

**AFTER RECORDING MAIL TO:**

Name Fred Rathbone  
Address 1470 SW Willowbrook Ct  
City/State Gresham, OR 97080

**Document Title(s):** (or transactions contained therein)

1. OPTION TO PURCHASE
- 2.
- 3.
- 4.

**Reference Number(s) of Documents assigned or released:**

☐ Additional numbers on page \_\_\_\_\_ of document



**Grantor(s):** (Last name first, then first name and initials)

1. Hafford, Jay
2. Hafford, Theo
- 3.
- 4.
5. ☐ Additional names on page \_\_\_\_\_ of document

**Grantee(s):** (Last name first, then first name and initials)

1. Rathbone, Fred
- 2.
- 3.
- 4.
5. ☐ Additional names on page \_\_\_\_\_ of document

**Abbreviated Legal Description as follows:** (i.e. lot/block/plat or section/township/range/quarter/quarter)

S35, T3N, R7E

☐ Complete legal description is on page 18 of document

**Assessor's Property Tax Parcel / Account Number(s):** 03-07-35-0-0-0800-00

WA-1

**NOTE:** The auditor/recorder will rely on the information on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

## OPTION TO PURCHASE

BETWEEN: Jay Hafford and Theo Hafford, husband and wife, whose address is \_\_\_\_\_, (hereinafter "Optionor");

AND: Fred Rathbone, or assigns, whose address is \_\_\_\_\_, (hereinafter "Optionee").

DATED: February 2, 2005.

The parties agree as follows:

1. The Property. Optionor is the owner of real property located thereon in the City of Stevenson, County of Skamania and State of Washington, as more fully described on Exhibit A ("The Option Property"), attached hereto and incorporated by this reference. The parties acknowledge and understand that the Option Property has not been short-platted at the time this Option is executed, but the Optionee agrees to have it short-platted prior to Optionor's granting the Deed of Trust described in paragraph 19, below.

1.1 The parties agree that prior to closing of this Agreement, a portion of the property described in Exhibit A shall be excepted from Tax Lot 800, and shall be reserved by the Optionor. Said reserved portion is shown in Exhibit A-1.

1.2 The parties agree that, prior to Optionee's exercise of its option pursuant to Section 5 of this Agreement, all requirements required for the division and Optionor's reservation of the property as shown in Exhibit A-1 shall be completed, and that the final legal description (consistent with Exhibit A-1) for The Option Property shall be attached to this Agreement upon Optionee's exercise of its option. Optionee shall have three business days after receiving the final legal description to approve the final legal description as accurately reflecting The Option Property which the parties intend to be the subject of this Agreement.

1.3 Optionor has agreed to grant to Optionee an option to purchase the Property on the terms and conditions set forth in this Option to Purchase agreement (this "Agreement"). This Agreement is executed in connection with a Purchase and Sale Agreement executed contemporaneously herewith, pursuant to which Optionee herein is purchasing adjacent tax lot 803 and tax lot 804 ("The Property") from Optionor herein.

2. Grant of Option. Optionor hereby grants to Optionee the exclusive and irrevocable option (the "Option") to acquire The Option Property as set forth in Section 1.2 above for the price and in accordance with the terms and conditions set forth in this Option.

3. Duration of Option. The Option shall expire at 5 p.m. on January 15, 2006 (the "Option Period").

4. Consideration for Option.

4.1 In consideration of the grant of the Option, Optionee has, previous to the execution of this Agreement, delivered to Optionor the sum of Twelve Thousand Five Hundred dollars \$12,500.00 (the "Option Payment"), and has also agreed to provide other consideration to Optionor as set forth herein, the receipt and sufficiency of which is hereby acknowledged by Optionor.

4.2 As additional consideration for this option, and in addition to the option price specified above in Section 4.1, Optionee agrees to pay interest at one and one half percent (1 1/2%) per annum to Optionor on the balance set forth in paragraph 7.2, below (the "Option Balance"), for the entire period during which the Property is subject to the Option and before payment in full for the Property. Said interest shall accrue on the Option Balance amount and shall be payable directly to the Optionor at Closing.

