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BOOK 205 PAGE 536

FILED FOR RECORD  
SKAMAHIA CO. WASH.  
BY CLARK COUNTY TITLE

Dec 29 10 36 AM '00

*Garry*  
AUDITOR  
GARY M. OLSON

David D. Buck, Esq.  
Riddell Williams P.S.  
1001 Fourth Avenue, Suite 4500  
Seattle, WA 98154-1065

DEED OF TRUST

701167  
Reference number of document assigned or released: Not applicable.

Grantor: World Steward, a Washington nonprofit corporation ("Grantor"), whose address is Cold Spring Farm, 1.62 Chenoweth Road, Underwood, Washington 98651.

Grantee/Beneficiary: THE BULLITT FOUNDATION ("Beneficiary"), whose address for notice is c/o Riddell Williams P.S., Attn: David D. Buck, 1001 Fourth Avenue Plaza, Suite 4500, Seattle, Washington 98154-1065.

Grantee/Trustee: CLARK COUNTY TITLE COMPANY ("Trustee")

Legal Description (abbreviated): PARCEL A:  
#700 Section 24, Township 3 North, Range 9 East.  
PARCEL B:  
#100 Section 25, Township 3 North, Range 9 East.

FULL LEGAL ON PAGE 16

Assessor's Tax Parcel Numbers: 03-09-24-0-0-0700-00 AND 03-09-25-0-0-0100-00

DATED: December 28, 2000.

Prepared ☒  
Reviewed ☒  
Signed ☒  
Noted ☒  
Filed ☒



IN CONSIDERATION of the indebtedness herein recited and the trust herein created, Grantor hereby grants, bargains, sells, conveys, transfers and assigns to Trustee, its successors and assigns, IN TRUST, WITH THE POWER OF SALE, right of reentry and possession, all of the estate, right, title and interest of Grantor in or to the following property, together with all right, title and interest that Grantor may hereafter acquire in the following and any proceeds thereof:

All of the real property, real property interests, easements and rights of way (the "Property") situated in Skamania County, Washington, and more particularly described in Exhibit A attached hereto and incorporated herein by reference, and all minerals, oil, gas and other hydrocarbon substances on the Property, and all development rights and credits, air rights, water, water rights and water stock relating to the Property, all rights to receive all damages, royalties and revenues of every kind, nature and description whatsoever that Grantor may be entitled to receive from any person or entity owning or having or hereafter acquiring a right to the oil, gas or mineral rights and reservations with respect to the Property, all appurtenances of the Property and all rights in and to any streets, roads or public places, easements or rights of way, relating to the Property.

TO SECURE to Beneficiary the following (herein sometimes collectively called the "Liabilities"):

- (a) payment of the indebtedness evidenced by Grantor's promissory note of even date herewith, payable to the order of Beneficiary, in the principal amount of One Million Six Hundred Twenty Thousand and no/100 Dollars (\$1,620,000) with interest thereon and all renewals, modifications, extensions and replacements thereof (the "Note");
- (b) the performance of the covenants, obligations and agreements (and the truth of all representations and warranties) of Grantor contained or incorporated by reference herein, in the Note, or in this Deed of Trust;
- (c) the payment of all other sums, with interest thereon, advanced under the terms of this Deed of Trust or the Assignment, including all sums advanced by Beneficiary to protect the Property;
- (d) compliance with and performance by Grantor of each and every monetary provision of all covenants, conditions, and restrictions, if any, pertaining to the Property; and
- (e) repayment of any future advances, with interest thereon, made by Beneficiary to Grantor hereunder.

Grantor covenants and agrees:

1. Payment and Performance of Liabilities. Grantor will pay to Beneficiary promptly when due the principal amounts and all interest on the indebtedness evidenced by the Note and all other sums secured by this Deed of Trust or the Assignment, and will promptly perform all other Liabilities secured hereby.
2. Possession. Unless and until an Event of Default (as hereafter defined) occurs, Grantor may remain in possession and control of the Property. Upon the occurrence of an Event of Default, Beneficiary may exercise any rights and remedies which Beneficiary may have.
3. Warranties of Grantor.
  - a. Title. Grantor warrants that it is the fee owner of the Property. Grantor further warrants that it has the full and valid right and power to grant, convey and transfer the Property as provided in this Deed of Trust. Grantor shall defend the title and the interests of Beneficiary and Trustee against the claims and demands of all persons.
  - b. Use. Grantor warrants that the Property shall be used for agricultural or farming purposes. Unless Beneficiary has otherwise agreed in writing, Grantor shall not initiate or acquiesce in any change in the zoning classification of the Property without Beneficiary's prior written consent.
  - c. Further Assurances. Upon Beneficiary's request, Grantor shall promptly make, execute and deliver to Beneficiary all deeds of trust, financing statements and continuation statements,



instruments of further assurance, certificates and other documents as Beneficiary may consider necessary or desirable to effectuate, complete, perfect, or continue and preserve the obligations of Grantor under the Note, this Deed of Trust, and the lien of this Deed of Trust and security interest in the Property, as a first and prior lien upon and security interest in the Property subject only to those liens and encumbrances existing as of the date hereof (the "Permitted Exceptions"); and Grantor shall pay all costs in connection with the preparation, execution, and recording or filing and rerecording and refiling of such documents or instruments in such offices or places as Beneficiary may deem necessary or desirable. However, neither a request so made by Beneficiary nor the failure of Beneficiary to make such request shall be construed as a release of such Property or any part thereof from the conveyance of title by this Deed of Trust.

d. Use and Management Plan. Grantor agrees, in collaboration with the Columbia Gorge Arts and Culture Council and the Cold Spring Conservancy, to develop and implement prior to December 31, 2001 a long-term use and management plan for the Property, which will be satisfactory to Beneficiary in its reasonable discretion and which will be designed to accomplish the following objectives in a timely manner:

1. Preserve and protect in perpetuity the core biological elements and values of the Property;
2. Coordinate the use and management of the Property with adjacent properties acquired for preservation purposes;
3. Develop a premier educational and research center for organic farming and sustainable agriculture and forestry methods; and
4. Establish a venue to showcase regional excellence in the arts.

4. Care of Collateral.

a. Duty to Maintain and Restore; Waste. Grantor shall not permit, commit or suffer any waste, impairment or deterioration of the Property (other than loss of timber due to fire or force majeure); shall not take any action which will increase the risk of fire or other hazard to the Property; and shall not fail to take any action which would minimize such risk.

b. Beneficiary's Right to Enter and Inspect. Beneficiary and its agents and representatives may enter upon the Property at all reasonable times during the continuance of this Deed of Trust to attend to Beneficiary's interests and to inspect the Property.

c. Compliance With Governmental Regulations. Grantor will promptly comply with all laws, ordinances, and regulations of any governmental authority affecting the Property or the use of the Property.

d. Duty to Defend. Grantor shall give notice in writing to Beneficiary of and, unless otherwise directed in writing by Beneficiary, appear in and defend any action or proceeding purporting to affect the Property, the security of this Deed of Trust, or the rights or powers of Beneficiary.

e. Duty to Protect. Grantor shall do all other acts, in addition to those set forth in this Section, that are reasonably necessary to protect and preserve the security of Beneficiary.

6. Taxes and Assessments; Liens and Claims.



a. Payment. If Grantor is not required to pay to Beneficiary impositions attributable to the Property, Grantor shall make payment when due directly to the proper payee. Grantor shall further pay when due all claims and demands arising with respect to the Property, and all claims for labor performed and materials furnished in connection with the Property and shall not permit any mechanics or materialman's lien to be filed against the Property. Grantor may use any available installment payment plans for special assessments.

b. Liens. Grantor shall not allow any deed of trust, mortgage or other encumbrance including an encumbrance inferior to this Deed of Trust to be imposed on the Property after the date hereof without the prior written approval of Beneficiary.

c. Grantor's Right to Contest. Grantor may withhold payment of any tax, assessment, claim or demand or may elect to contest any lien if Grantor is in good faith conducting appropriate proceedings to contest the obligation to pay and if, but only if, such proceedings suspend enforcement and collection of the tax, assessment, claim or demand, and no part of the Property or any interest therein is or will be in danger of being sold or forfeited. If any of the Property is subjected to a lien which is not discharged within ten (10) days, Grantor shall deposit with Beneficiary cash, a sufficient corporate surety bond or other security satisfactory to Beneficiary in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale. In any contest Grantor shall defend itself and Beneficiary and Trustee at Grantor's sole expense, and with counsel acceptable to Beneficiary, and shall satisfy any final adverse judgment before enforcement against the Property. Grantor shall name Beneficiary and Trustee as additional obligees under any surety bond furnished in the contested proceedings.

