

After recording return to:

Harry M. Hanna
Sussman Shank LLP
1000 SW Broadway, Suite 1400
Portland, OR 97205

Doc # 2005156334
Page 1 of 11
Date: 02/23/2005 10:12A
Filed by: SKAMANIA COUNTY TITLE
Filed & Recorded in Official Records
of SKAMANIA COUNTY
J. MICHAEL GARVISON
AUDITOR
Fee: \$29.00

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
DOUG SUTHERLAND, Commissioner of Public Lands

LEASE ASSIGNMENT

Agreement No. 39-060397

For and in consideration of the sum of ten dollars and other valuable consideration the hereinafter named assignor(s) hereby assign(s), set(s) over, and transfer(s), all of their right, title, and interest in and to that portion of the lease or Contract No. 39-060397 herein described:

See 26 T7N R6E
SEE EXHIBIT A ATTACHED
07-06-26-0-0-0501
96-000500
34093
FEB 23 2005
PAID
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unto: WATER FRONT RECREATION, INC., a Washington corporation whose principal office is at
P.O. Box 7139, Bend, OR 97708-7139, and said assignee(s)

(P.O. Box - Route - Street)

hereby binds and obligates himself/herself (themselves) to perform all the conditions and covenants of said lease or contract.

In the event the assignee is a corporation, and if at any time during the term of this lease any part or all of the corporate shares of the assignee be transferred by sale, assignment, bequest, inheritance, operation of law, or other disposition so as to result in a change in the present control of the assignee by the person or persons now owning a majority of the corporate shares, such change shall be deemed an assignment of this lease, which, to become legally effective, requires the prior written approval of the Department of Natural Resources.

Approval of this assignment by the Department is not a discharge of the assignor or assignor's surety from any or all liabilities, obligations, or duties incurred under Agreement No. 39-060397, dated this 20th day of November, 1975, 20__, made prior to the date of the consent of this assignment. Assignor shall be and remain jointly and severally liable with the assignee or transferee for all future obligations under the lease or contract, unless released in writing by the State. Assignor's obligations shall continue in full force and effect as to and include any additional obligations created by any renewal, amendment, modification, extension, assignment or transfer of the lease or contract whether or not assignor shall have received notice of or consented to the same. Assignor waives all surety defenses and waives notice of any breach by a subsequent assignee or transferee.

Dated: August 20, 2004

By: Laedene Curry
Assignor
_____, UBI Number

Dated: August 20, 2004

WATER FRONT RECREATION, INC.
By: Laedene Curry
Assignee
600-175-101, UBI Number

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

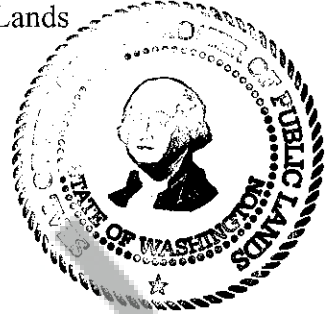
Dated: Sept. 23, 2004

By Howard P. Thurman for
Doug Sutherland
Commissioner of Public Lands

APPROVED AS TO FORM ONLY
this 13th day of March, 1998.

Christine O. Gregoire
Attorney General

By: JAMES SCHWARTZ
Assistant Attorney General



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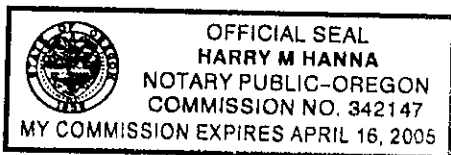
CERTIFICATE OF ASSIGNOR'S ACKNOWLEDGMENT

OREGON

STATE OF WASHINGTON)
) ss
COUNTY OF MULTNOMAH)

On this day personally appeared before me Raedene Curry, to me known to be the individual_ described in and who executed the within and foregoing instrument and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 20th day of August, 2004.



[Signature]
Oregon
Notary Public in and for the State of Washington,
residing at Portland, OR.
My appointment expires 4-16-05.

