

After recording return to:

Robert D. Mitchelson
Attorney at Law
Po Box 87096
Vancouver, WA 98687

ORIGINAL

SETTLEMENT AGREEMENT

Parties: Mark D. Lillegard
David G. Lillegard
Daniel L. Lillegard
Peter J. Lillegard
Nora A. Lillegard
Melinda Byrd as Guardian for Quincy Lillegard, a minor

RECITALS

A. Mark D. Lillegard, David G. Lillegard, Daniel L. Lillegard, Peter J. Lillegard, Nora Lillegard, and Melinda Byrd as Guardian for Quincy Lillegard, a minor, are tenants in common regarding ownership of 31 acres, more or less, in Skamania County, Washington, presently carried on the records of the Skamania County Auditor as Parcel no. 3-7-36-1-300.

B. A complete legal description of the 31 acres is set forth below and attached to this Agreement as Exhibits "A" and "B" and incorporated into this Agreement as if fully set forth.

C. Daniel L. Lillegard, as a tenant in common, owns an undivided one-half (1/2) of the 31 acres and desires to split off his one-half and divide it into smaller parcels if he is legally able to do so.

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D. Mark D. Lillegard, Peter J. Lillegard, and David G. Lillegard, own a one-twelfth (1/12) undivided interest in the subject property deeded to them by Allan Edward Lillegard by Quit Claim Deed of September 17, 1993, recorded under Auditor's file no. 16790. In addition to the interest deeded under Auditor's file no. 16790, Mark D. Lillegard, Peter J. Lillegard and David G. Lillegard, each own an additional undivided 1/12th interest in the property deeded to them by Quit Claim Deed of August 7, 1991, recorded under Auditor's filing no. 015897, which was a distribution out of the Estate of Florence Mary Lillegard, deceased and Nora A. Lillegard and Melinda Byrd as Guardian for Quincy Lillegard, a minor, each own an undivided 1/12th interest in the property of what the parties believe is 31 acres, more or less.

E. Mark D. Lillegard, Peter J. Lillegard, David G. Lillegard, Nora A. Lillegard, and Melinda Byrd as Guardian for Quincy Lillegard, a minor understand and agree that if they do not agree to the conveyance of 15.23 acres to Daniel that under the circumstances he would have the power to bring a partition action and force either a division in kind or sale of the property in question. None of the parties desire to sell the property in bulk and none wish to incur the costs and uncertainty of a lawsuit involving a common law partition action.

F. Therefore the parties wish to set forth their rights and obligations in the following Agreement and in consideration of avoiding the costs and uncertainty of a judicial determination of their rights in the property.

AGREEMENT

1. In consideration of the mutual covenants contained hereafter and the deeding of certain portions of the 31 acres located in Skamania County presently owned by Mark D. Lillegard, David G. Lillegard, Daniel L. Lillegard, Peter J. Lillegard, Nora Lillegard, and Melinda Byrd as Guardian for Quincy Lillegard, a minor, as tenants in common, the parties identified in paragraph D & E above agree to divide the property by deeding to Daniel L. Lillegard, 15.23 acres, more or less, the property described in Exhibit "A" and the parties identified in paragraphs D & E will retain their respective interests in the remaining acreage as set forth in paragraph D.