d. Evidence of Payment. Grantor shall, upon demand by Beneficiary, furnish to Beneficiary evidence of payment of taxes and assessments, and all other payments required to be made by Grantor pursuant to this Section, and shall authorize the appropriate county official to deliver to Beneficiary at any time a written statement of the taxes and assessments against the Property.

6. Imposition of Tax on Indebtedness or Security Instruments. In the event of the enactment of any law deducting from the value of the Property any mortgage lien on it, or imposing upon the Beneficiary the payment of all or part of the taxes, charges, or assessments previously paid by Grantor pursuant to the Deed of Trust, or changing the law relating to the taxation of mortgages, debts secured by mortgages, or Beneficiary's interest in the Property so as to impose new incidents of tax on Beneficiary, then Grantor shall pay such taxes or assessments or shall reimburse Beneficiary for payment of such taxes or assessments in the same manner as provided herein; provided that, however, if in the opinion of counsel to Beneficiary such payment cannot lawfully be made by Grantor, then Beneficiary may, at Beneficiary's option, declare all of the sums secured by this Deed of Trust to be immediately due and payable without notice to Grantor, and Beneficiary may invoke any remedies permitted by this Deed of Trust.

7. Transfers of the Property or Beneficial Interests in Grantor; Assumption. In the event of any Transfer (defined below) without Beneficiary's prior written consent, which Beneficiary may withhold for any reason, of (a) all or any part of the Property, or any interest therein, or (b) any stock or ownership interest in Grantor or any other corporation, partnership or other entity owning all or any part of the Property, and whether the Transfer is direct or indirect, voluntary, involuntary, or occurs by operation of law, all sums secured by this Deed of Trust shall be immediately due and payable; and upon the occurrence of such event Beneficiary may, without further notice to or demand on Grantor, invoke any remedies available to Beneficiary in the event of default by Grantor. This provision shall apply to each and every Transfer, whether or not Beneficiary has consented or waived its rights, in connection with any previous Transfer.

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The term "Transfer" as used herein means any sale, assignment, encumbrance, pledge, hypothecation, agreements to sell or assign or any other transfer or disposition of all or any part of the Property or all or any part of Grantor's interest in the Property, or of beneficial interests in Grantor and shall include, in addition to the common and ordinary meaning of the term without limiting its generality, transfers to or from nominees or agents, transfers to subsidiary or affiliated entities, transfers to a restructured partnership, transfers by any partnership to the individual partners or vice versa, transfers by any corporation to its stockholders or vice versa and transfers in connection with any corporate merger, consolidation or dissolution.

The giving of consent by Beneficiary in one instance shall not preclude the need for Grantor to obtain Beneficiary's consent to further Transfers.

8. Condemnation. Grantor shall promptly notify Beneficiary of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or any part thereof, and Grantor shall appear in and prosecute any such action or proceeding unless otherwise directed by Beneficiary in writing. Grantor authorizes Beneficiary, at Beneficiary's option, as attorney-in-fact for Grantor, to commence, appear in and prosecute, in Beneficiary's or Grantor's name, any action or proceeding relating to any condemnation or other taking of the Property whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim of damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned to and shall be paid to Beneficiary.

Grantor authorizes Beneficiary to apply such awards, payments, proceeds, or damages, after the deduction of Beneficiary's expenses incurred in the collection of such amounts to payment of the sums secured by this Deed of Trust, whether or not then due, with the balance, if any, to Grantor. Unless Grantor and Beneficiary otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the installments referred to in the Note or change the amount of such installments or affect the lien of this Deed of Trust or serve to cure any existing default. Grantor agrees to execute such further evidence of assignment of any awards, proceeds, damages, or claims arising in connection with such condemnation or taking as Beneficiary may require. Sale of all or any part of the Property to a purchaser with the power of eminent domain in the face of a threat or the probability of the exercise of the power shall be treated as a taking by condemnation to which this Section shall apply.

