Provision for Protection of Mortgagee in the Event of Termination.

- 26.1 Salishan, Inc. may not terminate this lease pursuant to the provisions of Sections 25.1 and 25.2 until 120 days after it shall have sent written notice of its intention so to do to a mortgagee whose mortgage is of record and unless the default referred to in such sections shall not have been cured within such 120-day period.
- 26.2 No termination of this lease pursuant to the provisions of Sections 25.3 and 25.4 shall affect the validity of a mortgage of the leased premises or terminate the interest of a mortgagee pursuant to such a mortgage, provided that the mortgagee shall pay to Salishan, Inc. all moneys coming due pursuant to the provisions of this lease subsequent to the time of termination and provided that the mortgagee shall comply with the provisions of Section 7.2.

Section 27. Expenses and Attorneys' Fees.

In the event that Salishan, Inc. shall bring any suit or action to enforce any covenant or condition contained herein or to collect any money due it hereunder or in the event that Salishan, Inc. is involuntarily made a defendant in any litigation concerning this lease or the leased premises by reason of any act or omission of Lessees and not because of any act or omission of Salishan, Inc., Lessees will pay to Salishan, Inc. Salishan, Inc.'s costs and expenses incurred in connection with such suit or action including reasonable attorneys' fees.

Section 28. Nonexclusiveness of Remedies.

Salishan, Inc.'s election to pursue any remedy for violation of this lease provided hereunder shall not prevent it from following at the same time or any later time some other remedy provided hereunder. The remedies provided herein shall not be exclusive but shall be in addition to all other remedies provided Salishan, Inc. by law in the event of violation of this lease.

Use of Property

Section 29. Architectural Committee.

- 29.1 The architectural committee shall at all times consist of as many persons, not less than three, as Salishan, Inc. shall appoint. The present members of the architectural committee are named on Schedule A. Salishan, Inc. shall have the right to terminate the term of office of any member of the architectural committee at any time and to appoint new or additional members to the architectural committee at any time. Salishan, Inc. shall keep on file at its principal office a list of the names and addresses of the members of the architectural committee.
- 29.2 Except as otherwise provided herein any two members of the architectural committee shall have power to act on behalf of the committee without the necessity of a meeting and without the necessity of consulting the remaining members of the committee. The committee may act only by written instrument setting forth the action taken signed by the members of the committee consenting to the action.
- 29.3 If at any time the architectural committee shall be reduced to a number less than three, or for any reason shall fail to function, the board of directors of Salishan, Inc. shall serve as the architectural committee.

Section 30. Approval of Plans by Architectural Committee.

- 30.1 Salishan, Inc. recognizes that there can be an infinite number of artistic conceptions and ideas for the development of homesites consistent with its plan for Salishan. Salishan, Inc. wishes to encourage the formulation of such conceptions and ideas. Nevertheless, for the protection of all Salishan tenants, Salishan, Inc. wishes through the architectural committee, to make certain that any development of a homesite will be consistent with its plan for Salishan. The architectural committee has prepared an architectural checklist setting forth general concepts for the development of Salishan which is available at the office of Salishan, Inc. Such checklist may be modified from time to time.
- 30.2 Lessees will not construct, alter or maintain any improvement on the leased premises until:
 - (a) The Lessees have submitted to the architectural committee two complete sets of plans and specifications therefor in form satisfactory to the architectural committee, showing insofar as is appropriate (i) the size and dimensions of the improvement, (ii) the exterior design, (iii) the exterior color scheme, (iv) the exact location of the improvement on the homesite, (v) the location of driveways and parking areas, (vi) the scheme for drainage and grading, and (vii) the landscaping arrangement; and
 - (b) Such plans and specifications have been approved in writing by the architectural committee and a copy of such plans and specifications as finally approved deposited for permanent record with the committee.

Approval of said plans and specifications may be withheld, not only because of their noncompliance with any of the restrictions and conditions contained in this lease, but also because of the reasonable dissatisfaction of the architectural committee with the grading and drainage plan, the location of the structure on the homesite, the color scheme, the finish, design, proportions, shape, height, style, or appropriateness of the proposed improvement or alteration, the material used therein, the kind, shape, or type of roof proposed to be placed thereon or because of its reasonable dissatisfaction with any matters or things which, in the reasonable judgment of the architectural committee, would render the proposed improvement inharmonious or out of keeping with Salishan, Inc.'s objectives or the improvements erected on other homesites in the immediate vicinity of the leased premises.