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2. The parties agree there is no monetary consideration for this agreement.
3. The parties agree to the following additional terms and conditions:
 - a. It is expressly agreed that the Deed to Daniel L. Lillegard shall not contain any easements and the owners of the lesser interests (Exhibit "B") will not be required to grant or reserve any portion of their property to Daniel L. Lillegard for the purposes of easements for any reason whatsoever and it shall be the sole responsibility of Daniel L. Lillegard to obtain access to his property for ingress, egress, utilities, and all other typical uses associated with use of such property and construction of any improvements thereon.
 - b. It is further agreed that all costs associated with development of the Daniel L. Lillegard parcel shall be at his sole expense, including but not limited to a survey by a competent licensed land surveyor who has not been disciplined by the Washington State Board of Engineers for any reason, whose survey shall determine the boundaries of parcels described in Exhibits "A" and "B" and shall set monuments at the corners of those parcels and record the survey with the Skamania County Auditor. Presently Daniel L. Lillegard has had Exhibit "A" prepared by a licensed surveyor describing what he believes to be the parcel depicting his one-half undivided interest in the property and he shall bear the costs of having prepared legal descriptions for parcels A & B.
 - c. It is further agreed that should Daniel L. Lillegard choose to subdivide his property that all costs associated with short platting or subdividing shall be borne by Daniel L. Lillegard as to his parcel. This shall include any special use fees generated by this transfer such as removing the parcel or any portion thereof from its apparent designation as timberland or in the event of a penalty from any removal from any other special use classification that the penalty and unpaid deferred taxes shall be paid by Daniel L. Lillegard.
 - d. It is also understood between the parties that there should be no real estate excise tax as a result of the conveyance anticipated in this transaction because of the exemption provided for in general for settlement of property disputes pursuant to WAC 458-61A-109(2)(b).

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In the event however this transaction generates any real estate excise tax, to any party, it shall be the responsibility of Daniel L. Lillegard, to pay that excise tax.

4. Execution and Delivery of Deeds. The parties anticipate the survey work and legal description preparation can be accomplished within thirty (30) days and therefore agree to execute the Deed to Daniel L. Lillegard not later than thirty (30) days, except that in the event, the surveyor chosen by Daniel L. Lillegard, is unable to complete the duties necessary to obtain proper legal descriptions and a survey capable of being recorded. In that event, the parties agree to a reasonable extension of time for delivery of Daniel L. Lillegard's deed.

5. Covenants of Title. Since it is anticipated that the conveyance of parcel A shall be by Quit Claim Deed, the parties warrant only that they are the record owners of the property at the time the deeds are exchanged or as in the case of the minor Lillegard, his mother Melinda Byrd, as his Guardian, has authority to convey Quincy's interest under the Uniform Transfer to Minors Act as provided for at RCW 11.114.

6. Preparation of Deeds. The parties agree that Daniel L. Lillegard shall arrange for preparation of his Deed from the other co-tenants subject to review by Attorney Robert D. Mitchelson representing Mark and David Lillegard and subject to surveyor approval as to the accuracy of Daniel L. Lillegard's Deed.

7. Benefit of Counsel. As mentioned, Daniel L. Lillegard, not yet represented by counsel in this transaction but has reviewed or had the opportunity to review this agreement and is aware of his right of independent counsel, together with his client/s, Robert D. Mitchelson attorney at law in Vancouver, Washington has been retained to prepare and review with his clients this Agreement prior to its execution and all parties agree, with the exception of Quincy Lillegard who is a minor, each party is of the age of majority, mentally and physically competent to execute this Agreement and does so without duress or undue influence and it is their voluntary act.

8. Dispute Resolution. In the event of a dispute as to the interpretation or enforcement of this Agreement, the party/s who is deemed to be the substantially prevailing party/s to such dispute shall be awarded their reasonable attorney's fees and court costs together with miscellaneous costs for items such as depositions and survey services.

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- a. Prior to any party bringing an action at law or in equity, asking for the interpretation or enforcement of this Agreement, there shall be a mandatory arbitration which shall be generally subject to Chapter 7 of the Revised Code of Washington, with each party selecting an arbitrator who is a real estate attorney familiar with real estate transactions of the nature of the subject matter of this Agreement and who has at least five years experience with such transactions. The two arbitrators selected by the respective parties shall then select a third arbitrator who shall also be an attorney with not less than five years experience in real estate transactional and / or litigation work, and the parties shall present their case to the arbitrators, who shall render an opinion not less than thirty (30) days after hearing.
- b. In the event either party disagrees with the Arbitrators Decision, they may appeal to the Superior Court for Skamania County asking for a judicial declaration as to their rights and obligations under the Agreement and the decision of the Superior Court shall be binding and final on the parties and non-appealable. As in the arbitration process, reasonable costs and attorney's fees together with survey costs and miscellaneous costs such as deposition services shall be awarded to the party deemed to be the substantially prevailing party.