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF _____)
) ss. ASSIGNOR
COUNTY OF _____)

On this _____ day of _____, 20____, personally appeared before me _____ to me known to be the _____ 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 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.

Notary Public in and for the State of Washington,
residing at _____.

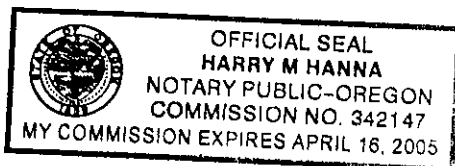
My appointment expires _____.


CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF OREGON)
)ss. ASSIGNEE
COUNTY OF MULTNOMAH)

On this 20th day of August, 2004, personally appeared before me
Raedene 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 were 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.





Oregon
Notary Public in and for the State of Washington,
residing at Portland, OR
My appointment expires 4-16-05

Unofficial Copy

EXHIBIT A

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT L. COLE, Commissioner of Public Lands

Lease No. 60397

BY THIS LEASE, by and between the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, hereinafter called the State, and ROBERT T. CURRY, hereinafter called the Lessee, the State leases to the Lessee the following described lands in Skamania County, Washington, on the terms and conditions stated herein, to wit:

That portion of the W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 25, Township 7 North, Range 6 East, W.M., included within the limits of a tract of land described by metes and bounds as follows:

Beginning at the west quarter section corner of said Section 25, running thence, along the east-west centerline thereof, East 200 feet, thence S 39° E 140 feet, thence South 50 feet, thence S 13° W 240 feet, thence S 30° E 150 feet, thence S 40° W 230 feet, to a point on the north line of the BG-EC-1000 Road, thence along said north line, west 160 feet, to the west line of said Section 25, thence, along said west line, North 690 feet to the point of beginning having an area of 4.0 acres, more or less, as shown on the plat thereof on file in the office of the Commissioner of Public Lands at Olympia, Washington.

Note: All of the bearings and distances used in the above description are approximate.

Subject, however, to easement for right of way granted to U.S. Forest Service under Application No. P-5081.

Subject, however, to terms of the Swift Creek Agreement No. 9.

Gary H. Martin, Skamania County Assessor

Date 8-23-05 Parcel # 07-0626-0-0 SECTION 1 OCCUPANCY

1.01 Term. This lease, shall commence on the 2nd day of September, 1975, and continue to the 2nd day of September, 2030.

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 contained in the Lessee's approved plan of development commercial recreation, unless the Lessee submits a written request and obtains written permission from the State.

SECTION 3 RENTAL

3.01 Amount. The Lessee shall pay to the State at Olympia, Washington 98504, annually in advance, \$375.00. The annual rental for each ten year period of the lease thereafter will be adjusted as stated in Section 3 - 3.02. The annual rental for the first ten year period shall become the minimum annual rental for the remaining term of the lease.

3.02 Reappraisal. On September 2, (month and day of lease), 1985, and at intervals of not less than ten (10) year thereafter, 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 or detriments 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 or disadvantage. The Fair Market Rental Value will be appraised within ninety (90) days of a rental adjustment period. However, in no event will the adjusted annual rental be less than the rental established for the first ten (10) year rental period.

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 a Review Board of Appraisers. The Board shall be as follows: One member to be selected by the Lessee and his expense shall be borne by the Lessee, one member selected by the State and his expense shall be borne by the State, these members so selected shall mutually select a third member and his expenses shall be shared equally by the Lessee and the State. The majority decision of this Appraisal Review Board shall be binding on both parties. Notwithstanding submission of the evaluation to the Review Board, the Lessee shall pay the rental amount as proposed by the State on the due dates as required if no decision by the Review Board has been made. If additional payments or refunds are required as a result of this review, such monies shall be due and payable within thirty (30) days after such review decision.

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. Provisions for use of access roads across State land and land other than State are as follows:

(1) Road Easements. The Lessee hereby agrees to comply with all terms and conditions of the easement entered into by and between the State, acting by and through its Department of Natural Resources and the Forest Service, Department of Agriculture dated March 11, 1970, recorded under Auditor's File No. 71966, all in Skamania County, Washington.

