

137864

BOOK 198 PAGE 263

Return Address:
Keilpinski & Woodrich
PO Box 510
Stevenson, WA 98610

FILED
SKAMIA COUNTY
BY City of N. Bonneville
APR 13 4 26 PM '00
GARY M. OLSON

Document Title(s) or transactions contained herein:											
Exclusive Firm Option to Purchase											
GRANTOR(S) (Last name, first name, middle initial)											
City of North Bonneville											
<input type="checkbox"/> Additional names on page _____ of document.											
GRANTEE(S) (Last name, first name, middle initial)											
Port of Skamania County											
<input type="checkbox"/> Additional names on page _____ of document.											
LEGAL DESCRIPTION (Abbreviated: i.e., Lot, Block, Plat or Section, Township, Range, Quarter/Quarter)											
Parcel 2 Portions of Sections 20 & 21, T2N, R7EWM											
<input checked="" type="checkbox"/> Complete legal on page 1 of document.											
REFERENCE NUMBER(S) of Documents assigned or released:											
<input type="checkbox"/> Additional numbers on page _____ of document.											
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER											
02-07-20-0-0-0205-00	<table border="1"> <tr><td>Prop. Tax</td><td>/</td></tr> <tr><td>Assessed Tax</td><td>/</td></tr> <tr><td>Interest</td><td>/</td></tr> <tr><td>Other</td><td>/</td></tr> <tr><td>Total</td><td>/</td></tr> </table>	Prop. Tax	/	Assessed Tax	/	Interest	/	Other	/	Total	/
Prop. Tax		/									
Assessed Tax	/										
Interest	/										
Other	/										
Total	/										
02-07-20-0-0-0206-00											
4/12/00 2-7-20-205											
<input type="checkbox"/> Property Tax Parcel ID is not yet assigned											
<input type="checkbox"/> Additional parcel numbers on page _____ of document.											
The Auditor/Recorder will rely on the information provided on the form. The Staff will not read the document to verify the accuracy or completeness of the indexing information.											

After Recording Return To:
Kielinski & Woodrich
PO Box 510
Stevenson, WA 98610

EXCLUSIVE FIRM OPTION TO PURCHASE

Dated March 14, 2000

1. Grant of Option

1.1 The City of North Bonneville, grantor, for and in consideration of the sum of Twenty-five Thousand and 00/100 (\$25,000.00) in hand paid, hereby grants and conveys to the Port of Skamania County, a Washington Municipal Corporation, ("the Port") as Grantee, an exclusive firm offer to purchase the property commonly known as "Parcel 2" located on the Fisherman's Access Road off of the Dam Access Road, North Bonneville, Skamania County, Washington and described as:

A tract of land in a portion of the G.W. Johnson Donation Land Claim No. 38, and a portion of the B.B. Bishop Donation Land Claim, and a portion of Sections 20 and 21, Township 2 North, Range 7 East, Willamette Meridian, Skamania County, Washington, beginning at a point on the Southerly right-of-way line of State Route 14 at its intersection with the Easterly boundary of the "Plat of Relocated North Bonneville" as recorded in Volume "B" of plats at page 23, records of Skamania County, Washington, said point being designated at "NB-25A" on the "Second Addition to the Plats of Relocated North Bonneville", and containing 42.00 acres, more or less. Additional legal description is on Exhibit "A".

1.2 This offer to purchase is expressly contingent on satisfaction of the following conditions:

- a) Grantee's receipt of grant funds to purchase this property within the time specified below.
- b) The parcel may be developed for industrial and business development as zoned and as envisioned by the Port of Skamania County.
- c) Such development is permissible without cost prohibitive mitigation or significant loss of land base as determined by the Port of Skamania County
- d) The Port's site development plans are approved by the City of North Bonneville, (said approval which shall not be unreasonably withheld), U.S. Army Corps of Engineers, and

the Washington State Department of Transportation, and the Washington State Department of Ecology

e) Improvements deemed necessary by the Port for the intersection of SR14 and the Dam Access Road are agreed to by all necessary parties, construction is scheduled, permitted and funded.

