

# ASSIGNMENT, ASSUMPTION, AND CONSENT

FILED FOR RECORD  
SKAMANIA CO. WASH  
BY *Atadel Prop. Inc.*

"ASSIGNOR"

William Hadfield  
Terrence Hadfield  
2440 SW 172nd Court  
Beaverton, OR 97006

APR 1 12 07 PM '94  
*P. Schme*  
AUDITOR  
GARY M. OLSON

"ASSIGNEE"

~~Brook Borgey~~ *CORY BERLEY*  
7700 SW River Rd. *CHARLYN BERLEY*  
Hillsboro, OR 97123

"WATER FRONT"

Water Front Recreation, Inc.,  
a Washington corporation  
525 NE Greenwood Avenue  
Bend, Oregon 97701

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119086

DATED:

3/1/94, 1994

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

1. Assignor hereby assigns to Assignee all right, title and interest Assignor has in and to:

1.1 Those certain premises described as follows:

Cabin Site No. 183 of the Northwoods being part of Government Lots 4 and 8, Section 26, Township 7 N, Range 6 E Willamette Meridian, Skamania County, Washington.

1.2 And under that certain Cabin Site Lease from Water Front to Herbert and Veronica Schmunk, dated July 17, 1976, a copy of which Cabin Site Lease is attached hereto marked Exhibit A, and incorporated herein by reference, and as subsequently assigned to William Hadfield and Terrence Hadfield, dated September 1, 1989.

Assignment, Assumption, and Consent Form - Page 1

NA  
REAL ESTATE EXCISE TAX

Registered 0  
Indexed, Dir 0  
Indirect 0  
Filmed 1  
Mailed 0

APR 1 1994  
PAID NA  
*WJ*  
SKAMANIA COUNTY TREASURER

Glenda J. Kimmel, Skamania County Assessor  
By: *WJ* Parcel # 96-000183 7/1/1994

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

3. Water Front hereby consents to the foregoing Assignment and Assumption.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment, Assumption, and Consent in triplicate as of the date first hereinabove written.

ASSIGNOR:

William M. Hadfield  
William Hadfield  
Terrence L. Hadfield  
Terrence Hadfield

ASSIGNEE:

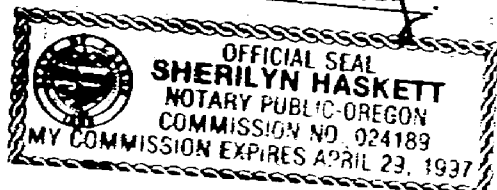
Cory Berger  
Bruce Berger  
Cory Berger

WATER FRONT RECREATION, INC.

By: Robert T. Curry  
Robert T. Curry, President

STATE OF OREGON )  
County of Deschutes ) ss:

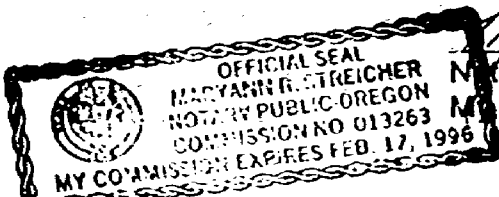
This instrument was acknowledged before me on March 22, 1994 by Robert T. Curry



Sherilyn Haskett  
Notary Public for Oregon  
My Commission Expires: 4-29-97

STATE OF OREGON )  
 )ss:  
County of WASHINGTON )

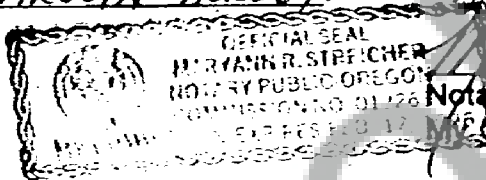
This instrument was acknowledged before me on March 7, 1994  
by COY BERGEY



Maryann R. Streicher  
Notary Public for Oregon  
My Commission Expires: 2/17/96

STATE OF OREGON )  
 )ss:  
County of WASHINGTON )

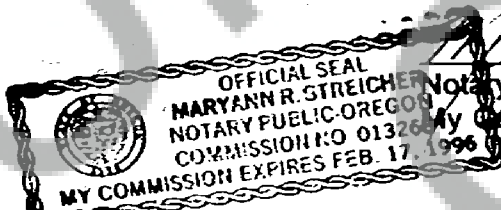
This instrument was acknowledged before me on March 7, 1994  
by CAROLYN BERGEY



Maryann R. Streicher  
Notary Public for Oregon  
My Commission Expires: 2/17/96

STATE OF OREGON )  
 )ss:  
County of WASHINGTON )

