

After recording return to
Water Front Recreation, Inc.
P.O. Box 7139
Bend, OR 97708

REAL ESTATE EXCISE TAX

U/A

OCT 29 2009

PAID See WESI
By ADONIA
SKAMANIA COUNTY/TREASURER

SC 31359

ASSIGNMENT, ASSUMPTION, AND CONSENT

"**ASSIGNOR**" STEVE & CINDY KINZER
1347 SE 26TH DRIVE
GRESHAM, OR 97080-5228

"**ASSIGNEE**" MARK & KAREN HANSON
643 NE LENOX STREET
HILLSBORO, OR 97124

"**WATER FRONT**" WATER FRONT RECREATION, INC.,
a Washington Corporation
P. O. BOX 7139
BEND, OR 97708-7139

DATED: August 13, 2009

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 # 005 of the Northwoods being part of Government Lots 4 and 8, Section 26, Township 7 N, Range 6 E Willamette Meridian, Skamania County, Washington.

Parcel #96-000005000000

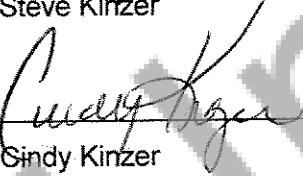
1.2 And under that certain Cabin Site Lease of the Premises from Water Front to Frank C. and Rebecca J. Hurlbutt, dated September 15, 1973, and as subsequently assigned by mesne assignments to Assignor, a copy of which Cabin Site Lease is attached hereto marked Exhibit A, and incorporated herein by reference.

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.

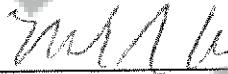
3. Water Front hereby consents to the foregoing Assignment and Assumption.
IN WITNESS WHEREOF, the parties hereto have executed this Assignment, Assumption, and Consent in triplicate as of the date first herein above written.

ASSIGNOR:


Steve Kinzer


Cindy Kinzer

ASSIGNEE:


Mark Hanson


Karen Hanson

WATER FRONT RECREATION, INC.

By: Leslie Russell

Corporate Acknowledgment

State of Oregon)

County of Deschutes)

On this the 1st day of Sept, 2009, before me,

Teresa Rahmsdorff, the undersigned Notary Public, personally

Name of Notary Public

appeared Leslie Russell,

Name(s) of Signer(s)

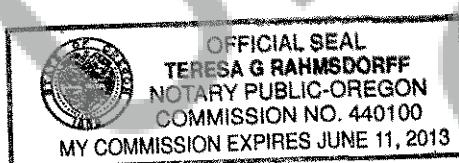
personally known to me - OR -

proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Sec/Treas on behalf of the corporation therein

Corporate Title(s) of Signer(s)

named, and acknowledged to me that the corporation executed it. Witness my hand and official seal.

Leslie Russell
Signature of Notary Public



STATE OF Oregon)
County of Washington)
ss:

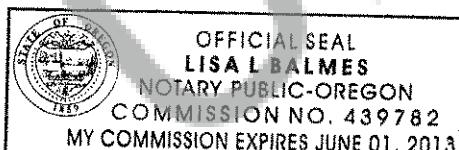
This instrument was acknowledged before me on 8/27, 2009,
by Steve Kinzer/ SK
Steve Kinzer



Notary Public for Lisa Balmes
My Commission Expires 6/1/13

STATE OF Oregon)
County of Washington)
ss:

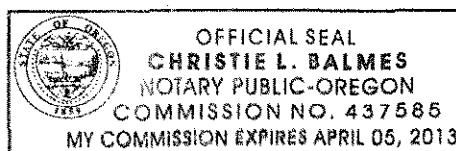
This instrument was acknowledged before me on 8/27, 2009,
by Cindy Kinzer/ CK
Cindy Kinzer



Notary Public for Lisa Balmes
My Commission Expires 6/1/13

STATE OF Oregon)
County of Washington)
ss:

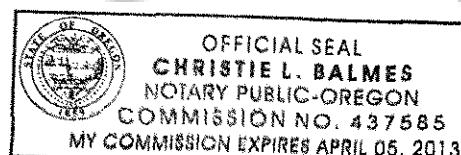
This instrument was acknowledged before me on 8/21, 2009,
by Mark Hanson
Mark Hanson



Christie L. Balmes
Notary Public for Oregon
My Commission Expires 4/5/13

STATE OF Oregon)
County of Washington)
ss:

This instrument was acknowledged before me on 8/21, 2009,
by Karen Hanson
Karen Hanson



Christie L. Balmes
Notary Public for Oregon
My Commission Expires 4/5/13

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CAIRN SITE LEADS

WATER FRONT RECREATION, INC., a Washington corporation, hereinafter called "Lessee", in consideration of the rents to be paid and services to be performed by FRANK R. AND REBECCA J. 7358 S.W. 185th, Beaverton, Oregon 97005, Lessee does hereby lease to Lessor, in accordance with the terms and conditions stated herein,

hereinafter referred to as the "Leasee", leases to Lessor the following described certain sites on the terms and conditions stated below:

Conc. site number 5 of the North Woods as shown in lot 5 on Exhibit A attached hereto (all distances being approximations), being part of Government Lots 1 and 8, Section 26, Township 7 North, Range 8 East, W.M. Skamania County, Washington.