f) Improvements deemed necessary by the Port for the Dam Access Road and the Fisherman's Access Road are approved by, and easements are obtained from, the U.S. Corps of Engineers, and such improvements are permitted and funded

g) Grantee, at its option may obtain a survey of the property from a surveyor selected by Grantee.

h) Grantee agrees, upon exercise of this option, Grantee's development of the parcel shall provide access for non-commercial, non-industrial traffic from the west end of the subject parcel.

i) Grantee agrees, upon exercise of this option, Grantee's development of the parcel shall include a bicycle pathway extending from the west to east end of the parcel and linking with the new bike path to be placed at the east end of the parcel.

1.3 Upon execution of this agreement, Grantee and its agents and subcontractors shall be entitled to enter upon the Property for the purpose of performing a land survey, soil test (subject to the restrictions contained in Section 3), or other related engineering and feasibility studies of the Property as Grantee may deem necessary to determine the feasibility of developing the Property.

2. Compliance with North Bonneville Comprehensive Plan

The Port agrees to comply with the City's Comprehensive Plan, (Ordinance 779, Passed August 10, 1999). The Port agrees to comply with the requirements that pertain to ceded federal lands and public or quasi-public development proposals contained in Goal 14 of the Comprehensive Plan, including the requirements pertaining to master plans for development

3. Compliance with Restrictive Covenant

3.1 The Port agrees that it will not conduct any prohibited activity on Site 1 and Site 2, as specified in the Restrictive Covenant, recorded at Auditor's File Number 131765, Book Number 111, Page 836 of the Records of Skamania County, without obtaining prior consent from the Department of Ecology and that the Port will hold harmless and indemnify the City for any prohibited activity that is caused by the Port or its agents, including any activity occurring by any third parties performing inspections, studies, or work on Parcel 2 at the Port's direction.

3.2 The Port agrees to allow the City or authorized representatives from Ecology, or its successor agency, the right to enter Sites 1 and 2 at reasonable times for the purpose of evaluating compliance with the Restrictive Covenant above referenced.

3.3 The City agrees to perform compliance monitoring required pursuant to the Restrictive Covenant until the date of closing. The Port agrees to perform all compliance monitoring of Sites 1 and 2 after the date of closing.

3.4 The parties agree that the grantee's violation of a condition of this section of this agreement shall not constitute a breach or default of this agreement such that the grantor may revoke, rescind or otherwise terminate this agreement.

4. Revocation of Option

4.1 In the event any of the conditions contained in Section 1.2 (a)-(g) have not, after due diligence, been satisfied, prior to the Port's exercise of the option pursuant to Sections 10 and 11 of this Agreement, the option money shall be refunded to the Port within sixty (60) days after written demand by the Port. Provided that, any interest that may have accrued on the option money paid by Grantee for this option shall accrue to the benefit of the City and shall be retained by the City.

4.2 In the event that Grantee fails to exercise the option, then Grantee shall deliver to Grantor a legible copy of any reports, studies and drawings owned by Grantee which shall relate to the property. Grantor shall pay the nominal fee required for any copies obtained pursuant to this section.

5. Indemnification

The Port shall indemnify and hold harmless the City and its officers, agents, and employees, or any of them, from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, which are caused by or result from a negligent act or omission of the Port, its officers, agents, and employees pursuant to the performance of this agreement, including any inspection activities conducted by Grantee or its agents.

6. Matching funds required for Grants

The Port recognizes that the various granting agencies providing grant funds for planning, studies, and improvements required to develop Parcel 2 may require that grant funds are matched by funds provided the grant applicant and/or recipient. The Port agrees that it will not require any matching grant funds from the City of North Bonneville in connection with the planning and improvements that are required to develop Parcel 2.

7. Time

This firm offer to Purchase shall expire at 5:00 p.m. on December 31, 2001. Time is of the essence of this Agreement.