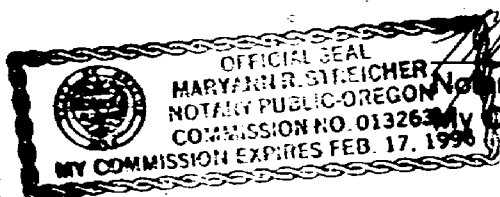
This instrument was acknowledged before me on MARCH 15, 1994  
by TERRANCE L. HADFIELD



Maryann R. Streicher  
Notary Public for Oregon  
My Commission Expires: 2/17/96

STATE OF OREGON )  
 )ss:  
County of WASHINGTON )

This instrument was acknowledged before me on MARCH 15, 1994  
by WILLIAM W. HADFIELD



Maryann R. Streicher  
Notary Public for Oregon  
My Commission Expires: 2/17/96

# Water Front Recreation, Inc.

## SUPPLEMENTAL AGREEMENT

Cabin Site No. 183

Lessee has read and understands the terms of the lease. It is understood and agreed that the following are **strictly prohibited**:

1. Electric generators (except for occasional daytime use);
2. Garbage disposals;
3. Clothes washers.

The cabin site lease may have been amended by the Settlement Agreement of May 24, 1984 filed in the Circuit Court of the State of Oregon for the County of Multnomah in Kahlman et al v. Curry et al, Case No. A80-10-06115, a class action concerning, among other things, the effect of the eruption of Mt. St. Helens.

Lessee agrees to assume responsibility for all costs incurred by Water Front Recreation, Inc. for any efforts required to collect delinquent monies owed by Lessee to Water Front Recreation, Inc.

Lessee(s) authorizes and hereby consents for Water Front Recreation, Inc. to obtain a credit report on my/our behalf.

Dated: 2/26/94

Cory Berger  
Signature

559-27-2926  
Social Security Number

Paula Burr  
Signature

552-72-0254  
Social Security Number

NORTH WOODS

Some Things You Should Know  
Before Becoming a Cabin Site Lessee

Mount St. Helens

Mount St. Helens, approximately 9-10 miles north of North Woods, is an active volcano. It last erupted for quite a few years from the 1830's to the 1850's. It began erupting again in March 1980 and is still in an eruptive phase.

Ash has fallen at times in North Woods since at least May 1980.

In May 1980, flooding and a mud flow washed out the Eagle Cliff Bridge and thereby the main access, about one-half mile north of North Woods.

After about March 25, 1980, for many months, and at times since, the State of Washington and/or the federal government, through "Red Zones" and the like, have prohibited cabin site lessees at North Woods from even going to the North Woods or from staying overnight. Government authorities may possibly again so restrict or prohibit access or use of cabin sites at North Woods.

For some significant time after March 1980, Pacific Power and Light has maintained Swift Creek Reservoir at a lower level than normal.

After May 18, 1980, many logs washed down by the eruption remained in the reservoir for many months, inhibiting boating and swimming, and for a significant amount of time many of those logs were in the reservoir immediately in front of North Woods and blocked access from many of the cabin sites to the reservoir.

Lawsuits

The Northwoods Homeowners Association filed three lawsuits arising from the volcanic eruption. Two, in Washington and the federal court, have since been dismissed. The lawsuit in Oregon was settled subject to final judgment thereon being entered after an appeal was resolved concerning the amount of attorneys' fees. The appeal has been resolved, and the judgment is effective, and the Settlement Agreement is in effect.

Settlement Agreement

A comprehensive settlement agreement dated May 24, 1984 has been entered into by all the parties to all three lawsuits. The settlement has been approved by the Multnomah County, Oregon Circuit Court August 29, 1984, and a judgment based thereon was entered in late September 1985. After an appeal by plaintiffs' former attorneys concerning attorneys fees, the Settlement Agreement finally became effective in August 1988.

The following represents a summary of those items within the Settlement Agreement which may affect cabin site lessees:

1. The consumer price index applicable in the future under the cabin site leases shall be the National Consumer Price Index for all urban consumers and any successor index thereto.
2. Water Front Recreation, Inc. has paid to the Homeowners Association \$18,000 for docks, \$10,000 for roads, and \$2,500 for warning system, but with the Association to match at some time the \$18,000 and \$10,000 payments.
3. Future rent under the cabin site leases would be abated on a daily basis to the extent that any government agency in the future prevents overnight use by sub-tenants under the cabin site leases because of any actual or potential eruption of Mt. St. Helens (except for the portion of rent attributable to leasehold tax and any assessment), and some slight modification of the consumer price index adjustment might also occur.