4.3 The Option Payments specified in 4.1 and 4.2 shall in no event be refundable to Optionee and shall not be applied to the Purchase Price.

5. Exercise of Option. Optionee shall exercise this Option, if at all, by written notice to Optionor during the Option Period. Optionee shall deposit the written notice of exercise of the Option in the United States mails, certified, return receipt requested, addressed to Optionor, or by actual delivery of such notice to Optionor. Upon exercise of the Option, Optionee shall be obligated to purchase the Property for the price and in the manner set forth in this Option. Optionee agrees to cooperate with Optionor in disposing of the Property in an Internal Revenue Code section 1031 exchange at no cost or delay to Optionee.

6. Failure to Exercise Option. If Optionee fails for any reason to exercise the Option within the time and in the manner specified in this Agreement, the Option Payments specified in Section 4 of this agreement together with any improvements made to the property with the funds borrowed pursuant to Section 19 of this Agreement shall be retained by Optionor and neither party shall thereafter have any further obligation to the other under this Agreement except as provided in Section 19 of this Agreement. Without limiting the generality of the foregoing, upon such a failure by Optionee to exercise the Option, Optionee shall have no further right to acquire and no further interest in the Property.

7. Purchase Price; Payment. In the event the Option is exercised as provided in this Agreement, the purchase price for The Option Property (the "Option Property Purchase Price") shall be \$587,500.00. The Purchase Price shall be paid as follows:

7.1 Upon notice of the exercise of the Option, Optionee shall convey by Statutory Warranty Deed five lots located in Bly, Oregon, with an agreed total valuation of Forty Thousand dollars (\$40,000.00). Said five lots are to be selected by Optionor from the lots owned by Optionee. The Optionee agrees to deliver the Statutory Warranty Deeds for the five lots selected by Optionor into escrow prior to or contemporaneously with the execution of this Agreement. Said Statutory Warranty Deeds will be held in Escrow until such time that Optionee or Optionee's assigns give written notice of Optionee's intent to exercise its option pursuant to Section 5 of this Agreement.

7.2 The balance of the Purchase Price, in the amount of Five Hundred and Sixty Thousand Dollars (\$547,500.00), is to be paid in cash at closing.

8. Escrow and Closing.

8.1 Place and Time of Closing. The purchase and sale of the Property shall be closed (the "Closing") in escrow at the offices of Skamania County Title Company ("Escrow Agent") in Stevenson, Washington, or at such other location as the parties may mutually agree. The Closing shall take place on a date and at a time mutually acceptable to the parties on or before February 15, 2006. The date on which the Closing actually occurs is referred to herein as the "Closing Date."

8.2 Events of Closing. At Closing, the following shall occur:

(a) Optionee shall deliver to Escrow Agent immediately available funds in the amount required to be paid pursuant to Section 7.

(b) Optionor shall execute, acknowledge, and deliver to Optionee a Statutory Warranty Deed conveying fee simple title to the Property, subject only to the encumbrances approved in writing by Optionee prior to the Closing Date (the "Permitted Exceptions"). The deed shall be recorded by Escrow Agent at Optionee's expense.

(c) Optionor shall execute, acknowledge, and deliver to Optionee a certificate in the form required by applicable regulations under Section 1445 of the Internal Revenue Code of 1986, as amended, affirming that Optionor is not a foreign person (as that term is defined therein) and containing such other information as may be required thereunder.

(d) Optionor shall cause Escrow Agent to issue to Optionee a standard coverage owner's policy of title insurance with respect to the Property in the amount of the Purchase Price, insuring fee title in Optionee subject only to the Permitted Exceptions, any liens or encumbrances suffered or incurred by Optionee, and the standard printed exceptions to such policies. The premium for the title insurance shall be paid by Optionor.

(e) The parties shall take all other steps necessary to effect the transfer of the Property to Optionee as contemplated by this Agreement, including but not limited to the division and reservation of that property as shown in Exhibit A-1.