SUBJECT: However, to an easement for right of way for access right acquired by the United States of America, United States Forest Service.

SECTION 1. OCCUPANCY

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 Lessee 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 required by the United States of America, United States Forest Service and the State of the State of Washington to inspect the premises at reasonable times.

SECTION 2: RENTAL

the light of the State of Washington. **SECTION 2. RENTAL.** **2.01 Basic Rental.** As rental for each lease year, the Lessor shall pay the sum of **Four Hundred Seventy-Five Dollars (\$ 475.00)**. Rent shall be paid in advance, on the first day of September in each year, hereinafter referred to as the "anniversary date." All payment shall be made to Lessor at **Seattle, Washington**, or at such other place at which the Lessor may then be located. Rent for the fraction of a lease year shall be prorated. The lease year shall be from September 1 through the succeeding August.

lease year shall be prorated. The lease year shall be from Sec. number 1 through Sec. number 2.
2.02 Rent Adjustments. Lessor may, as of any anniversary date, increase the annual rental as follows:
(a) Under the master lease, Lessor's rental to 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 that the Lessee shall be responsible for and required to pay shall equal the total rental 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:

(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 said real property in an amount which, together with prior 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 this number of months preceding his mid-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 as compared 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 2.3.3 ESCROW'S CONVENANT

SECTION 3. LESSOR'S CONVEAINTS

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 19, which is the North Woods Sales Office, the following reservations, conditions, covenants, agreements and restrictions that 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 survey 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 property. 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 5.08, 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 building incidental to residential use, and this cabin site shall not be further subdivided into building lots.

4.02 Condition of Site. The premises hereby leased have been inspected by Lessor 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 an unsafe manner at any time without a muffler in good working order. Excessive

4.03 Signs. No signs of any kind shall be displayed on any lot in the tract except one professional sign, of not more than 18 inches by 24 inches, advertising the property for sale or rent, and except a builder's or developer's sign advertising the property during the construction and lease period.

4.06 **Nuisance.** No noxious or offensive
smell, smoke or other thing which may be or become
a hazard to health or safety, shall be emitted or carried on or over any lot in the tract
or area of influence or nuisance in the area.

RENTAL AGREEMENT

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CABIN SITE LEASE CONTINUED

BOOK 5 PAGE 5

SECTION 5. ANIMALS, FIREWORKS, ETC.

4.07 **Animals.** No animals, (household, or otherwise) of any kind shall be raised, kept, 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 deemed to interfere with others.

4.08 **Incinerators.** Incinerators, unburned bones and unburned ashes, no individual incinerator will be permitted on any lot.

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

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

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

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

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

4.14 **Tents and Tents.** No tents, house trailers, 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 **Collection.** There shall be no solicitation or distribution of handbills or circulation of any kind without the written consent of Lessor.

4.16 **House Bib.** One house bib shall be installed on outside wall of each cabin for fire protection on or before completion of the cabin.

SECTION 6. IMPROVEMENTS

5.01 **Plans Approved.** No building shall be erected, placed, or altered on the cabin site until the construction plans showing the location of the structure has 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 finished grade elevation. Such approval shall be in writing.

5.02 **Building Materials.** All building construction shall be of log or wood frame. Wood frame studio or simulated brick veneer construction is expressly prohibited. All roofs shall be of wood 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.

5.03 **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.

5.04 **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 end that the community remain natural and rustic.

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

5.06 **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.

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

"8.04 **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 5.09; 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-lessee [Lessee herein] shall have a preferential right as allowed by law to re-lease from the State [to sub-leased area]; provided, further, upon the termination or expiration of this lease [master lease] or a sub-lease [this lease] assigned under paragraph 5.09 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 subsequent 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 lease as of May 31, 2025."

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

- That Lessee is not in default under any of the terms and conditions of this lease; and
- 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 8.04 of the master lease shall be enforceable solely against the State of Washington.

5.08 **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.

5.09 **North Woods Association.** The roads in the plat and certain other common areas shall be held in the name of The North Woods Association, a non-profit association, of which the Lessee of lots in the plat shall be members. Said Association shall be responsible for the maintenance and repair of roads, the on-site water system including but not limited to water systems serving the cabins on the plat, electric and common areas and improvements thereon (if any), as well as other community functions which may be given 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 1/2) per month and assessments to said Association for their reasonable share of the costs of the functions and studies of the Association. Said tract shall commence at the time 50 lots are leased. It is understood and agreed that Lessor shall and 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.

