

STARK AND HAMMACK



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November 27, 2023

Via Certified Mail, RRR, First Class Mail and Email

Christopher Howard,
Registered Agent for Whaleshead MHP, LLC
3950 Homedale Road, Unit A
Klamath Falls, OR 97603

Whaleshead MHP, LLC
19921 Whaleshead Road, Office
Brookings, OR 97415
whaleshead@flintstoneproperties.com

Re: New Ownership of Whaleshead and Letter Sent By New Owner, Whaleshead MHP, LLC
4181 Rose Crescent, West Vancouver, British Columbia

Dear New Owners:

I have been retained by an existing tenant in Whaleshead, who is concerned about the proposed new rules and regulations and the other changes set forth in your Community Rules.

I am sure that when you purchased the property on November 1, 2023, you were aware that the existing tenants in the park all had 99 year leases. Attached please find a copy of the 99 year lease existing at the time you purchased Whaleshead Community.

Paragraph 2 of the lease states that it will "continue for a term of 99 years...unless terminated by mutual agreement of the parties or by a breach of the terms and conditions, or by an abandonment of the premises by Lessee."

In paragraph 3.c., the Lessor agrees, in consideration of the rent received, to perform the work in maintenance of the park and to "provide cold, safe, running drinking water and sewer service. Lessor also agrees to **provide garbage service and basic cable tv service.**"

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In addition, in paragraph c., "Lessor further agrees to properly maintain and/or repair the landscaping, roads and walkways within the Whaleshead Beach Resort and to maintain in good repair all common facilities and areas within Whaleshead Beach Resort, including but not limited to signage, office, restaurant, parking areas, storage areas, buildings, water and sewer systems."

Paragraph 6 of the lease provides that Lessor will have the responsibility for insurance for the common facilities and will provide that to the Lessee. Please provide written evidence of that insurance being in place.

In addition, right above paragraph 9, on page 6, there is a statement as to the failure of the Lessor to provide the services, etc., required in the Lease Agreement.

The previous owners were notified of the various breaches of maintenance as provided yet failed to rectify them. A list of the existing problems are:

1. Throughout the park, there are fences and other structures that are falling down and the previous owners completely neglected their obligations to keep the park in good repair. Please accept this letter as notice under the 99 year lease, on behalf of my client, which requires you to at least commence all of those repairs within 20 days of the date of this notice.

2. Also, I would like to point out that the 99 year leases that are in effect are contracts and are enforceable under Oregon law. The contracts cannot be modified without the consent of both parties, the Lessor and Lessee. Your Community Rules that you have published and distributed make many changes to the existing leases that have not been agreed to by the tenants and, therefore, are not in effect until/unless they are approved by all tenants. Your proposed Rule No 1 attempts to change the 99 year lease to a year by year lease. Obviously, that type of change must be agreed to by each tenant.

3. Many of your rules are complete changes of the terms of the 99 year lease, but as far as jacuzzis under paragraph 6, that certainly cannot be a rule unless agreed to by the particular tenant involved.

4. Also, the rule under Visitors, paragraph 3, is not in the 99 year lease and, therefore, cannot be enforceable without the tenants' agreement.

5. The same can be said for the pet rules and vehicle rules. Both change the terms of the existing 99 year leases.

6. The additional transfer fees set out in Sale of Home by Homeowner, paragraph 1.c., is not enforceable.

Attached to this letter is a copy of the proposed Rules that you have posted and highlighted in green are the terms of those rules that violate the 99 year leases and would require all tenant approval to be enforceable.

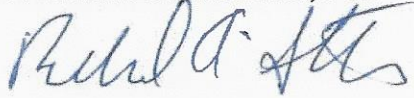
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Thank you for your attention to this matter. Please give me a call or have your attorney give me a call in order to discuss these issues.

Very truly yours,

STARK and HAMMACK, P.C.

A handwritten signature in blue ink, appearing to read "Richard A. Stark", with a stylized flourish at the end.