8.3 Closing Costs. The costs associated with the Closing shall be allocated between the parties as follows:

(a) Optionor shall pay (i) one-half of any escrow fee or similar charge of Escrow Agent, (ii) the cost of the title insurance policy to be provided pursuant to Section 19.7.2.4; and (iii) any state and county excise tax resulting from the sale of the Property.

(b) Optionee shall pay (i) one-half of any escrow fee or similar charge of Escrow Agent, (ii) the cost of recording the deed to the Property, and (iii) all transfer taxes, if any.

8.4 Prorations. Real property taxes and assessments for the year during which the Closing occurs shall be prorated between the parties as of the Closing Date.

8.5 Possession. Optionee shall be entitled to exclusive possession of the Property as of the Closing Date. However, upon execution of this Agreement, Optionee shall be permitted access to the Property for the purpose of investigating the Property and, pursuant to the conditions set forth in Section 19 of this Agreement, Optionee may begin site preparation of the Property at Optionee's sole risk and expense.

9. Default; Remedies.

9.1 Time of Essence. Time is of the essence of the parties' respective obligations under this Agreement.

9.2 Remedies. If either party fails to perform fully its obligations under this Agreement, the other party shall be entitled to pursue all remedies available at law or in equity, including the remedy of specific performance.

10. Representations and Warranties.

10.1 Optionor's Representations and Warranties. Optionor represents and warrants to Optionee, as of the date of this Option, the matters set forth herein. Optionor agrees that in the event of a change of these representations and warranties between the date of this Option and the Closing Date, Optionor shall immediately notify Optionee of said change.

(a) Optionor has the legal power, right and authority to enter into this Agreement and the instruments referred to herein and to consummate the transaction contemplated herein.

(b) All requisite action (corporate, trust, partnership, or otherwise) has been taken by the Optionor in connection with entering into this Agreement. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

(c) Optionor has no knowledge of and has not received any notice from any governmental authority advising or claiming uncured, unremedied or unauthorized violations of any laws, ordinances or regulations affecting any part of the Property, including environmental matters;

(d) Optionor has no knowledge of and has not received any notice of any condemnation proceedings affecting the Property or any part thereof;

(e) Optionor has no knowledge of and has not received any notice of any federal, state or local proceeding to close the highway or road abutting the Property or to restrict or change access from any such highway or road to the Property;

(f) Optionor has no knowledge of and has not been served with any action, suit or proceeding against the Property, at law or in equity which is not covered by insurance;

(g) The execution of this Option by Optionor does not conflict or result in a breach of any action or Option to which Optionor is a party;

(h) Optionor has no knowledge of and has not received a notice advising of an increase in the assessed valuation of the Property;

(i) During the Option Period, Optionor covenants it will not sell, mortgage or otherwise encumber or dispose of any interest in the Property, or construct any improvements to the Property without the prior written consent of Optionee, such consent not to be unreasonably withheld, delayed or conditioned.

10.2 Optionee's Representations and Warranties. Optionee represents and warrants to Optionor, as of the date of this Option, the matters set forth herein. Optionee agrees that in the event of a change of these representations and warranties between the date of this Option and the Closing Date, Optionee shall immediately notify Optionor of said change.

(a) Optionee has the legal power, right and authority to enter into this Agreement and the instruments referred to herein and to consummate the transaction contemplated herein.

(b) All requisite action (corporate, trust, partnership, or otherwise) has been taken by the Optionee in connection with entering into this Agreement. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

(c) The execution of this Option by Optionee does not conflict or result in a breach of any action or Option to which Optionee is a party.

10.3 Survival. The representations, covenants and warranties contained in this paragraph 10 shall be true and correct as of the Closing Date, and shall not merge in the Deed from Optionor to Optionee but shall survive the closing for a period of two (2) years.