Dated this 8th day of April, 2014

Peter J. Lillegard

Peter J. Lillegard
Po Box 492
Stevenson, WA 98648
509-427-5764

STATE OF WASHINGTON)
County of ~~Clark~~ Skamania) ss:

On this day personally appeared before me, Peter J. Lillegard, to me known to be the individual described herein and who executed the within and

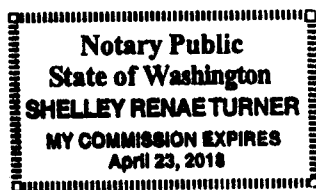
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foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 8th day of April, 2014.



Shelley Turner
NOTARY PUBLIC in and for the State
of Washington, residing at Carson
My commission expires: April 23, 2018

Dated this _____ day of _____, 2014

See attached

Melinda Byrd, Guardian for Quincy Lillegard (son of Eric Lillegard)
804 11th Ave.
Yakima, WA 98902
509-426-2655

STATE OF WASHINGTON)
 ss:
County of Clark)

On this day personally appeared before me, Melinda Byrd, to me known to be the individual described herein and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 2014.

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires: _____

Dated this 30th day of April, 2014

David G. Lillegard

David G. Lillegard
Po Box 511
Stevenson, WA 98648
509-427-7791

STATE OF ^{Oregon} ~~WASHINGTON~~)
ss:
County of ~~Clark~~ ^{Hood River})

On this day personally appeared before me, David G. Lillegard, to me known to be the individual described herein and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

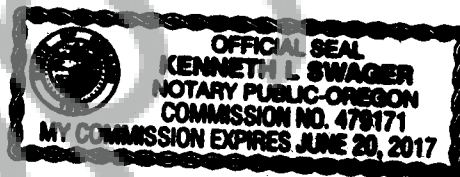
GIVEN under my hand and official seal this 30th day of April, 2014.

Kenneth L. Swager
NOTARY PUBLIC in and for the State
^{Oregon} of ~~Washington~~, residing at Hood River
My commission expires: June 20, 2017

Dated this _____ day of _____, 2014

See attached

Nora A. Lillegard
1023 McKinley St.
Woodburn, OR 97071
360-600-6938



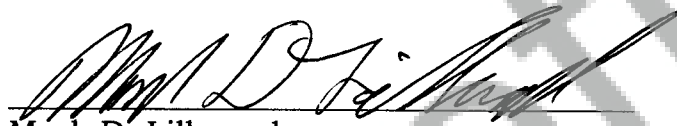
STATE OF WASHINGTON)
 ss:
County of Clark)

On this day personally appeared before me, Nora A. Lillegard, to me known to be the individual described herein and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 2014.

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires: _____

Dated this 9 day of May, 2014



Mark D. Lillegard
Po Box 121
Stevenson, WA 98648
503-223-2383

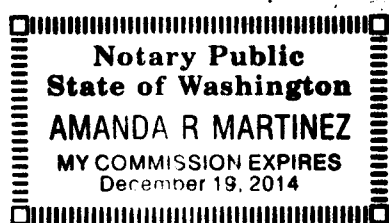
STATE OF WASHINGTON)
 ss:
County of Clark)

On this day personally appeared before me, Mark D. Lillegard, to me known to be the individual described herein and who executed the within and

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foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 9th day of May, 2014.



Amanda R Martinez
 NOTARY PUBLIC in and for the State
 of Washington, residing at Vancouver, WA
 My commission expires: 12.19.14

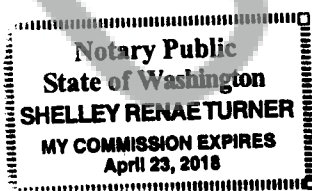
Dated this 8 day of April, 2014

Daniel L Lillegard
 Daniel L. Lillegard
 509-427-8508

STATE OF WASHINGTON)
 County of Skamania)
 County of Clark)

On this day personally appeared before me, Daniel L. Lillegard, to me known to be the individual described herein and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 8th day of April, 2014.