4. The State of Washington agreed not to charge certain rents due to it under the master lease under certain circumstances if overnight use is denied by such government action.
5. The State of Washington and Water Front Recreation, Inc. agreed to extend the term of the master lease by 44 years to June 1, 2069. The annual rental payable in advance by Water Front Recreation, Inc. to the State of Washington beginning in the year 2025 and each succeeding year thereafter, is to be based on the full, fair, market rental value of the leased land, exclusive of any improvements of Water Front Recreation, Inc. or the cabin site sub-tenants at that time. That rent is to be adjusted as of June 1, 2025, and then at five year intervals thereafter.
6. After the restated master lease was signed and exchanged and the Settlement Agreement became final, Water Front Recreation, Inc. offered in writing to the then existing cabin site subtenants, or at least to most of them, an opportunity for 120 days in which to extend the cabin site leases from 2025 to 2069, with the rent between years 2025 and 2069 to be determined on a pro rata basis compared to the initial cabin site rents for that cabin site as the new rent under the restated master lease bears to the rent under the initial master lease.
7. The Homeowners Association amended its bylaws and took over responsibility for all enforcement of the Association bylaws covering such concerns as uses of the premises, vehicles, maintenance, signs, nuisances, animals, incineration, fires and fireplaces, firearms and fireworks, commercial uses, motorbikes, fire extinguisher, trailers and tents, solicitation, hose bibs, inspection, and timber. The Association can also take the responsibility concerning approval of building plans and building materials, and completion of projects.
8. The Association also agreed to notify Water Front Recreation, Inc. in writing of certain violations under the cabin site leases or amended bylaws of the Association.
9. The Association is obligated to conduct certain enforcement activities under the amended bylaws.
10. Water Front Recreation, Inc. and the Association have certain rights and obligations in regard to enforcement in the courts of violations of the amended bylaws and cabin site leases and foreclosure for nonpayment of dues.
11. Most cabin sites which may be acquired from Water Front Recreation, Inc. after August 5, 1986, and the new subtenants thereunder, will not be benefited by the Settlement Agreement other than by the dismissal of the litigation and, derivatively, by payments Water Front Recreation, Inc. makes to the Association.

**Dues of Northwoods Homeowners Association**

The present dues of the Northwoods Homeowners Association, which a cabin site sublessee has to pay, vary per year. Those dues can be raised, and special assessments can be made, by the Homeowners Association according to its own Articles and Bylaws.

I (we) acknowledge receipt of a copy of this document this 26 day of

February 1994

Cory Berger  
Cory Berger

*Water Front Recreation, Inc.*

RECEIPT OF LEASE COPIES

As a possible cabin site lessee, I/We hereby confirm that I/We have received copies of the Cabin Site Lease, and the Restated Master Lease for the Northwoods Development as provided to me by Water Front Recreation Inc. as part of the Lease Assignment Package.

Signed:

Date:

Cory Burger  
2/26/94

Signed:

Date:

[Signature]  
2/28/94

## Water Front Recreation, Inc.

525 N.E. Greenwood Avenue  
Bend, Oregon 97701  
Phone: (503) 388-9058  
FAX #: (503) 389-2793

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### UNDERSTANDING OF INSURANCE REQUIREMENTS

This is to confirm that I/We have read the document entitled "North Woods Insurance Requirements Checklist", and all related material including the Cabin Site Lease and the Master Lease and that I/We understand and agree to the following insurance requirements:

1. Vacant Cabin Site Lots Do Not Require Insurance
2. Prior to beginning construction on a vacant cabin site lot, I/We will obtain proper insurance and provide Water Front Recreation with proof of proper insurance before construction begins.
3. Failure to comply with all insurance requirements as established by the State of Washington and Water Front Recreation, Inc. is a violation of the cabin site lease and could place Me/Us in immediate default of the cabin site lease for not providing proper insurance. In addition, failure to provide and maintain proper insurance in force at all times, due to non-payment of insurance premiums, will place Me/Us in immediate default of the cabin site lease.
4. The insurance policy that I/We obtain for My/Our Northwoods Cabin Site, will name the State of Washington - Department of Natural Resources, as an additional insured.
5. The insurance policy that I/We obtain for My/Our Northwoods Cabin Site will name Water Front Recreation, Inc. as the First Mortgagee or the Loss Payee (Before All Other Interests).
6. In the event of a fire or other event that damages or destroys the cabin or other improvements, all insurance proceeds are to be paid to Water Front Recreation, Inc. As specified and required under the Master Lease, Section 5.02, said proceeds shall be used for the immediate replacement of the cabin or other improvements, or at the option of the Lessee, paid directly to the State of Washington in lieu of replacing said improvements.

Signed:

Cory Berger

Dated:

2/26/94

Signed:

Cory Berger

Dated:

2/26/94