#### 11. Property Condition/Hazardous Wastes.

11.1 Property Condition. Optionor shall allow Optionee reasonable opportunity during the Option Period to inspect the Property and, except as provided in paragraph 11.2, Optionee will accept the Property in its current condition. Optionor makes no warranty, guaranty, or averment of any nature whatsoever concerning the physical condition of the Property, and it is agreed that Optionor will not be responsible for any loss, damage, or cost which may be incurred by Optionee by reason of any such physical condition. Optionee shall immediately repair any damage to the Property caused by Optionee's inspections of the Property and will indemnify, defend and hold Optionor harmless from any claim or causes of actions seeking damages to property or person arising from Optionee's activities on the Property.

#### 11.2 Hazardous Wastes.

(a) Optionee agrees to indemnify and save harmless the Optionor from and against any response, removal, or remedial costs which may be assessed against Optionor by federal

or state governmental authorities as a result of activities on the Property occurring after the Closing Date involving the use, storage, handling, transportation, treatment, disposal, or release of hazardous or toxic substances regulated by federal, state or local law or regulations, including, without limitation, the Federal Water Pollution Control Act, as amended; the Resource Conservation and Recovery Act, as amended; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Super Fund Amendment and Reauthorization Act of 1986, or as amended in the future; and the Toxic Substance Control Act as amended; and rules of law, rules and regulations issued or promulgated thereunder. The foregoing indemnity shall include, without limitation, all costs and expenses incurred by Optionor for attorneys employed to defend any such claim whether before or after initiation of a formal lawsuit or administrative proceeding.

11.3 Optionor agrees to indemnify and save harmless Optionee from and against any response, removal or remedial costs which may be assessed against Optionee by federal or state governmental authorities as a result of activities on the Property occurring prior to the Closing Date, except for Optionee's activities, involving the use, storage, handling, transportation, treatment, disposal, or release of hazardous or toxic substances regulated by federal, state, or local law or regulations, including, without limitation, the Federal Water Pollution Control Act, as amended; the Resource Conservation and Recovery Act, as amended; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Super Fund Amendment and Reauthorization Act of 1986, or as amended in the future; and the Toxic Substance Control Act, as amended; and rules of law, rules and regulations issued or propagated thereunder. The foregoing indemnity shall include, without limitation, all costs and expenses incurred by Optionee for attorneys employed to defend any such claim whether before or after initiation of a formal lawsuit or administrative proceeding, PROVIDED THAT said costs and expenses do not arise out of Optionee's activities as set forth above in 11.2(a) above;

11.4 Survival. The representations, covenants and warranties contained in this paragraph 11 shall be true and correct as of the Closing Date, and shall not merge in the Deed from Optionor to Optionee but shall survive the closing for a period of two (2) years.

12. Attorneys Fees. If suit or action is instituted in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees.

13. Nonwaiver. Waiver by either party of strict performance of any provision of this Agreement shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

14. Notices. Any notice required or permitted under this Agreement shall be given when actually delivered or 48 hours after deposited in United States mail as certified mail addressed to the address first given in this Agreement or to such other address as may be specified from time to time by either of the parties in writing.

15. Assignment. This Agreement may not be assigned by Optionee without the prior written consent of Optionor, which consent shall not be unreasonably withheld, delayed or conditioned. Optionee may assign this Option to Skamania Heights, LLC, an affiliate of

Optionee without Optionee's consent, provided that the assignee agrees to be bound by all of the terms and conditions of this Agreement. Subject to the above-stated limitations, this Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

16. Recordation. This Agreement may be recorded by Optionee, at Optionee's election and at Optionee's expense.

17. Prior Agreements. This Agreement is the entire, final and complete agreement of the parties pertaining to the matters contained herein and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their agents concerning The Option Property or The Property.

18. Applicable Law. The law of the State of Washington shall apply in construing or enforcing this Agreement.

19. Deed of Trust.

19.1 Following the short platting of the Option Property, Optionor agrees to execute a deed of trust to be recorded encumbering The Option Property for a loan to Optionee in an amount not to exceed \$250,000 at any time after the execution of this Agreement. The deed of trust will recite that Optionor will not be personally liable for payment of the underlying promissory note and Optionee agrees to pay all principle and interest due on the said Deed of Trust.