8. Marketing/Waste

8.1 Grantor may market the property during this period, but shall not accept any offer from a prospective buyer without the stated condition that it is subject to this Option to Purchase, and shall not otherwise take action to frustrate the purpose of this Option to Purchase. Grantor shall not commit waste on the property, encumber or sell the property, and shall maintain the property in as good condition as it exists on the date of this agreement. Grantor shall not lease the property during this period for longer than a month-to-month tenancy, unless the lease specifically limits its term to be terminated in the event this option is exercised.

8.2 Grantee agrees to continue to allow Skamania County to remove fill dirt from Parcel 2, subject to the restrictions delineated by the City to the County, and reflected in the Restrictive Covenant recorded at Auditor's File Number 131765, Book Number 111, Page 836 of the Records of Skamania County.

9. Terms

9.1 Purchase Price: The purchase price of the subject property shall be \$300,000.

9.2 Payment of Purchase Price: Grantee has paid the sum of \$25,000 for this Option which shall be applied to the purchase price upon Grantee's exercise of this option. An additional down payment in the sum of \$25,000 shall be paid in cash at closing and shall be applied to the purchase price. The remaining balance of \$250,000 shall be paid in five annual installments in accordance with the amortization schedule attached hereto as Exhibit "B", including interest at 8.0%, on the entire remaining balance from the date of closing. There shall be no prepayment penalty or restriction. Balance to be carried on Note secured by a first Trust Deed, said Note and first Trust Deed in substantially the form as set forth in Exhibit "C" attached hereto and incorporated herein. Upon receipt of grant funds for this purchase, such funds shall be applied to the balance due.

10. Exercise of Option

10.1 At any time prior to the expiration of this Option, Grantee may notify Grantor in writing that it is exercising this option. Notice shall be by certified mail and shall be effective upon Grantee's placing the notice in the U.S. Post Office with postage prepaid thereon, addressed as follows:

City of North Bonneville
P. O. Box 7

North Bonneville, Washington 98648 98639 *arg*

10.2 Alternatively or additionally, Grantee may use Federal Express or other courier service to exercise this notice, and in that event the notice shall be effective upon delivery to the courier addressed as above and with applicable fees prepaid or contracted for.

10.3 In the event Grantee exercises this Option, escrow shall be opened with Skamania Title within fifteen days thereafter. Escrow instruction shall be executed by the parties, delivered to the escrow agent, and provide for: the ordering of a preliminary title report and delivery thereof to grantee; deposit of a good and sufficient Warranty Deed executed by Grantor; deposit of other instruments required hereunder, including a policy of title insurance showing good title to the property free and clear of all liens and encumbrances, restrictions, covenants and reservations of record except as provided for herein and deposit of a Note secured by a First Trust Deed in the form set forth in Exhibit "B". Escrow shall not be closed later than 30 days after opening thereof, unless additional time is required to satisfy the conditions set forth on page one, not to exceed one year from the exercise of the option, or such longer period as agreed to by the parties in writing.

10.4 Grantee shall pay the escrow fees including any recording fees (exclusive of any conveyance or excise tax).

11. Expiration of Option

11.1 If Grantee fails to exercise this Option to Purchase by December 31, 2001, this Option shall expire and the initial consideration of \$25,000.00 paid by the Grantee therefor shall not be refunded.

11.2 If Grantee exercises this Option to Purchase and the parties agree in writing that additional time is required to satisfy the conditions set forth in Section 1.2, only the additional \$25,000.00 paid at closing shall be refunded if, after due diligence, the conditions set forth in Section 1.2 have not been satisfied in the agreed additional time period. The additional \$25,000.00 only shall be refunded to the Port, without interest, within sixty (60) days after written demand by the Port.

12. Right to Specific Performance

Either party shall have the right to require the other to specifically perform under this agreement.