Richard A. Stark

RAS:erj

Enc.

cc: Client

COMMUNITY RULES

Welcome to our Community! The following Rules have been adapted to ensure that each Tenant has the full benefit and enjoyment of their home and of our Community. These Rules supersede all previous sets of rules. Amendments to these Rules may be made from time to time by Management, and will become effective after proper statutory notice is given to Tenants.

TERMS USED IN THIS DOCUMENT

1. The "Community" or "Park" is defined as the property in which the Tenant's home site or slip is located
2. "Management" is defined as the landlord, property owner, management company, and all employees, contractors, and subcontractors employed by any of the above
3. A "Tenant", sometimes referred to as a "Homeowner," is defined as the owner of a manufactured home, boat, or RV, and is the lease holder
4. An "Occupant" is defined as anyone who resides in the Community, including Tenants and any other individuals who live with Tenants
5. A "Visitor" or "Guest" is defined as anyone who does not reside at the Community, yet who stays with a Tenant for a temporary stay for a period not to exceed fourteen (14) days.

TENANT APPLICATION, BACKGROUND CHECK, SECURITY DEPOSIT, ENTRANCE FEE

1. All adult applicants for occupancy must complete a New Tenant Application, or be listed on another person's application. All adult applicants must submit to background checks. Management reserves the right to approve or deny each applicant's application based on the results of the background check. No person over the age of 18 may move into the Community before being approved by Management. Occupancy prior to Management approval shall be grounds for immediate removal from the Community.
2. A non-refundable application fee of \$50 per person over 18 years of age will be due with all applications.
3. Once approved, all adult Tenants must sign a Lease Agreement and agree to abide by these Rules
4. The names of all Occupants in the home must be listed in the Lease Agreement. Failure to notify Management of a change in Occupants may result in termination of tenancy.
5. It is the responsibility of the Tenant to ensure they, their Occupants, and their Visitors comply with all Rules
6. Homes owned by Tenants may be sublet at the sole discretion of Management
7. The Community will abide by all Federal and State Fair Housing laws and will not discriminate against a person in the terms, conditions, or privileges of sale or rental of a dwelling because of race, color, creed, sex, sexual orientation, gender identity, national origin, religion, disability, or familial status.

PAYMENTS

1. Payment of rent and all other charges on each Tenant's account (including pet fees, service charges, storage fees, outstanding late fees, etc.) is due on the first (1st) day of each month. Payment will be considered received on the day it is received in the Management office.
2. Payments may be made by check, money order, credit/debit card, or automatic ACH withdrawal. Cash will not be accepted. Checks and money orders must clearly state the Tenant's name and lot number.

LOT & HOME MAINTENANCE

Tenants are required to maintain their homes and home sites to Community standards. Failure to do so will result in Management having to bring a Tenant's home or home site up to standard, with costs passed on to the Tenant. Community standards for homes and home site maintenance are as follows:

1. HOMES:
 - a. Exterior cladding must be painted and in a good state of repair
 - b. Front and back screen doors must be in good condition and presentable
 - c. Skirting must be gap-free and painted
 - d. Window insulation (towels, blankets, plywood, etc.) is not permitted
2. LANDSCAPING: Trees, shrubs, lawns etc., on home sites are the Tenant's responsibility. Yards must be cleared of leaves and other debris by Tenants. Piles of wood are prohibited on home sites

3. **DRIVEWAYS:**
 - a. Driveways are for car and light truck parking only
 - b. Carports and driveways must be kept free of gas, oil, or transmission drippings. Tenants will be held liable for any damage to pavement resulting from vehicle leaks.
 - c. Tenants are responsible for maintaining their own driveways, at Tenants' expense, including repairing cracks and potholes, unless otherwise agreed by Landlord.
4. **GARAGES & SHEDS:**
 - a. Garages and sheds must be approved by Management in advance of being built. Tenants must present Management with the exact location, size, and plan of each proposed garage or shed.
 - b. Garages and sheds must conform with all applicable city codes and guidelines
 - c. Garages and sheds must have wood or vinyl siding and roofing similar to homes in the Community
 - d. Sheds must be no larger than 10'x12'x8' in size
 - e. Only one shed per lot is allowed
5. Fences are permitted with approval by Management. Un-approved fences may be removed by Management with the cost of removal passed on to the Tenant
6. Jacuzzis and built-in pools are prohibited in the Community
7. Trampolines are prohibited in the Community