9. Hazardous Substances on the Property. Grantor shall give Beneficiary prompt written notice of (a) any proceeding or inquiry by any governmental authority with respect to the presence of any Hazardous Substances on the Property or the emission or migration thereof from or to any other property, (b) all claims made or threatened by any other party against Grantor or the Property relating to any alleged loss or injury resulting from any Hazardous Substances, or (c) Grantor's discovery or the occurrence of any condition on the Property or any property adjoining or in the vicinity of the Property that could cause the Property to be subject to any federal, state or local statute, ordinance or regulation with respect to the proper disposal or cleanup of such materials. The term "Hazardous Substances," as used herein, means (a) petroleum or petroleum products, natural or synthetic gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, polychlorinated biphenyls and radon gas; (b) any substance defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "dangerous wastes," "toxic substances," "contaminants" or "pollutants" or words of similar import, under any applicable federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Substances; and (c) any other substance exposure to which is regulated by governmental authority.

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10. Events of Default. Each of the following shall constitute an "Event of Default":

- a. Failure of Grantor to make any payment required under this Deed of Trust, the Assignment or the Note within ten (10) days of the date it is due.
- b. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes, assessments, or for reserves for such payment, or any other payment necessary to prevent creation, foreclosure or enforcement of any lien.
- c. Transfer or agreement to transfer any of the Property or any interest in the Property or in Grantor without the prior written consent of Beneficiary.
- d. Material breach of any warranty or material untruth of any representation of Grantor contained or incorporated herein or in any other instrument delivered by Grantor in connection with this transaction.
- e. Failure of Grantor to perform any other obligation contained or incorporated by reference herein, in the Assignment, in the Note or any other instrument delivered by Grantor in connection with this transaction within thirty (30) days after notice from Beneficiary specifying the nature of the default or, if the default is curable but cannot be cured within thirty (30) days, failure within such time promptly to commence and thereafter to complete curative action with all possible diligence.

11. Rights and Remedies Upon Default.

a. Remedies. Upon the occurrence of any Event of Default and the expiration of the applicable cure period, if any, and at any time thereafter, Beneficiary or Trustee may exercise any one or more of the following rights and remedies in addition to any other remedy which may be available at law, in equity or otherwise, all of which rights and remedies are cumulative:

i. Beneficiary may declare any or all sums secured by this Deed of Trust to be immediately due and payable, without further demand or notice. All such sums, together with interest thereon, shall bear interest at the default rate contained in the Note from the date of the Event of Default until repaid, notwithstanding any cure periods.

ii. Beneficiary may invoke the power of sale, in which case Trustee shall have the right to foreclose Grantor's interest in all or any part of the Property by nonjudicial notice and sale, and Beneficiary shall have the right to foreclose by judicial foreclosure, in either case in accordance with applicable law.

iii. Beneficiary and Trustee shall have any other right or remedy provided in this Deed of Trust, in any other document or instrument evidencing or securing the Liabilities, or provided at law or in equity.

b. Power of Sale. If Beneficiary invokes the power of sale, Beneficiary shall give written notice to Trustee of the occurrence of an Event of Default and of Beneficiary's election to cause the Property to be sold. Trustee and Beneficiary shall give such notices as the applicable laws may require to Grantor and to such other persons as the applicable laws prescribe, and after the lapse of such time as may be required by applicable law, Trustee shall sell the Property according to the applicable laws. Trustee may sell the Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property for a period or periods not exceeding the periods permitted by applicable



law by taking the actions prescribed by applicable law. Beneficiary or Beneficiary's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser a Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including but not limited to, Trustee's and attorneys' fees and costs of title evidence; (b) to all sums secured by this Deed of Trust in such order as Beneficiary, in Beneficiary's sole discretion, directs; and (c) the excess, if any, to the clerk of the superior court of the county in which the sale took place.

c. Discontinuance of Proceedings. Beneficiary, from time to time before Trustee's sale, may rescind any notice of default or notice of sale by executing and delivering to Trustee a written notice of discontinuance of Trustee's sale, which notice, when recorded, shall also constitute a cancellation of any prior notice of default and notice of sale. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other notices of default and notices of sale, nor otherwise affect any provision, covenant or condition of the Note, this Deed of Trust or any of the rights, obligations or remedies of the parties thereunder or hereunder.