19.2 In the event Optionee does not exercise the Option, or fails to close the purchase by the Closing Date (as extended by the parties), Optionee shall immediately cause the deed of trust to be reconveyed and the encumbrance removed as a lien against The Option Property.

19.3 Optionee bears all risk of loss associated with the improvement of The Option Property with funds secured by the note and deed of trust referenced in Section 19.1. Any improvements made by Optionee prior to exercise of the option shall be deemed to be forfeited to the Optionor, and all improvements made to The Option Property shall in no way shall relieve the Optionee of the responsibility and obligation to immediately cause the promissory note deed of trust to be reconveyed and the encumbrance removed as a lien against The Option Property. Optionor shall have no obligation whatsoever to provide any compensation to the Optionee for any improvements made to The Option Property and Optionee's obligation to pay Optionor interest at one and one half percent (1 ½) shall in no way be reduced by the value of any improvements made to The Option Property.

20. Cooperation/Easement.

20.1 Seller acknowledges that certain applications, petitions, and requests (collectively "Applications") may have to be made by Seller to governmental entities in order for Purchaser to begin development of The Property. Seller agrees to make such Applications as and when reasonably requested by Purchaser, provided that fees associated with such Applications

are paid by Purchaser for Purchaser's contingent benefit. Seller agrees to appear and support such Applications at public meetings, if so requested.

20.2 At closing, Optionor shall grant to Optionee a storm water drainage easement that will allow runoff from The Option Property to run through the established pipe that exists on the property which shall be excepted and reserved by the Optionor as shown in Exhibit B. The Easement Agreement will be in the form attached hereto as Exhibit B. PROVIDED THAT, Optionee agrees that Optionee shall be required to obtain any required other approvals for easement access from neighboring properties and that Optionor makes no representations or warranties regarding Optionees ability to require any other required easements for drainage.

21. Water Line Fee.

21.1 Optionor has installed a main water line to the Property. Optionor shall waive any charge or fee Optionor would otherwise be entitled to collect from the Optionee (or his assigns) to connect to the water line.

22. Execution. This Agreement is executed on the day and date first written above.

OPTIONOR:

Jay Hafford 4/2/05

Theo Hafford 5/16/05

OPTIONEE

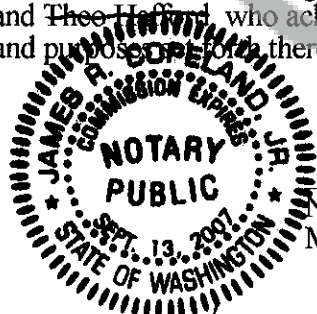
Fred Rathbone

STATE OF Washington

County of Skamania

SS.

This instrument was acknowledged before me on this 11 day of May, 2005, by Jay Hafford and Theo Hafford, who acknowledged the foregoing to be his voluntary act and deed for the uses and purposes set forth therein.



NOTARY PUBLIC FOR

My Commission Expires: 9-13-07

STATE OF \_\_\_\_\_

County of \_\_\_\_\_

SS.

8 - OPTION TO PURCHASE

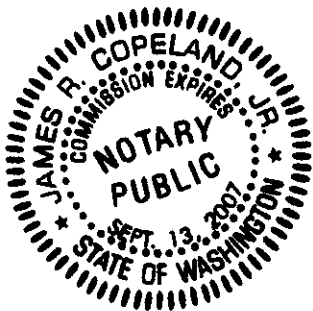
STATE OF WASHINGTON, }  
County of Skamania } ss.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me Fred Rothbone

\_\_\_\_\_ to me known  
to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that He  
signed the same as HJ free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11 day of May, 2005



[Signature]  
Notary Public in and for the State of Washington,  
residing at Stevenson

My appointment expires 9/13/07

STATE OF WASHINGTON, }  
County of \_\_\_\_\_ } ss.