GENERAL CONDUCT

1. Noise must be kept at a minimum between the hours of 10:00pm and 8:00am
2. All home sites and lots, and marina slips in the Community are private property. Please do not trespass on others' home sites, including their driveways, without their permission
3. Firearms must be safely and securely stored and discharging of firearms is not permitted in the Community. Discharging of firearms in the Community may be grounds for immediate eviction and termination of tenancy
4. Fireworks are prohibited in the Community
5. Tent camping is prohibited in the Community
6. The following behaviors are not tolerated, and may be grounds for immediate eviction:
 - a. Public drunkenness, inebriation, intoxication
 - b. Drug related criminal activity, meaning the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, store, keep, give or use a controlled substance, as defined in Section 102 of the Controlled Substance Act [21 U.S.C 802]
 - c. Criminal activity of any kind. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by preponderance of the evidence.
 - d. Violence or physical aggression
 - e. Creating a public nuisance, public health hazard, or public safety hazard
 - f. Destruction, defacement, or vandalism, of property
7. All Tenants must comply with all State and local laws. Management will cooperate with law enforcement officers and allow them access to the Community to enforce all applicable laws
8. Tenants shall not commit any act which would place Management or the owners of the Community in violation of any applicable law or ordinance.

VISITORS

1. Visitors must comply with all Community Rules. Tenants are responsible for the conduct of their Occupants, Visitors, and Guests.
2. Tenants will be held jointly and severally responsible for any damage or nuisance caused by their Visitors
3. Visitors and guests staying more than fourteen (14) days in any calendar year are considered Occupants, and must register with Management and submit to background checks. If they are not approved, they will have 24 hours to leave the Community.
4. Repeat violations of the Rules by Visitors may be grounds for eviction of the Tenant
5. Management reserves the right, in its sole discretion, to bar certain individuals from the Community. Tenants shall not voluntarily allow persons who have been barred from the Community into the Community. To do so may result in eviction and criminal charges.

CHILDREN & TEENS

1. Tenants are responsible for the conduct of children and teens under their supervision, and will be held liable for any damage caused by children and teens under their supervision
2. Bicycles, tricycles, and toys should never be left in the street, parking lots or common areas
3. Tenants, children, and teens who use playground equipment and facilities do so at their own risk. Owners and Management will not be liable for any injuries related to the use of the playground or common areas.
4. Golf carts may not be driven by anyone under the age of 14
5. Construction areas are off limits to all children
6. Children must not climb trees or buildings

PETS

1. All pets must be registered with Management and approved by Management. Management reserves the right to ban certain pets from the Community, and to require the Tenant to immediately remove pets from the premises if they violate these Rules.
 2. Breeding of pets is prohibited
 3. No more than two (2) four-legged pets will be allowed per home.
 4. No snakes are allowed in the Community
 5. Pets may not run free in the Community. Roaming pets will be captured and sent to a local animal shelter.
 6. Tenant agrees to clean up after the pet and to accept responsibility and liability for any damage, injury, or actions arising from or caused by his/her pet.
 7. Tenant agrees to register the pet in accordance with local laws and ordinances.
 8. Tenant warrants that the pet has no history of causing physical harm to persons or property, such as biting, scratching, etc. and further warrants that the pet has no vicious history or tendencies. Further, all such pets will be timely and properly vaccinated according to local laws and ordinances.
 9. No pet may be left outside after dark
 10. All dogs must be on a leash when outdoors
 11. The following dog breeds are prohibited from the Community: Pitbulls, Rotweilers, Dobermans, American Staffordshire Terriers, American Bulldogs, and similar breeds
- cats?