13. Attorney Fees

If either party shall be in default under this contract, the non-defaulting party shall have the right, at the defaulting party's expense, to retain an attorney to make any demand, enforce any remedy, or otherwise protect or enforce its rights under this contract. The defaulting party hereby promises to pay all costs and expenses so incurred by the non-defaulting party, including, without limitation, court costs, notice expenses, title search expenses, and reasonable attorneys' fees (with or without arbitration or litigation). In the event either party hereto institutes any action to enforce the provisions of this contract, the prevailing party in such action shall be entitled to reimbursement by the losing party for its court costs and reasonable attorneys' fees, including such costs and fees as are incurred on appeal. All reimbursements required by this paragraph shall be due and payable on demand, may be offset against any sum owed to the party

so liable in order of maturity, and shall bear interest at the default rate from the date of demand to and including the date of collection or the due date of any sum against which the same is offset.

14. Risk of Loss

Grantor shall bear the risk of all loss or damage to the property from all causes, except as provided on page one, through the closing date. If, before the closing date, and regardless of whether an exercise notice has yet been given or is subsequently given, all or part of the property is damaged by fire or by any other cause of any nature or if all or any portion of the property is taken by condemnation, or if any such condemnation is threatened, Grantor shall give Grantee written notice of such event. Grantee may terminate this agreement, by giving written notice to Grantor within 15 days following receipt by Grantee of written notice from Grantor of such casualty or condemnation. If Grantee does not elect to terminate this agreement, then this agreement shall continue in force, and if Grantee exercises the option and the property is conveyed to Grantee, then all interest of Grantor in and to any insurance proceeds or condemnation awards that may be payable to Grantor on account of such casualty or condemnation shall be assigned to the Grantee at closing.

15. Governing Law and Venue

This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. Venue shall be in Skamania County, Washington.

16. Environmental Stewardship


The Port agrees to take advantage of requirements under the City Comprehensive Plan for providing perimeter landscaping barriers, and for accommodating storm water runoff, etc., by using such area as green space, developed as an environmental asset to achieve a balance between environmental and economic benefits. Where feasible, low-impact development strategies will be implemented.


GRANTOR

GRANTEE

CITY OF NORTH BONNEVILLE
A Washington Municipal Corporation

PORT OF SKAMANIA COUNTY,
A Washington Municipal Corporation

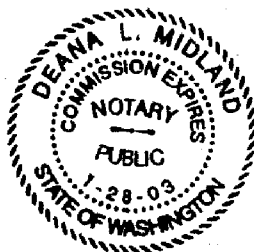

by John Kirk
Mayor of North Bonneville


by Anita Gahimer
its Executive Director

STATE OF WASHINGTON)
) SS
 County of Skamania)

On this day personally appeared before me Anita Gahimer, to me known to be the Executive Director of the Port of Skamania County, the municipal corporation that executed the foregoing instrument, and acknowledged the 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 she was authorized to execute the said instrument.

GIVEN under my hand and official seal this 14th day of March, 2000.

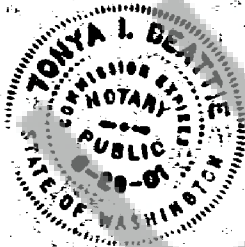


Deana L. Midland
 Notary Public in and for the
 State of Washington, residing
 at Sturgeson, Skamania Co.
 Commission expires: 1-28-03

STATE OF WASHINGTON)
) SS
 County of Skamania)

On this day personally appeared before me John Kirk, to me known to be the Mayor of the City of North Bonneville, a Municipal Corporation, and acknowledged the said instrument to be his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this Khh day of March, 2000.



Tonya L. Beattie
 Notary Public in and for the
 State of Washington, residing
 at Sturgeson
 Commission expires: 8-29-01

EXHIBIT A
PARCEL 2

A tract of land located in a portion of the G.W. Johnson Donation Land Claim No. 38, and a portion of the B.B. Bishop Donation Land Claim, and a portion of Sections 20 and 21, Township 2 North, Range 7 East, Willamette Meridian, Skamania County, Washington, described as follows:

BEGINNING at a point on the Southerly right-of-way line of State Route 14 at its intersection with the Easterly boundary of the "Plat of Relocated North Bonneville" as recorded in Volume "B" of plats at page 23, records of Skamania County, Washington, said point being designated as "NB-25A" on the "Second Addition to the Plats of Relocated North Bonneville";

thence South $06^{\circ}50'34''$ East along the said Easterly boundary of said "Plat of Relocated North Bonneville", 1303.33 feet to a point designated as "NB-51" on said plat;

thence continuing South $06^{\circ}50'34''$ East, 201.72 feet to the Northerly right-of-way line of a 60 foot right-of-way known as the U.S. Army Corps of Engineers Day Use Area Road;

thence North $36^{\circ}59'00''$ East along said northerly right-of-way, 306.34 feet;

thence Northeasterly along the said northerly right-of-way line along an arc of a 22948.32 foot radius curve to the right through a central angle of $01^{\circ}21'00''$ for an arc distance of 540.70 feet;

thence North $38^{\circ}20'00''$ East along said northerly right-of-way line 283.52 feet;

thence along the arc of a 22888.32 foot radius curve to the left through a central angle of $01^{\circ}16'00''$ for an arc distance of 506.02 feet;

thence North $37^{\circ}04'00''$ East along said northerly right-of-way line 1086.92 feet;

thence along the arc of a 1879.86 foot radius curve to the left, through a central angle of $11^{\circ}06'45''$ for an arc distance of 364.60 feet;

thence North $25^{\circ}57'15''$ East along said northerly right-of-way line 112.16 feet;

thence along the arc of a 411.97 foot radius curve to the right, through a central angle of $29^{\circ}16'49''$ for an arc distance of 210.53 feet;

thence leaving said northerly right-of-way line, North $34^{\circ}45'56''$ West 14.77 feet to the southerly right-of-way line of said State Route 14, as shown on the said "Second Addition to the Plats of Relocated North Bonneville";

thence South $60^{\circ}36'00''$ West along the southerly line of said plat and the said southerly right-of-way line 1156.07 feet to a point designated as "NB-52C";

thence South $29^{\circ}24'02''$ East 20.00 feet, to a point designated as "NB-52B";

thence South $60^{\circ}36'00''$ West along the southerly line of said plat and the said southerly right-of-way line 1115.82 feet to a point designated as "NB-52A";

thence along the arc of a 2944.79 foot radius curve to the right, through a central angle of $05^{\circ}02'51''$ for an arc distance of 259.42 feet, to the point of beginning

The parcel of land herein described contains 42.00 acres, more or less

Exhibit B Loan Amortization Schedule-Parcel 2
Loan Amortized at 8%

Payment Number	Payment Amount	Principal	Interest	Principal Balance
Opening Balance				250,000.00
1	62,614.11	42,614.11	20,000.00	207,385.89
2	62,614.11	46,023.24	16,590.87	161,362.65
3	62,614.11	49,705.10	12,909.01	111,657.55
4	62,614.11	53,681.51	8,932.60	57,976.04
5	62,614.12	57,976.04	4,638.08	0.00
GRAND TOTAL	313,070.56	250,000.00	63,070.56	0.00

EXHIBIT C
PROMISSORY NOTE

\$250,000.00

DATE: _____

LOCATION: _____

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay the City of North Bonneville, A Washington Municipal Corporation, the principal sum of Two Hundred and Fifty Thousand and 1/100 Dollars (\$250,000.00), with interest on the unpaid principal balance from the date of this Note, until paid, at the rate of eight percent (8%) per annum. Principal and interest shall be payable at P.O. Box 7, North Bonneville Washington, 98639 or such other place as the Note holder may designate, in five consecutive annual installments of Sixty Two Thousand Six Hundred Fourteen 11/100 Dollars (\$62,614.11), on the first day of each year beginning on the ____ day of _____, 2001. Such annual installments shall continue until the entire indebtedness evidenced by this Note is fully paid, except that any remaining indebtedness, if not sooner paid, shall be due and payable on _____, 2001.