d. Sale of the Property. To the extent permitted under applicable law, Beneficiary and Trustee shall be free to sell Grantor's interest in all or any part of the Property together or separately or to sell certain portions of the Property and refrain from selling other portions. Beneficiary shall be entitled to bid at any public sale on all or any portion of the Property.

e. Waiver of Marshaling. Notwithstanding the existence of any other security interests in the Property held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided by this Deed of Trust. Beneficiary shall have the right to determine the order in which any or all portions of the indebtedness secured by this Deed of Trust are satisfied from the proceeds realized upon the exercise of the remedies provided in this Deed of Trust. Grantor, any party who consents to this Deed of Trust, and any party who now or hereafter acquires a lien or security interest in the Property and who has actual or constructive notice of this Deed of Trust, hereby waives any and all right to require the marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or by this Deed of Trust.

f. Remedies Cumulative. Election by Beneficiary to pursue one remedy shall not preclude resort to any other remedy, and all remedies of Beneficiary under this Deed of Trust at law or in equity are cumulative and not exclusive and each remedy available to Beneficiary may be exercised concurrently, independently, successively and in any order whatsoever. An election to make expenditures or to take action to perform an obligation of Grantor secured by this Deed of Trust after failure of Grantor to perform shall not prejudice Beneficiary's right to declare a default or constitute a waiver of the breached term or of any of the remedies provided in this Section.

g. Application of Proceeds from Property. All proceeds realized from the exercise of Beneficiary's rights and remedies (other than nonjudicial foreclosure) shall be applied as follows:

i. To pay the costs of exercising such rights and remedies, including the costs of any sale, the costs and expenses of any receiver or mortgagee in possession, and the costs and expenses provided for below; then



ii. To pay all amounts owed by Grantor, payment of which is secured by this Deed of Trust for principal, interest, costs and expenses in such order or manner as Beneficiary deems reasonable; then

iii. The surplus, if any, shall be paid to the clerk of the court in the case of a foreclosure by a judicial proceeding, otherwise to the person or persons legally entitled thereto.

h. Attorneys' Fees; Expenses. In the event any suit, action, or appeal therefrom is instituted to enforce any of the terms of this Deed of Trust, the prevailing party shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees and expenses. In the event neither party wholly prevails, the party that substantially prevails shall be awarded a reasonable sum as attorneys' fees and litigation expenses. In determining what is a reasonable sum for attorneys' fees and litigation expenses, the actual amount of attorneys' fees the party is obligated to pay its attorney or attorneys shall be presumed to be reasonable, which presumption is rebuttable, and the actual expenses incurred in the proceeding, including all expenses of a party for travel, etc., shall be presumed to be reasonable, which presumption is rebuttable. Whether or not any court action is involved, all reasonable expenses incurred that are necessary at any time in Beneficiary's opinion for the protection of its interest or the enforcement of its rights, including (without limitation) the cost of searching records, obtaining title reports, surveyors' reports, and attorneys' opinions or title insurance, shall become a part of the indebtedness secured by this Deed of Trust, shall be payable on demand and shall bear interest from the date of expenditure until repaid at the default interest rate as set forth below.

If any proceedings are instituted or proposed to be instituted by or against Grantor under any federal or state law relating to bankruptcy, insolvency, or debtor's relief, including without limitation proceedings for its rehabilitation or liquidation or the composition of its debts, whether for the purpose of effecting a common law or statutory assignment for the benefit of creditors pursuant to bankruptcy laws or otherwise, the reasonable fees and expenses of legal counsel for Beneficiary incurred in connection therewith, including attendance of such counsel at meetings of creditors for the consideration of such proceedings, shall be recoverable from Grantor, and shall be part of the Liabilities secured by this Deed of Trust payable on demand and shall bear interest from the date of expenditure until repaid at the default interest rate set forth below.