VEHICLES

1. Tenants must register with all motor vehicles regularly kept or used in the Community with Management
2. A maximum of two (2) vehicles are permitted per home site
3. Vehicles must park in designated parking areas only
4. RVs must be parked in designated RV areas only
5. No parking or storage of vehicles is permitted on vacant lots
6. No major auto repairs are allowed in the Community. Inoperable vehicles are prohibited from the Community, and will be removed at the owner's expense.
7. Bike/skateboard ramps are prohibited
8. All vehicles in the Community must have valid state registration, valid insurance, and valid inspections. Vehicles without these things will be towed by Management at the owner's expense.
9. If the posted speed limit is not adhered to by the Tenant, Tenant's household members, guests or Visitors, the Tenant will be subject to a violation notice and may be fined by Management. Receipt of three or more violation notices within a twelve (12) month period will subject the Tenant to eviction.
10. Commercial vehicles are prohibited from the Community
11. Management will allow any law enforcement officer to enter the Community to enforce all traffic laws
12. If the Community uses parking passes, passes must be displayed clearly in every vehicle in the Community

INSURANCE & LIABILITY

1. Tenants agree not to use the premises in any manner that would increase the risk of personal injury or liability to the property owner
2. The Community's liability insurance does not cover Tenants' personal belongings or mobile homes. All homeowners must obtain and maintain their own homeowner's insurance, including comprehensive personal liability insurance in a minimum amount of \$100,000, and provide Management with proof of coverage. The

policy must name the Community as additional insured.

3. In the event the Tenant changes insurance companies, the Community must be notified, be named as additional insured on the new policy, and be given a new proof of insurance.
4. **WAIVER OF SUBROGATION AND RELEASE:** Each Tenant, and every other person residing in Tenant's home hereby waive and release, all rights, remedies, and causes of action against the Community, for their damages or other losses caused to or sustained by their home, personal property, or other property, due to fire, burglary/theft, vandalism, collapse, flooding, other water damage, weather conditions or any other cause of loss: (a) to the extent such damages/loss are covered by any property or other insurance obtained by Tenant or such other persons, or any other insurance applicable to the Tenant or such persons and/or to their property, or (b) to the extent such damages/losses would have been covered if the Tenant would have procured and maintained insurance required above, except such rights as they may have to any insurance proceeds. A waiver of Subrogation shall be effective as to a person or entity even though that person or entity did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damage.
5. **INDEMNIFICATION AND TENANT LIABILITY:** Tenant agrees to indemnify and hold harmless the Community, its owners, and its managers from, and on account of, any and all damage to property or personal injury by fire, theft or accident to any person(s), or to any mobile home or property of any person(s) arising from the failure of Tenant to keep the mobile home and his/her lot in good condition as herein provided, or arising from the negligence of Tenant or a guest or other permitted Tenant including costs of defense. Furthermore, Tenant agrees to pay for all damages of injuries to the Community or other Tenants and their guests caused by Tenant or a guest or other permitted Tenant, whether by negligence or misuse of the mobile home Community, its facilities, or otherwise including costs of defense.

INSTALLATION & REMOVAL OF HOMES

1. Installation of homes must be in accordance with all applicable statutes, regulations, codes, and ordinances
2. Installation or removal of homes may only be undertaken by an individual or company that is bonded or insured for damages to the premises. Management will require a copy of the mover's insurance bond before approving the moving of any home.
3. Any home that a Tenant wishes to bring into the Community must be approved by Management
4. The Tenant agrees to be responsible for any damage caused to the property as a result of home moving, and agrees to pay for the cost of any repairs resulting from home moving