ACKNOWLEDGMENT - Corporate

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_  
\_\_\_\_\_ and \_\_\_\_\_ to me known to be the  
\_\_\_\_\_ President and \_\_\_\_\_ Secretary, respectively, of \_\_\_\_\_  
\_\_\_\_\_ the 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 \_\_\_\_\_  
authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_

WA-46A (11/96)

This jurat is page 8 of \_\_\_\_\_ and is attached to \_\_\_\_\_ dated \_\_\_\_\_.

STATE OF WASHINGTON, }  
County of WHATCOM } ss.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me THEO HAFFORD

\_\_\_\_\_ to me known  
to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that SHE  
signed the same as HER free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 16 day of May 2005 MA

NOTARY PUBLIC  
STATE OF WASHINGTON  
MARLIN DU BOIS  
My Appointment Expires  
MARCH 17, 2007

Marlin Du Bois  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_

My appointment expires 3-17-07

STATE OF WASHINGTON, }  
County of \_\_\_\_\_ } ss.

ACKNOWLEDGMENT - Corporate

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of  
Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_  
\_\_\_\_\_ and \_\_\_\_\_ to me known to be the  
\_\_\_\_\_ President and \_\_\_\_\_ Secretary, respectively, of \_\_\_\_\_  
\_\_\_\_\_ the 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 \_\_\_\_\_  
authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_

WA-46A (11/96)

This jurat is for 9 of \_\_\_\_\_ and is attached to OPTION TO PURCHASE dated 2-2-05

15.10 Survival. All representations and warranties set forth in this Agreement and all provisions of this Agreement, the full performance of which is not required prior to Closing, shall survive Closing and be fully enforceable thereafter.

15.11 Construction. This Agreement shall be interpreted according to its plain and clear meaning, and shall not be construed for or against either party because of the origin of the subject provision.

15.12 Severability. In the event any portion of this Agreement is adjudged void or unenforceable by a court of competent jurisdiction, such finding shall not render the remainder of this Agreement void or unenforceable.

15.13 Assignable. This Agreement is assignable by Purchaser to Colby Bennett & Charles, Mary Loufl

15.14 , provided that the assignee agrees to be bound by all of the terms and conditions of this Agreement.

15.15 Third Party Benefit. Seller and Purchaser are the only parties to this Agreement and as such are the only parties entitled to enforce its terms. Nothing in the Agreement gives or shall be construed to give or provide any benefit, direct or indirect, or otherwise to third parties, except the specified Brokers, unless third persons are expressly described as intended to be a beneficiary of its terms.

16. Execution. This Agreement executed in duplicate on the day and date first written above.

SELLER:

PURCHASER:

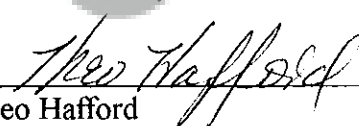
  
Jay Hafford

  
Fred Rathbone

Date:

2/2/05

Date:

→   
Theo Hafford

→ Date:

5/14/05

STATE OF WASHINGTON, }  
County of Skamania } ss.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me Lay Hafford to me known

to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that He  
signed the same as H.I. free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11 day of May, 2005



[Signature]  
Notary Public in and for the State of Washington,  
residing at Shelton

My appointment expires 9-13-07

STATE OF WASHINGTON, }  
County of \_\_\_\_\_ } ss.

ACKNOWLEDGMENT - Corporate

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_  
and \_\_\_\_\_ to me known to be the  
\_\_\_\_\_  
President and \_\_\_\_\_ Secretary, respectively, of \_\_\_\_\_  
the 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 \_\_\_\_\_  
authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_

WA-46A (11/96)

This jurat is page \_\_\_\_\_ of \_\_\_\_\_ and is attached to \_\_\_\_\_ dated \_\_\_\_\_.

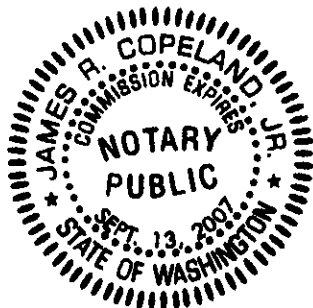
STATE OF WASHINGTON, }  
County of Skamania } ss.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me Fred Rathbone

to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that He  
signed the same as His free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11 day of May, 2005



[Signature]  
Notary Public in and for the State of Washington,  
residing at Steverson

My appointment expires 9-17-07

STATE OF WASHINGTON, }  
County of \_\_\_\_\_ } ss.