- 30.3 In the event that Lessees shall wish to change the exterior color scheme of any improvement they shall submit to the architectural committee such information with respect to their proposed change as the architectural committee shall require and shall make such change only after approval in writing has been obtained from such committee.
- 30.4 If at any time Lessees shall have submitted to the architectural committee plans and specifications in accordance with Section 30.2 for a dwelling house and the architectural committee shall have neither approved such plans and specifications with 30 days from the date of their submission nor notified the Lessees of its objections within such 30-day period, then such plans and specifications shall be deemed to have been approved by the architectural committee. Similarly, in the event that Lessees shall have filed revised plans and specifications for a dwelling house with the architectural committee after receiving objections from the architectural committee as to the plans and specifications originally filed and the architectural committee shall have neither approved nor notified the Lessees of its further objections within such 30-day period, then such revised plans and specifications shall be deemed to have been approved by the architectural committee.

If at any time Lessees shall have submitted to the architectural committee plans and specifications in accordance with Section 30.2 which do not include the construction of a dwelling house or the information required by Section 30.3 and the architectural committee shall have neither approved such plans and specifications or color scheme within ten days from the date of their submission nor notified Lessees of its objections within such 10-day period, then such plans and specifications or color scheme shall be deemed to have been approved by the architectural committee. Similarly in the event that Lessees shall have filed revised plans or specifications which do not include the construction of a dwelling house or a revised color scheme with the architectural committee and the architectural committee shall have neither approved nor disapproved such revised plans and specifications or color scheme within ten days from the date of their submission, then such revised plans and specifications shall be deemed to have been approved by the architectural committee.

- 30.5 Whenever Lessees have completed an improvement they shall promptly notify the architectural committee in writing. Any member of the architectural committee on any weekday between the hours of 9:00 o'clock a.m. to 5:00 o'clock p.m. within 60 days following the time the Lessees have so notified the architectural committee of the completion of an improvement may inspect such improvement for the purpose of determining whether it complies with the plans and specifications approved by the architectural committee. In the event that the architectural committee shall determine that such improvement does not comply with such plans and specifications it shall notify the Lessees within such 60-day period, whereupon the Lessees within such time as the architectural committee shall specify, not less than 30 days, however, from the date of notice, either remove such improvement or alter it so that it will comply with such plans and specifications. In the event that the architectural committee shall not communicate with the Lessees within 60 days from the time that they have notified the architectural committee of the completion of the improvement, the improvement shall conclusively be deemed to be satisfactory to the architectural committee.
- 30.6 All communications to the architectural committee shall be delivered by hand or by mail to Salishan, Inc. at its principal office.

- 30.7 Salishan, Inc. may impose a building permit fee at a rate which will be uniformly applicable to all Salishan tenants and no construction pursuant to approved plans and specifications may be commenced prior to the time such fee is paid. Salishan, Inc., may retain \$50.00 of such fee for its own use so long as it continues to provide facilities for burning of waste materials. It shall pay the remainder of such fee into the maintenance fund.

Section 31. Care and Appearance of Premises.

Lessees shall maintain the improvements on the leased premises and the lease premises and the grounds of such premises in a neat and attractive manner, and in particular shall keep the grass and weeds cut, the shrubbery pruned and dead trees, shrubbery and plants removed. Lessees shall keep the exterior of improvements on the leased premises in a good state of repair and appearance.

Section 32. Uses Permitted and Prohibited.