SALE OF HOME BY HOMEOWNER

1. **HOME REMAINING IN COMMUNITY:** A homeowner may sell his/her home and have the home remain in the Community only if the following conditions are met:
 - a. The home must meet standards of appearance as determined by Management
 - b. The new Tenant must be approved by Management, in accordance with applicable state laws
 - c. Homeowners may be subject to a "transfer fee" when selling a home within the Community. This fee, if applicable, will be listed in the Community's posted rates.
2. **HOME BEING REMOVED FROM THE COMMUNITY:**
 - a. Homeowners must provide Management with a written notice of intent to vacate a lot at least thirty (30) days prior to the proposed removal of the home
 - b. All rent and charges due to the Community must be paid before the home may be moved
 - c. Homeowners are responsible for obtaining all necessary permits for the moving of the home
 - d. After the home has been removed, the Homeowner must restore the lot to its original condition
 - e. The Homeowner assumes full responsibility for any utility disconnection

ABANDONMENT OF PREMISES

If a homeowner abandons, vacates or surrenders his/her home or home site or is dispossessed by process of law, or otherwise; then any personal property, including but not limited to the home remaining on the premises, shall be deemed to be abandoned by homeowner and will be disposed of according to law. Absence from the premises for thirty (30) days after any breach of the agreement by the Tenant shall constitute abandonment.

UTILITIES

1. The Tenant is responsible for maintaining and repairing water lines, sewer lines, and electrical lines that are under the Tenant's home and/or on the Tenant's site side of the meter, if applicable.
2. Connection/Hook-ups are the responsibility of the Tenant.
3. Plumbing lines must be kept in good repair. Management reserves the right to inspect inside or outside of homes for leaky faucets and fixtures, upon reasonable notice to the Tenant; and reserves the right to shut off water to the home in the event of a substantial water leak or constantly running water.
4. Management reserves the right to restrict water usage during an emergency period arising from weather conditions, mechanical breakdowns or other demanding circumstances.
5. Do not flush garbage, sanitary napkins, paper towels, contraceptives, disposable diapers (even if it says flushable), fat or any other non-soluble substance in toilets or drains. If a clog or disconnect of a sewer line is caused by the Tenant or his/her guests, the Tenant will be charged for the cost of repairing any damage.
6. The placement of oil tanks must be approved by the Community
7. Homeowners are responsible for the proper installation and maintenance of heating oil tanks. Tanks must be installed to code by a licensed technician. The homeowner may be required to replace the oil tank if it is deemed to be defective. The homeowner is responsible for the cost of environmental cleanup or repairing any damage to the property caused by a Tenant's oil tank.
8. Any permit fees for the installation of oil tanks required by the city are the sole responsibility of the Tenant.
9. The Community hereby reserves the right to install individual water meters on each Tenant's lot, and thereafter to charge each Tenant for his/her own water usage and wastewater discharge. Tenant will receive a prior written notice if and when the Community institutes this practice. In particular, the Community will provide Tenant with prior written notice of its need to have access to Tenant's lot and/or home for the installation of individual meters. Tenant agrees that Management shall be provided such access, which will not be unreasonably withheld by Tenant, and that such installation of meters may be accompanied by a brief interruption to Tenant's water or other services, for which the Community will not be held liable. If and when the Community institutes this practice, the Community, or its agents or assigns will bill Tenants for water usage and waste water discharge, as determined by Tenant's metered usage and the utility/city's prevailing rate(s), which rates Tenant may obtain directly from the utility/city or from the Community upon request, plus the Community's handling charge. Such total charges shall be deemed to be additional rent due on the next date Tenant's monthly rent is due or would have been due. The Community or its agents or assigns shall have the right to enter onto the lot for the purpose of installing, maintaining, and reading the meter and related equipment, and shall have the right, upon reasonable notice, to interrupt service to the mobile home temporarily during any work completed on or relating to the meters. Failure to pay water or wastewater charges, or any other charges assessed as additional rent in a timely manner is considered a breach of the Lease Agreement and may be grounds for eviction.
10. Tenant will not tamper with meters or equipment. Tenant will be responsible for the cost of repairing meters damaged by tampering.
11. The Community shall have no liability for the accuracy of any meters or equipment pertaining to utilities provided to and utilized by Tenant's lot, whether now existing or installed in the future, and the Community disclaims any liability for the accuracy of any and all such meters. Tenant may, not more frequently than one time during any calendar year, request that the Community have a meter calibrated by the utility/city, the cost of which shall be payable by Tenant to the Community in advance. If the results of any meter calibration disclose a discrepancy between the actual and metered services historically provided to Tenant's lot, the meter shall be recalibrated to eliminate the discrepancy but the Community shall have no liability for any amounts paid by Tenant to the Community prior to such recalibration.