(2) Uses. 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 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. The Lessee's plan of development and placement of improvements must be such that access to the State's adjacent ownership, if any, will not be prohibited.

4.03 Public Hunting. All State lands leased for recreational purposes shall be open and available to the public for purposes of hunting and fishing unless closed to public entry because of:

(1) Fire hazard;

(2) It being necessary to close the area to avoid undue interference with the carrying forward of a departmental or agency program;

(3) The Lessee having been given written approval by the Department of Natural Resources to lawfully post the area to prohibit hunting and fishing thereon in order to protect: (a) land cover, (b) improvements on the land, (c) the Lessee, (d) the general public.

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

(1) Conform to all public authority and State and local laws 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) The Lessee shall cut no State timber or remove State-owned valuable material without prior written consent of the State. Prior to the State granting authorization for the cutting of timber or removal of valuable material, the Lessee must pay to the State the fair market value of the timber or valuable material, as determined by the State.

(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.

(5) Use the site only for the purposes as set forth in Section 2 - 2.01 of this lease unless otherwise approved in writing by the State.

(6) In the exercise of the rights granted by this lease, agrees to abide by the Department's Resource Management Operating Specifications in effect at the time of execution of this lease. Subsequent changes in specifications proposed by the State, necessary to reasonably protect the environment, will be mutually agreed upon. Costs for such subsequent changes will be borne by the Lessee.

If the State and the Lessee fail to agree as to the changes in specifications necessary, a committee comprised of three individuals will be formed. Said committee to be made up of one member appointed by the State, one member appointed by the Lessee, and one member to be appointed by the two aforementioned members. The decision of the committee will be final and binding on all parties.

SECTION 5 REQUIREMENTS

5.01 Assignment, Sub-lease and Corporate Control. This lease or any portion thereof or interest therein may not be assigned, mortgaged, sublet or otherwise transferred without the prior written consent of the State. With such consent the State reserves the right to change the terms and conditions of this lease as it may affect the assignee. Further, if the Lessee shall be a corporation or partnership and if at any time during the term of this lease any part or all of the corporate shares or partnership interests of the Lessee shall be transferred by sale, assignment, or other disposition so as to result in a change in the present control of the lease by the person or persons now owning a majority of the corporate shares or change in the holding of the partnership interests, the transfer shall be deemed as requiring an assignment.

In the event the leasehold interest is transferred by bequest, inheritance, or otherwise by operation of law the exercise of such rights of the Lessee shall be subject to the approval by the State which will be given in the event the State determines that the State's interest is adequately protected.

Further, in the event this lease or portions thereof is sublet, the sub-lease conditions shall include but not be limited to requiring the continuance of monthly and/or annual payments, in the amount necessary to insure payment of the annual lease payments required herein.

All of the rights in favor of either party hereby created or reserved and all the covenants, obligations and restrictions set forth in this lease shall run with the lands and with each and every part or parcel thereof, and shall be binding upon all successors in interest of the Lessee and all sub-lessees and their successors in interest.

5.02 Condition of Premises and Liability. The premises have been inspected by the Lessee and are accepted in their present condition. Lessee will protect, save and hold harmless the State, its authorized agents and employees, from all claims, costs, damages or expenses of any nature whatsoever arising out of or in connection with the use of the leased premises. Further the Lessee will be responsible for the payment of any fines or penalties charged against the premises as a result of his action in not complying with laws or regulations affecting the premises. 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 an amount of not less than \$100,000.00 for injury to one person, \$300,000.00 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 - 3.02. Certificates evidencing such insurance and bearing endorsements requiring thirty (30) days' written notice to the State prior to any change, expiration and/or cancellation shall be furnished to the State before the Lessee commences any developmental work on the site.