ACKNOWLEDGMENT - Corporate

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_  
and \_\_\_\_\_ to me known to be the  
\_\_\_\_ President and \_\_\_\_\_ Secretary, respectively, of  
\_\_\_\_\_ the 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 \_\_\_\_\_  
authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_

WA-46A (11/96)

This jurat is page \_\_\_\_\_ of \_\_\_\_\_ and is attached to OPTION TO PURCHASE dated 2-2-05

STATE OF WASHINGTON, }  
County of WILLAMETTE } SS.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me FRED HAFFORD

to me known  
to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that SHANE  
signed the same as HER free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 16 day of May 2005 PM

NOTARY PUBLIC  
STATE OF WASHINGTON  
MARLIN DU BOIS  
My Appointment Expires  
MARCH 17, 2007

Marlin DuBois  
Notary Public in and for the State of Washington,  
residing at

My appointment expires 3-17-07

STATE OF WASHINGTON, }  
County of \_\_\_\_\_ } SS.

ACKNOWLEDGMENT - Corporate

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of  
Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_  
and \_\_\_\_\_ to me known to be the  
\_\_\_\_\_  
President and \_\_\_\_\_ Secretary, respectively, of \_\_\_\_\_  
the 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 \_\_\_\_\_  
authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at

My appointment expires \_\_\_\_\_

WA-46A (11/96)

This jurat is For 9 of \_\_\_\_\_ and is attached to OPTION TO PURCHASE dated 2-2-05

EXHIBIT A

Property Description

All of tax parcel number 03-07-35-0-0-0800-00, Skamania County, Washington, lying south of Iman Loop. More formal legal description to be included upon completion of a survey.

G.S. 06/02/05

Unofficial  
Copy

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Exhibit A-1

Reserved Property

Unofficial  
Copy

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REV 10/10/07/14 077505

EXHIBIT 'A'

The East Half of the Southeast Quarter of the Southeast Quarter and all that portion of the West Half of the East Half of the Southeast Quarter of Section 35, Township 3 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington which lies Southerly of the Center Rock Creek.

EXCEPTING THEREFROM that portion conveyed to E. A. Manda, et ux, by deed recorded May 21, 1962 in Book 49, Page 435, Skamania County Deed Records.

ALSO EXCEPTING THEREFROM that portion conveyed to Skamania County by deed recorded December 8, 1970 in Book 62, Page 441, Skamania County Deed Records.

ALSO EXCEPTING THEREFROM that portion conveyed to Emery O. Owens, et ux, by deed recorded January 4, 1971 in Book 63, Page 635, Skamania County Records.

ALSO EXCEPTING THEREFROM that portion conveyed to Skamania County by deed recorded July 9, 1973 in Book 65, Page 464, Skamania County Deed Records.

ALSO EXCEPTING the J. Hafford Short Plat recorded in Book 3 of Short Plats, Page 190, Skamania County Records.

ALSO EXCEPTING that portion conveyed to Dunovan D. Dudley, et ux, by instrument recorded in Book 183, Page 851, and re-recorded in Book 185, Page 329.

EXHIBIT B

RECORD AND RETURN TO:  
Fred C. Rathbone  
1470 SW Willowbrook Court  
Gresham, Oregon 97080

Project \_\_\_\_\_  
Parcel \_\_\_\_\_  
Linear Feet \_\_\_\_\_

PERMANENT SEWER STORM DISCHARGE EASEMENT

This Easement Agreement ("Agreement") is entered into this 2 day of February, 2005, between Jay and Theo Hafford, husband and wife, whose address is \_\_\_\_\_ ("Grantor"), and the \_\_\_\_\_, whose address is \_\_\_\_\_ ("Grantee").