GARBAGE

1. If the Community is served by individual trash pickups, trash must be stored in secured garbage cans and placed at the rear of each home between collections. The Tenant shall move trash containers to the street for collection on the morning of collection day. No garbage is to be kept on the street overnight. Within twelve (12) hours after collection, the homeowner must return trash cans to the appropriate storage area.
2. The following items are considered "non-household trash": furniture, tires, appliances, auto parts, metal, skirting, debris, lumber, mattresses, large electronics, televisions, brush & firewood, paint, and hazardous chemicals. These items are not permitted to be disposed of in the Community, except in cases where there is a dedicated dumpster specifically for these items. In those cases, Tenant agrees to pay Management the



cost to dispose each of the above items.

3. If Management must remove garbage from the Tenant's lot, a removal fee will be charged to the Tenant.

NON-SOLICITATION & HOME BUSINESSES

1. No peddling, soliciting, commercial enterprise or distribution of any type of product or service is permitted in the Community without prior written approval from Management.
2. No advertising signs or yard signs, including home "for sale" signs are permitted in the Community without prior written approval from Management.
3. No Tenant, Occupant or Visitor may canvas homes in the Community for any purpose whatsoever. Violation of this rule shall be grounds for immediate eviction.

TENANT SITE LEASE PROTECTIONS

1. Tenant is entitled to a one-year renewable lease term unless there is good cause for non-renewal. Good cause can include (i) a Tenant being in default under the Lease (ii) the Tenant's serious or repeated violation of the material terms and conditions of the Lease, or (iii) the Tenant's violation of applicable federal, state, or local law.
2. Tenant must receive at least 30-days' prior written notice of any increase in rent.
3. Tenant is entitled to a 5-day grace period for the failure to timely pay rent and has the right to cure any default in the payment of rent. Rent is due on the 1st of each month, and will therefore be considered late if it is received on or after the 6th day of each month.
4. Tenant is entitled to sell its Manufactured Home without having to first relocate such Manufactured Home outside of the MH Community.
5. Tenant has the right to sell its Manufactured Home, in its existing location, within 45 days after eviction by the Landlord, provided that during such forty-five (45) day period, the Landlord shall allow the Manufactured Home to remain on the Home Site and connected to public and private utilities.
6. Tenant has the right to sublease or assign its Lease, for the unexpired term, to the purchaser of the Tenant's Manufactured Home, without any unreasonable restraint, provided the purchaser otherwise satisfies the MH Community Rules and Regulations and all of the Landlord's applicable credit requirements.
7. Tenant has the right to post "For Sale" signs that advertise the sale of its Manufactured Home, provided, that, such signs comply with the MH Community Rules and Regulations.
8. Tenant has the right to receive at least 60 days' notice of any planned sale or closure of the MH Community.

ENFORCEMENT

1. Failure by a Homeowner or Tenant to comply with these Rules or failure to comply with the terms of the Lease Agreement or state or local laws regarding land-leased communities and landlord/tenant relations is grounds for termination of tenancy and eviction.
2. In any action to enforce or interpret these Rules or the Lease Agreement, attorney's fees and court costs will be recoverable by the Community to the extent permitted by law.
3. These rules & regulations are incorporated in the lease agreement and made a part thereof.

ACKNOWLEDGEMENT

I/we acknowledge that prior to occupancy I/we have received a complete copy of and have read the Rental Agreement and Rules and Regulations and that I/we fully understand that any breach of the Rental Agreement or of the Rules and Regulations, by me, members of my family, my guests, or persons in the Community with my permission, may result in the Community's termination of my/our tenancy upon written notice.

Signatures on next page