5.03 Default. If the Lessee shall violate or default any of the covenants and agreements herein contained, then the State may cancel this lease, provided that the Lessee has been notified of the violation or default sixty (60) days prior to such cancellation and such violation or default has not been corrected in the specified period of time. In the event the State cancels this lease in accordance with the provisions of this section, all authorized improvements and buildings located thereon shall become the property of the State as provided for by law.

5.04 State's Right to Cure Defaults. If the Lessee is in default by failure to perform any covenant(s) of this lease, as may be required by the terms 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 eight percent (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 sixty (60) day period. Provided that, if the default is injurious to the public health or safety, the State shall have the right to immediately enter upon the site and cure said default and require reimbursement of the State's expenditure as provided above.

5.05 Liens.

(1) The Lessee shall not have the right to file or place any lien of any kind or character upon the land or improvements or the leasehold estate within the leasehold premises without the prior written consent of the State.

(2) In the event liens or other charges are placed on the leasehold premises, including land or improvements, arising out of the Lessee's actions directly or indirectly, the Lessee shall immediately cause such liens or charges to be discharged. The State may forthwith cancel this lease if Lessee fails to discharge such liens or charges after sixty (60) days' notice to do so by the State. The Lessee shall pay and indemnify the State for all costs, damages or charges of whatsoever nature, including attorneys' fees, necessary to discharge such liens or charges, whether such costs, damages or charges are incurred prior or subsequent to any cancellation of this lease. However, any cancellation of the lease would be delayed in the event an action was commenced within sixty (60) days of the notice provided for herein disputing the validity of the lien or liens, except as may be provided in any Security Agreement agreed to by the State.

5.06 Insolvency of Lessee. If the Lessee becomes insolvent, bankrupt, receiver appointed, or his interest is transferred by operation of law, the State may cancel this lease at its option. Insolvency as used herein will mean the inability of the Lessee to meet obligations under this lease as they come due.

5.07 Lessee Termination. If the Lessee is not in default and wishes to terminate this lease, then by written request and with the written concurrence of the State, such action may take place. Such termination shall be without prejudice to either party.

5.08 Improvement Bond. Before commencement of construction 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:

(1) 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 new improvements shall have been insured as provided in the lease and the entire cost of improvement shall have been paid in full free from all liens and claims of contractors, subcontractors, mechanics, laborers and material men. Said bond shall be conditioned upon the faithful performance of the provisions of the lease by Lessee, and give all claimants the right of action to recover upon said bond.

(2) Any other method first approved in writing by the State.

5.09 Assessments. The Lessee shall pay the payments on all assessments that are legally required to be paid now or may be charged during the lease term to the State land or the improvements thereon.

5.10 Status of Sub-leases in Cessation of Lease. A cessation of this lease, by cancellation or otherwise, prior to the lease expiration date, shall not serve to cancel approved sub-leases, but upon written directive by the State, such cessation shall operate as an assignment to the State of any and all such sub-leases together with the unrestricted right of the State to receive all sub-lease payments provided for from the date of said assignment. Such assignment shall not operate to convey any rights to the sub-lessee beyond the end of the term of this lease. Such sub-leases shall be subject to the covenants of the master lease and in the case of any conflict, the provisions of the master lease will control. The continuation of such sub-leases creates no rights in the sub-lessee to improvements formerly owned by the Lessee. Further, such continuation creates no rights in the sub-lessee to release the leased premises after the termination date of this lease.

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SECTION 6 OPERATION OF SITE

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

(1) Sub-leasing of buildings, building sites and/or facilities to be built on the site as indicated in original or amended plan of development, providing such plans and sub-leases have been first approved in writing by the State;

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

(3) Easements which are necessary for the Lessee or sub-lessees full enjoyment of the leased site and the development thereof may be acquired from the State, provided such easements are applied for by and through the appropriate third party in accordance with State law and in accordance with terms, conditions, and specifications proposed by the State.

SECTION 7 IMPROVEMENTS

7.01 Development Plan. Prior to any development or the construction of any and all improvements, the Lessee must submit a completed plan of development to the State for its written approval. The State's approval will be contingent upon acceptance of the development plan by the applicable planning and sanitation authorities. The development plan, as approved by the State, shall determine the ownership of authorized improvements during the term of the lease.