12. Actions to Protect the Property. Beneficiary and Trustee shall have the power and authority to institute and maintain any suits and proceedings as Beneficiary may deem advisable (a) to prevent any impairment of the security of this Deed of Trust by any acts which may be unlawful or in violation of this Deed of Trust, (b) to preserve or protect its interest in the Property, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Beneficiary's interest. Any amounts disbursed by Beneficiary pursuant to this Section shall become additional indebtedness of Grantor secured by this Deed of Trust.

13. No Waiver.

a. Delay or Omission is No Waiver. No delay or omission of Beneficiary or of any holder of the Note to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Beneficiary may be exercised from time to time and as often as may be deemed expedient by Beneficiary.

b. No Waiver of One Default to Affect Another. A waiver by Beneficiary of a breach of any provision of this Deed of Trust shall not constitute a waiver of that provision or of any succeeding



breach of or prejudice Beneficiary's right otherwise to demand strict compliance with the same or any other provisions. The payment of taxes or other liens or charges by Beneficiary shall not be a waiver of Beneficiary's right to accelerate the maturity of the indebtedness secured by this Deed of Trust, nor shall Beneficiary's receipt of any awards, proceeds or damages as provided in this Deed of Trust operate to cure or waive Grantor's default in payment of sums secured by this Deed of Trust. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Property, Beneficiary, without notice to Grantor or any other person, is authorized and empowered to deal with any such vendee or transferee with reference to the Property, the liabilities secured by this Deed of Trust, or any of the terms or conditions of this Deed of Trust as fully and to the same extent as it might deal with the original Grantor and without in any way releasing or discharging any of the undertakings contained in the Note or this Deed of Trust.

14. Reconveyance on Full Performance. On payment in full of the indebtedness hereby secured and punctual performance of all Liabilities hereby secured, Beneficiary shall execute and deliver to Trustee a request for full reconveyance. The reconveyance fee required by law and all recording fees shall be paid by Grantor.

15. Powers and Obligations of Trustee; Substitute Trustee.

a. Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the request of Beneficiary and Grantor; provided, however, Grantor shall not develop the Property, grant any easement or create any restriction on the Property, or subordinate or enter into any agreement affecting this Deed of Trust or the interest of Beneficiary under this Deed of Trust, without Beneficiary's prior written consent which may be withheld or conditioned in Beneficiary's sole discretion:

- i. Join in executing any application or document required in connection with the development of the Property.
- ii. Join in granting any easement or creating any restriction on the Property.
- iii. Join in any subordination or other agreement affecting this Deed of Trust or the interest of Beneficiary under this Deed of Trust.

b. Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other deed of trust or lien, or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

c. Substitute Trustee. In accordance with applicable law, Beneficiary may from time to time appoint a successor trustee to any trustee appointed hereunder who has ceased to act. Without conveyance of the Property, upon recording of its appointment, the successor trustee shall succeed to all the title, power, and duties conferred upon Trustee herein and by applicable law.

16. Future Advances. Upon request of Grantor, Beneficiary may, at Beneficiary's option, in its sole discretion, as long as this Deed of Trust secures indebtedness held by Beneficiary, make future advances to Grantor. All such future advances, with interest thereon, including all extensions, renewals and modifications of such future advances, shall become part of the liabilities secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.



17. Miscellaneous.

a. Time of Essence. Time is of the essence of this Deed of Trust.

b. Binding upon Successors and Assigns. Subject to the limitations stated above and subject to the provisions of applicable law with respect to successor trustees, this Deed of Trust shall be binding on and inure to the benefit of the parties, their successors and assigns.

c. Beneficiary's Right to Perform Obligations of Grantor. If Grantor fails to perform the covenants and agreements contained or incorporated in this Deed of Trust, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Beneficiary therein (including, but not limited to, any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding or eminent domain proceedings), then after the expiration of the applicable cure period, if any (or in the event of an emergency, at any time), Beneficiary, at Beneficiary's option, may make such appearance, disburse such sums, and take such action as Beneficiary deems necessary, in its sole discretion, to protect Beneficiary's interest, including, but not limited to: (i) disbursement of attorneys' fees and expenses; (ii) entry upon the Property to make repairs; and (iii) procurement of satisfactory insurance. Grantor shall reimburse Beneficiary for all costs incurred by Beneficiary in taking any said action, together with interest from the date of expenditure until repaid at the default or delinquency rate of interest contained in the Note but not in any event greater than the maximum rate of interest permitted by law. Such sums shall become a part of the Liabilities secured by this Deed of Trust and be payable by Grantor on demand. Grantor agrees that the amounts described in this Section and in the Sections entitled "Actions to Protect the Property" and "Attorneys' Fees; Expenses" constitute necessary expenditures for the preservation of Beneficiary's security and, to the extent permitted under Washington law, such amounts shall have a lien priority date as of the date of recording of this Deed of Trust. Grantor agrees and covenants that Beneficiary shall be subrogated to the lien of any mortgage or other lien discharged in whole or in part by the additional indebtedness.