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CASEWORKER LEAVE REQUEST

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6.01 General. In addition to the services provided in 6.0, it shall be designated, located, and owned in accordance with the relevant laws and regulations of Kitsap County and the State of Washington.

5.03. Note: Each column of the table contains the amount of money to be received by each of the 1000 families. Each family is to receive the amount shown in the table above to pay for their $\$225.00$ for the right to receive water from the water system association.

8.5. Non-transferability. The license must not be resold, sublet, or otherwise transferred, including back fishing, and more fishing with understanding or prior shooting upon such certain which is necessary for any utilization of the permit.

VENTURE WOMEN AWARDS

7.02 **Indemnification.** Lessee hereby agrees to assume all risk of fire, robbery, and total hernicide, and at the Lessee's expense, defend the Lessor, his and against any claims for loss, damage, liability or damage on account of personal injury to or death of any persons occurring on the Premises, but not limited to employees of the Lessor, or damage to or destruction of property to whomsoever it may belong, including but not limited to property of the Lessor, which might result from Lessee's activities on the Premises. The Lessor 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.

(a) Fire and casualty insurance companies to cover the replacement cost of any or all improvements upon the tested premises. Such companies shall be required to furnish a certificate to Lesson and the policy or policies shall be endorsed and delivered to Lesson with provision for thirty (30) days.

(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) Bodily injury to any person, \$100.00.

(3) property damage: \$1,000,000. Lessee shall deliver to Lessor certificates and receipts evidencing said policies of insurance and further provide with the company or companies for the (3) days' notice of cancellation to Lessor.

2.9. **Assignment.** Without the prior written consent of Lessor, Lessor shall not assign this lease or any interest in the title or subject to any encumbrance, condition, restriction or liability or other obligation by operation

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 waived, changed, or modified with respect to all or any portion

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 action to set off, 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 allow, reasonable attorneys' fees to be allowed in said suit, action, proceeding or appeal.

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

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 Reservoir 1 at any time within the provisions of Federal Power Commission Interim Rule 1114 dated January 22, 1933, which is attached hereto as Exhibit A.

mission license No. 2111 or as amended, no less than 100 feet from the dam, and shall indemnify Pacific Power and Light Company, the State of Washington, Leslor 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 other adverse floating facilities.

7.11. **Restrictions on Land.** At the time of the acquisition, restrictions, covenants, agreements and restrictions, including but not limited to, restrictions on the location of all improvements, fixtures, fences and all personal and property claiming under Article 5, can be imposed within the tract.

1.12. **Particulars.** Without limiting Lessor's right to sue for recovery of the House or Land, Lessor may assign

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CABIN SITE LEASE

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SECTION B: TENURE/LEASE

B.01 Default and Notice: If any default shall be made in the performance of the Lease or if a nonpayment or nonperformance of any of the terms, covenants or agreements, a provision 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 his option, immediately terminate this lease, for all Lessee's interest therein, which shall exclude the Lessee from the premises and from all rights or interests, but the Lessor shall nevertheless be liable to the Lessee for all liabilities incurred by him prior to such termination. However, it is clearly understood that this constitutes a waiver of any subsequent claim. Service of any notices provided for herein by the Lessor may be made by depositing such notice in the United States mail addressed to the Lessee at:

2955 S. 11th Street, Everett, Oregon 97005

B.02 Notice of Termination: It is expressly understood that Lessor has leased the premises from the State of Washington for a period ending June 3, 2020. 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 unexpired term of the State to receive payment of the rents herein provided from the date of said assignment.

B.03 Failure to Prepare Property Report: Lessor 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 revoke 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 provision is only applicable where Lessee has received the property report and inspected the lot or lots to be leased in advance of signing this lease and has 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 the rules and regulations of the Oregon Subdivision Control Law ORS 92.210 - 92.990 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 lessor is more than one person, the liability of such persons hereunder shall be joint and several.

B.04 Easements: As shown on the plat of "The North Woods", 20 foot easements are reserved to the Lessor and its assigns on the water front portions of Lots 16, 17, 18, 19, 20, 21, 22, and 23 for purposes of common water boat docks. Said easements shall not prevent lessee of the above lots from developing their own shore-side docks providing such facilities do not interfere with the boat traffic pattern of the community dock system.

Five foot easements are reserved to the Lessor and its assigns on the southerly lot line of Lot 10, and the northerly lot line 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 September, 1975

WATERFRONT CREATION, INC.
By John L. Bixby
Vice-President
By James W. Clark
Secretary
LESSOR
John C. Bixby
Rebecca J. Bixby
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 - 92.990. I (we) also acknowledge that I (we) have inspected the lot to be leased.

John C. Bixby
Rebecca J. Bixby
LESSEE