If any annual installment under this Note is not paid when due and remains unpaid after a date specified by a notice to Borrower, the entire principal amount outstanding and accrued interest thereon shall at once become due and payable at the option of the Note holder. The date specified shall not be less than thirty days from the date such notice is mailed. The Note holder may exercise this option to accelerate during any default by Borrower regardless of any prior forbearance. If suit is brought to collect this Note, the Note holder shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to reasonable attorney fees.

Borrower may prepay the principal amount outstanding in whole or in part. Any partial prepayment shall be applied against the principal amount outstanding and shall not postpone the due date of any subsequent annual installments or change the amount of such installments, unless the Note holder shall otherwise agree in writing.

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

Any notice to Borrower shall be given by mailing such notice by certified mail addressed to Borrower, or to such other address as Borrower may designate by notice to the Note holder. Any notice to the Note holder shall be given by mailing such notice by certified mail, return receipt requested, to the Note holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by notice to Borrower.

PORT OF SKAMANIA COUNTY, A
Washington Municipal Corporation

by Anita Gahimer, Executive Director of
the Port of Skamania County

DEED OF TRUST

THIS DEED OF TRUST, made this _____ day of _____, 2000 between the **PORT OF SKAMANIA COUNTY**, A Washington Municipal Corporation, **Grantor**, whose address is 40 Cascade Avenue, Stevenson, Skamania County, Washington 98648 and **SKAMANIA COUNTY TITLE COMPANY**, a Washington Corp., and the **CITY OF NORTH BONNEVILLE**, A Washington Municipal Corporation, **Beneficiary**, whose address is: P.O Box 7, North Bonneville, Skamania County, Washington, 98639.

WITNESSETH: Grantor hereby bargains sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skamania County, Washington:

A tract of land in a portion of the G.W. Johnson Donation Land Claim No. 38, and a portion of the B.B. Bishop Donation Land Claim, and a portion of Sections 20 and 21, Township 2 North, Range 7 East, Willamette Meridian, Skamania County, Washington, beginning at a point on the Southerly right-of-way line of State Route 14 at its intersection with the Easterly boundary of the "Plat of Relocated North Bonneville" as recorded in Volume "B" of plats at page 23, records of Skamania County, Washington, said point being designated at "NB-25A" on the "Second Addition to the Plats of Relocated North Bonneville", and containing 42.00 acres, more or less. Additional legal description is on Exhibit "A".

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) with interest, in accordance with the terms of a promissory note of even date herewith, payable to the Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary as its interest may appear and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's attorney's fees actually incurred, as provided by statute.

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the

Deed of Trust
Page 2

Beneficiary or the person entitled thereto.

4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington (as amended), at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto or may be deposited (less clerk's filing fee) with the clerk of the superior court of the county in which sale takes place.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrances for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

WITNESS the hand of the Grantor on the day and year first above written.

PORT OF SKAMANIA COUNTY
A Washington Municipal Corporation

by Anita Gahimer
its Executive Director

Accepted and approved as to form,
Deed of Trust
Page 3

CITY OF NORTH BONNEVILLE, A Washington
Municipal Corporation

by John Kirk, Mayor of the
City of North Bonneville,
Beneficiary

STATE OF WASHINGTON

COUNTY OF SKAMANIA

)
) ss.
)

I certify that I know or have satisfactory evidence that Anita Gahimer, Executive Director of the Port of Skamania County signed this instrument and acknowledged it to be his/her/their free and voluntary act and deed of the Corporation for the uses and purposes mentioned in the instrument and on oath stated that she was authorized to execute the said agreement.

DATED _____

NOTARY PUBLIC _____
MY APPOINTMENT EXPIRES _____

STATE OF WASHINGTON

COUNTY OF SKAMANIA

)
) ss.
)

I certify that I know or have satisfactory evidence that John Kirk, Mayor of the City of North Bonneville, signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the of to be the free and voluntary act and deed of the Corporation for the uses and purposes mentioned in the instrument, and on oath stated that he was authorized to execute the said instrument.

DATED _____

NOTARY PUBLIC _____
MY APPOINTMENT EXPIRES _____