Such action by Beneficiary shall not constitute a waiver of the default or any other right or remedy which Beneficiary may have on account of Grantor's default. Nothing in this Section shall require Beneficiary to incur any expense or take any action.

d. Usury. All agreements between Grantor and Beneficiary are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid under the Note for the use, forbearance, or detention of the money advanced thereunder exceed the highest lawful rate permissible. If, from any circumstances whatsoever, fulfillment of any provisions of this Deed of Trust, the Note or any other document securing the Liabilities at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable thereto, then the obligations to be fulfilled shall be reduced to the limit of such validity and, if Beneficiary shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would constitute excessive interest shall be applied to the reduction of the unpaid principal balance hereunder and not to the payment of interest. This provision shall control every other provision of all agreements between Grantor and Beneficiary.

e. Notices. Notices under this Deed of Trust shall be in writing and shall be sent as registered or certified mail, postage prepaid, directed to the other party at the addresses set forth below, or such other address as a party may indicate by written notice to the other pursuant to this Section.

To Grantor: World Steward  
Cold Spring Farm  
1.62 Chenoweth Road  
Underwood, WA 98651

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perform any of Grantor's obligations, or (iv) by reason of any alleged obligation or undertaking on Beneficiary's part to perform or discharge any of the representations, warranties, conditions, covenants, or other obligations contained in any other document related to any of the Property; provided that Grantor shall have no obligation to defend, indemnify and hold Beneficiary harmless from any losses, damages, liabilities, claims, causes of action or judgments to the extent the same arise from the grossly negligent or intentional acts or omissions of Beneficiary of Beneficiary's agents or employees.

h. Right to Release Property, Etc. In the event Beneficiary (a) releases any part of the Property described herein or any person liable for any indebtedness secured hereby, or (b) releases any part of any other Property or security for the Note, or (c) grants an extension of time on any payments of the indebtedness secured hereby, or (d) takes other or additional security for the payment thereof, or (e) waives or fails to exercise any right granted herein or in the Note, said act or omission shall not release Grantor, subsequent purchasers of the Property or any part thereof, or makers or sureties of this Deed of Trust or the Note, under any covenant of this Deed of Trust or the Note, nor preclude Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or any subsequent default. If, subject to the provisions of this Deed of Trust, Grantor shall grant any lien, mortgage or deed of trust on the Property junior to this Deed of Trust, such junior lien, mortgage or deed of trust shall be subject to all such renewals and extensions, modifications, releases, increases, changes or exchanges, without the consent of such junior lienholder, mortgage holder or deed of trust beneficiary, and without any obligation to give notice of any kind thereto.

i. Statement of Condition. Beneficiary shall furnish any statement required by law regarding the obligations secured hereby or regarding the amount held in any trust or reserve fund hereunder. For any such statement, Beneficiary may charge a reasonable fee, not to exceed the maximum amount permitted by law, at the time of the request therefor.

j. No Joint Venture or Partnership. No provision in this Deed of Trust or in any other document securing the Liabilities hereunder shall be construed by any party to create a joint venture, partnership or any other equity relationship between Grantor and Beneficiary.

k. Captions. All captions used in this Deed of Trust are intended solely for convenience of reference and shall not limit, expand or otherwise affect any of the provisions of this Deed of Trust.

l. Invalid Provisions to Affect No Others. If any of the provisions contained in the Note or this Deed of Trust shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions contained herein or in the Note shall not be affected thereby.

m. Changes in Writing. This Deed of Trust and any of its terms may only be changed, waived, discharged or terminated by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by Grantor or Beneficiary relating to this Deed of Trust shall be superior to the rights of the holder of any intervening lien or encumbrance.