THE PARTIES AGREE AS FOLLOWS:

1. Background. Grantor is the owner of real property located in Skamania County, Washington, and described on Exhibit A ("Grantor's Property"). Grantee desires to discharge storm drainage onto Grantor's Property through an existing pipeline, in accordance with a discharge engineering plan to be created by Bell Design & Engineering. Grantor has agreed to grant to Grantee an easement through a portion of Grantor's Property on the terms and conditions stated in this Agreement.

2. Grant of Easement. Grantor does hereby grant, assign and setover to Grantee, its successors and assigns, a permanent, non-exclusive easement on Grantor's Property, to discharge storm water onto the real property more particularly described on Exhibit B (the "Easement Property").

3. Consideration. The consideration for Grantor's grant of this easement is \$10.00 and other valuable consideration.

4. Purpose of Easement. The easement granted herein shall be for the purpose of discharging storm water onto the Easement Property.

5. Duration of Easement. The easement described above shall be perpetual, shall run with the land and shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns.

6. Indemnity/Hold Harmless. Grantee, its successors and assigns shall indemnify, defend and hold and save Grantor and its successors and assigns, harmless from any and all claims of third parties arising from Grantee's use of the Easement Property, from damages to

Grantor or its business resulting from Grantee's construction activities and from any and all costs and expenses accruing to Grantor as a result of Grantee's construction or use of the Easement Property.

7. Remediation Measures. Grantee shall take measures not to impact Grantor's operations when on Grantor's Property during construction. In particular, but not by way of limitation, Grantee shall use dust and vibration control measures, including, but not limited to, regularly spraying the construction area. Additionally, Grantee will use the Easement Property for ingress and egress.

8. Right to Enter Easement Property. Grantee, with permission of Grantor, shall have the right of ingress and egress to and from the Easement Property, including the right from time-to-time to remove any obstructions interfering with Grantee's use, enjoyment, operation and maintenance of the easement. Notwithstanding the privileges granted herein, during the existence of this easement, Grantee is responsible for damages to the Easement Property because of negligence, use, reconstruction or repair. Grantee shall restore the Easement Property to its original condition at its sole cost and expense.

9. Grantor makes no representations or warranties with regard to any additional easements that may need to be obtained for Grantees intended purpose.

10. Attorneys' Fees. In the event litigation is necessary to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees as determined by a trial court or by the appellate court in the event of an appeal.

11. Binding Effect. This Agreement shall bind and inure to the benefit of the parties and their successors and assigns.

(Signatures begin on the following page)

12. Interpretation. This Agreement shall be interpreted and construed by the laws of the State of Oregon.

GRANTOR

GRANTEE

Jay Hafford

Theo Hafford

STATE OF Washington

County of Skamania

} ss.

This instrument was acknowledged before me on this 11 day of February, 2005, by Jay Hafford, who acknowledged the foregoing to be his voluntary act and deed for the uses and purposes set forth therein.

NOTARY PUBLIC FOR

My Commission Expires: 9-17-07

STATE OF WASHINGTON

County of WATKINS

} ss.

This instrument was acknowledged before me on this 16 day of MAY, 2005, by Theo Hafford, who acknowledged the foregoing to be his voluntary act and deed for the uses and purposes set forth therein.

NOTARY PUBLIC  
STATE OF WASHINGTON  
MARLIN DU BOIS  
My Appointment Expires  
MARCH 17, 2007

NOTARY PUBLIC FOR

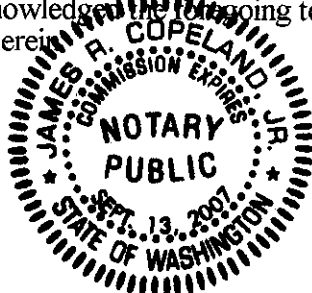
My Commission Expires: 3-17-07

STATE OF Washington

County of Skamania

} ss.

This instrument was acknowledged before me on this 11 day of February, 2005, by Fred C. Rathbone, who acknowledged the foregoing to be his voluntary act and deed for the uses and purposes set forth therein.



NOTARY PUBLIC FOR

My Commission Expires: 9-17-07

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