7.02 Unauthorized Improvements. All improvements not included in the original or amended plan of development as approved by the State, made on or to the site, without the written consent of the State shall immediately become the property of the State or at the State's option may be required to be removed by the Lessee at the Lessee's sole cost.

7.03 Severance of Improvements not on State Land. If any of the Lessee's authorized improvements that are or have become the property of the State utilize, in addition to State land, other adjoining lands not owned by the State, the State shall have at the expiration, termination, cancellation, surrender of the leasehold or at the end of the period for removal, if applicable, the right to enter upon adjoining land to physically sever at the ownership boundary, without liability for damage as a result thereof, the improvements; thereafter, to use the severed improvements remaining on State land for any purpose.

7.04 Ownership of Authorized Improvements. Unless modified as approved in writing by the State:

(1) All authorized improvements on the premises at the expiration of the term or sooner termination of this lease shall then become State property free and clear of all claims to or against them by Lessee or third party, and Lessee shall defend and indemnify the State against all liability and loss arising from such claims or from the State's exercise of the rights conferred by this paragraph, except

(2) The Lessee is entitled to remove all buildings and improvements owned by the Lessee on or before the termination of the lease which have been authorized for removal in writing by the State and which can be removed without injury to the land within sixty (60) days after the term of this lease.

(3) The premises are to be left at the expiration of the lease in a safe and sanitary condition as approved in writing by the State.

7.05 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 thereafter put, except for reasonable wear and tear. The State, or any agency authorized by law shall have the right to inspect the premises and improvements thereon. The Lessee shall carry or cause to be carried with a responsible company or companies satisfactory to the State, an amount of fire and casualty insurance sufficient to cover the replacement cost of any or all improve-

ments located on the leased premises. A copy of such insurance policy or policies are to be endorsed and delivered to the State with provisions for the insurer to give State hereto thirty (30) days' notice of change, expiration and/or cancellation to the State. In the event of fire or casualty damage to any and all improvements located on the lease premises, regardless of ownership, the State shall have the right to require the insurance proceeds to be used to:

(1) Require immediate replacement or reconstruction of the improvements or suitable replacement thereof in a manner subject to reasonable approval, or

(2) Require restoration of the area in a manner suitable to the State.

Any insurance proceeds relating to State-owned improvements not utilized in restoration, reconstruction or replacement shall be paid to the State. Any insurance proceeds not so utilized in restoration or reconstruction or replacement of improvements constructed by the Lessee or sub-lessees and which are to remain as State property on the premises at the expiration of the term of this lease shall be apportioned between the parties at the time the insurance proceeds are to be paid as follows:

To the State that portion of insurable interest share based on a formula which assures total liquidation of the Lessee's or sub-lessee's insurable interest prior to or at the expiration of the lease. Such formula shall be specified by the State at the time of State approval of Lessee's development plan or construction of the improvement.

The remaining portion of the insurable interest share shall be returned to Lessee or sub-lessees except for those required to be paid pursuant to any loan security agreement on third parties. The Lessee shall guarantee that all sub-lessees shall have provisions to either replace their own damaged improvements or to restore the area as defined above.

SECTION 8 MISCELLANEOUS

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

8.02 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.

8.03 Succession. Subject to the limitations as stated in Section 5 - 5.01 and 5 - 5.02, on transfer of the Lessee's interest, this lease shall be binding upon and inure to the parties, their respective successors and assigns.

8.04 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, Public Lands Building, 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.

8.05 Lease Recording. Within thirty (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.

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

Executed this 20th day of November, 1975.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By *Bert L. Cole*
BERT L. COLE
Commissioner of Public Lands

Signed this 20th day of November, 1975.

Robert T. Curry
ROBERT T. CURRY

1600 S. W. 4th, Suite 805
Portland, OR 97201

App. No. 60397
bjg

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