n. Applicable Law. This Deed of Trust, the Note and the terms and conditions thereof, shall be construed, applied and enforced in accordance with the laws of the State of Washington.

o. Substantially Equivalent Obligations Not Secured. Notwithstanding any provision to the contrary set forth in this Deed of Trust, the Note or the Assignment, this Deed of Trust shall not secure the obligations of Grantor or any other person under the Environmental Indemnity or like document executed by Grantor and/or any other person(s) in connection with the loan evidenced by the



BOOK 205 PAGE 548

Note, nor shall this Deed of Trust secure the substantial equivalent of the obligations arising under any such Environmental Indemnity or like document. All such obligations (and the substantial equivalents thereof) shall constitute the separate, unsecured full recourse obligations of the obligor(s) under any such Environmental Indemnity or like document, and shall not be deemed to be evidenced by the Note or secured by this Deed of Trust. Without limiting the generality of the foregoing, this Deed of Trust shall not secure the payment of costs or expenses (including without limitation attorneys' fees) that are reimbursable to Beneficiary by Grantor and/or any other person(s) under any Environmental Indemnity or like document executed in connection with the loan evidenced by the Note.

p. Non-Recourse Liability. Refer to Section 9 of the Note for limitations on Grantor's liability arising under the Note and this Deed of Trust.



BOOK 205 PAGE 549

IN WITNESS WHEREOF, Grantor has caused this Deed of Trust to be duly executed as of the day and year first above written.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

GRANTOR:

WORLD STEWARD, a Washington nonprofit corporation

By: Hank Patton  
Name: HANK PATTON  
Title: CHAIRMAN & PRESIDENT

Exhibit A: Property Description

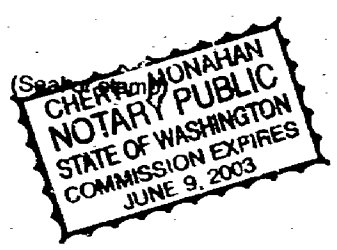
000628



STATE OF WASHINGTON )  
COUNTY OF KING Clark ) ss.

I certify that I know or have satisfactory evidence that Hank Patton is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chairman, President of World Steward, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: December 28, 2000.



Cheryl Monahan  
Notary Signature  
Cheryl Monahan  
Print/Type Name  
Notary Public in and for the State of Washington,  
residing at Tamworth  
My appointment expires 6-9-2003

000629



EXHIBIT A  
PROPERTY DESCRIPTION

PARCEL A:

The Southeast quarter of Section 24, Township 3 North, Range 9 East of the Willamette Meridian, in the County of Skamania, State of Washington.

EXCEPTING THEREFROM the following:

That portion conveyed to Skamania County by instrument recorded July 28, 1936 in Book Y, page 580

That portion conveyed to Skamania County by instruments recorded February 19, 1957 in Book 43, page 188. Also recorded April 6, 1970 in Book 61, page 555. Also recorded February 4, 1970 in Book 61, page 486.

The East half of the East half of the Southeast Quarter of the Southeast Quarter of said Section 24.

Also known as Tax Parcel No. 03-09-24-0-0-0700-00.

PARCEL B:

The Northeast quarter of the Northwest quarter, the Northwest quarter of the Northeast quarter and the Northeast quarter of the Northeast quarter, except the East 655 feet of the Northeast quarter of the Northeast quarter, all in Section 25, Township 3 North, Range 9 East of the Willamette Meridian, in the County of Skamania, State of Washington.

EXCEPT that portion conveyed to Robert G. Estey and Thelma J. Estey under Auditor's File No. 117836 in Book 139, page 236.

Also known as Tax Parcel No. 03-09-25-0-0-0100-00.



BOOK 205 PAGE 552

REQUEST FOR FULL RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the Note secured by this Instrument. Said Note, together with all indebtedness secured by this Instrument, has been paid in full. You are hereby directed to cancel said Note and this Instrument, which are delivered hereby, and to reconvey, without warranty, all of the estate now held by you under this Instrument to the person or persons legally entitled thereto.

DATED: \_\_\_\_\_

THE BULLITT FOUNDATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_