- 32.1 Lessees shall use the leased premises solely for residential purposes, and no building, other than a single family dwelling house and appurtenant out-buildings, including garages for private use, shall be constructed or maintained on the leased premises. Outbuildings may include a guest house and servants' quarters, but no outbuildings shall be used by persons other than immediate family, servants, or guests of the Lessees. No dwelling unit may be rented or leased for a term of less than thirty (30) consecutive days.
- 32.2 Temporary structures shall be permitted on the leased premises during the period of construction of a dwelling house if approved by the architectural committee, but such temporary structure shall be removed within 30 days after completion of said dwelling house or within six months after the date said temporary structure was erected, whichever period expires first.
- 32.3 Except with the approval of Salishan, Inc., Lessees at no time shall keep or permit to be kept on the leased premises any house trailer, truck camper or mobile home. Boat trailers shall be parked at all times on the leased premises and not on private ways.
- 32.4 No domestic animals of any kind shall be raised, kept or permitted upon the leased premises or any part thereof other than dogs, cats and birds which are not kept, bred or raised thereon for commercial purposes or in unreasonable numbers and which are reasonably controlled to avoid their being a nuisance to other tenants.
- 32.5 No commercial activity of any kind shall be carried on in or from the leased premises; provided, however, that since Salishan has been particularly planned and laid out as a community attractive to artists, nothing in this section shall be construed to prevent any artist from pursuing his artistic calling upon the leased premises, as long as he does not advertise or offer for sale to the public his products upon the leased premises.
- 32.6 No garbage, refuse, rubbish or cuttings shall be deposited upon or left on the leased premises unless placed in an attractive container suitably located and screened from public view.
- 32.7 No clothesline shall be located on the leased premises so as to be visible from a private way, dwelling house or another homesite, from public areas in Salishan or from the golf course.
- 32.8 Lessees shall at no time maintain any sign or other advertising device of any character upon the leased premises, except that they may maintain one sign, not larger than 400 square inches, advertising the property for rent or this lease for sale.
- 32.9 No fuel tank shall be maintained above ground on the leased premises unless screened from view in a manner satisfactory to the architectural committee.

- 32.10 Except with the permission of the architectural committee or except as may be necessary in connection with the construction of an improvement no excavation shall be made on the leased premises nor shall any dirt be removed therefrom.
- 32.11 Except with the approval of the architectural committee the natural drainage on the leased premises shall not be changed.
- 32.12 Except with the approval of Salishan, Inc. no person shall reside upon the leased premises until such time as the improvements to be erected thereon in accordance with plans and specifications approved by the architectural committee have been completed.
- 32.13 Lessees shall not permit the exterior of any improvement to be constructed on the leased premises to remain incomplete for a period longer than one year from the date upon which construction of the improvement was commenced unless they have first obtained the permission in writing of Salishan, Inc.
- 32.14 The Lessees shall neither install nor maintain exterior lighting of any sort which is visible from a street or from the dwelling house of any Salishan tenant without first obtaining the permission of the architectural committee.
- 32.15 The Lessees shall not maintain any power, telephone or other utility wires or conduit serving the leased premises above ground without first obtaining the approval of the architectural committee.

Section 33. View.

It is important that Lessees shall restrict the height of improvements on the leased premises and the height of trees and vegetation growing thereon to the end that the view of other Salishan tenants shall be preserved to the greatest extent reasonably possible. Limitation as to the height of improvements will be accomplished through the provisions contained in Section 30. The architectural committee shall have the responsibility for determine whether trees or other vegetation on the leased premises unreasonably interfere with the view of other Salishan tenants. In any case in which the architectural committee shall determine that there is such interference it shall send a notice in writing to the Lessees, which notice shall set forth the extent to which the trees or other vegetation shall be pruned or removed. If within 30 days after receipt of such notice the Lessees have not caused trees or other vegetation to be pruned or removed to the extent required by the architectural committee, Salishan, Inc., at its expense, may do such work, provided that Salishan, Inc., if it desires, may charge the cost of such work to the Salishan tenant who has requested the pruning or removal of such trees or other vegetation.

Section 34. Landscaping.

- 34.1 It is the desire of Salishan, Inc. to preserve the natural vegetation of Salishan to the greatest extent possible and to preclude the planting of trees, shrubs, lawns and other vegetation thereon not indigenous to Salishan.
- 34.2 The Lessees shall neither remove from the leased premises any tree, shrub, or other vegetation, nor shall they plant any new tree, shrub or other vegetation, without having first obtained the permission in writing of one member of the architectural committee.

Section 35. Protection of Lessees.

Salishan, Inc. agrees that it will include provisions either identical or substantially similar to those contained in Sections 29 through 34 herein in each lease of a homesite in Salishan and that in the event that any time Salishan, Inc. may sell a homesite in Salishan that such homesite shall be sold subject to restrictions similar to those set forth in such Sections 29 through 34.

WHEREAS, Salishan Leaseholders, Inc., an Oregon Corporation, is successor in interest to Salishan Properties, Inc., it is the intent of this instrument that wherever "Salishan Properties, Inc." or "Salishan Inc." appears in this instrument, it shall mean Salishan Leaseholders, Inc.