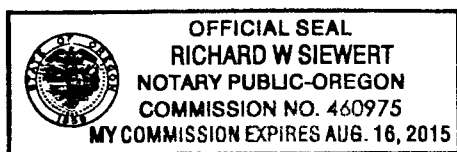


Shelley R Turner
 NOTARY PUBLIC in and for the State
 of Washington, residing at Canon
 My commission expires: April 23, 2018

STATE OF ~~WASHINGTON~~ ^{Oregon})
County of Clark ^{Marion})
ss:

On this day personally appeared before me, Nora A. Lillegard, to me known to be the individual described herein and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 28th day of MARCH, 2014.



Richard W. Siewert
RICHARD W. SIEWERT
NOTARY PUBLIC in and for the State
of ~~Washington~~ ^{Oregon}, residing at 1290 Young St - Woodburn,
My commission expires: Aug. 16, 2015 ^{OREGON}

Dated this _____ day of _____, 2014

Mark D. Lillegard
Po Box 121
Stevenson, WA 98648
503-223-2383

STATE OF WASHINGTON)
County of Clark)
ss:

On this day personally appeared before me, Mark D. Lillegard, to me known to be the individual described herein and who executed the within and

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Dated this _____ day of _____, 2014

David G. Lillegard
Po Box 511
Stevenson, WA 98648
509-427-7791

STATE OF WASHINGTON)
ss:
County of Clark)

On this day personally appeared before me, David G. Lillegard, to me known to be the individual described herein and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 2014.

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires: _____

Dated this 28th day of MARCH, 2014

Nora A. Lillegard
Nora A. Lillegard
1023 McKinley St.
Woodburn, OR 97071
360-600-6938

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Exhibit A:

A tract of land in the Northwest quarter of the Northeast quarter in Section 36, Township 3 North, Range 7 East, of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Beginning at the North quarter corner of Section 36, thence Easterly along the North line of said Section South $89^{\circ}46'43''$ East, a distance of 1045.97 feet plus or minus, to a point on the West Right-of-way of Kanaka Creek Road as per Skamania County Road Project CRP #68-4;

Thence Southerly along said Right-of-way South $17^{\circ}25'35''$ East, a distance of 256.44 feet to the beginning of a curve tangent to said line;

thence Southerly a distance of 267.55 feet along the curve concave to the west, having a radius of 543.00 feet and a central angle of $28^{\circ}13'51''$;

thence South $10^{\circ}48'25''$ West, a distance of 87.74 feet to a red plastic cap marked LS No. 41954 ;

thence leaving said Right-of-way North $89^{\circ}39'09''$ West, a distance of 1125.04 feet, plus or minus, to a point on the North-south center section line and a red plastic cap marked LS No. 41954;

thence Northerly along said center section line North $00^{\circ}19'51''$ East, a distance of 592.49 feet to the Point of Beginning.

Containing 15.2 ACRES, more or less.

North Parcel Description

Exhibit B:

A tract of land in the Northwest quarter of the Northeast quarter in Section 36, Township 3 North, Range 7 East, of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Commencing at the North quarter corner of Section 36, thence Southerly along the North-south center section line South $00^{\circ}19'51''$ West, a distance of 592.49 feet to a point on said center section line and a red plastic cap marked LS No. 41954 and the Point of Beginning;

thence South $89^{\circ}39'09''$ East, a distance of 1125.04 feet plus or minus, to a point on the West Right-of-way of Kanaka Creek Road as per Skamania County Road Project CRP #68-4 and monumented by a red plastic cap marked LS No. 41954;

thence South $10^{\circ}48'25''$ West, a distance of 617.99 feet along said Right-of-way to the beginning of a curve tangent to said line;

thence southerly along said right-of-way a distance of 106.60 feet along the curve concave to the west, having a radius of 543.00 feet and a central angle of $11^{\circ}14'52''$;

thence North $89^{\circ}31'33''$ West, a distance of 323.16 feet;

thence North $00^{\circ}19'51''$ East, a distance of 132.00 feet;

thence North $89^{\circ}31'33''$ West, a distance of 660.00 feet to the North-south center section line;

thence North $00^{\circ}19'51''$ East along said center section line, a distance of 575.81 feet to the Point of Beginning.

Containing 15.2 ACRES, more or less.

South Parcel Description