

Recorded at the Request of and
When Recorded Mail to:

Skamania Economic Development Council
P.O. Box 436
Stevenson, WA 98648

COLLATERAL ASSIGNMENT OF NOTE AND DEED OF TRUST

THIS COLLATERAL ASSIGNMENT OF NOTE AND DEED OF TRUST (this
“Assignment”) is made as of April 10, 2012 by and between Skamania Economic Development
Council, a Washington non-profit corporation, whose address is 167 NW Second Street,
Stevenson, Washington 98648 (“EDC”) and James T. Waters and Debra K. Waters, husband and
wife, whose address is 401 Maple Way, Stevenson, Washington 98648 (collectively “Waters”).

RECITALS

WHEREAS, the Waters made a loan to T. Peter Steadman and Latisha Steadman,
husband and wife (“Steadman”), on or about June 16, 2008 in the principal amount of \$800,000,
as evidenced by a promissory note dated June 16, 2008 in the principal amount of \$800,000 (the
“Steadman Note”) and secured by a Deed of Trust dated June 16, 2008 and recorded on June 16,
2008, as Document No. 2008170171, in the official records of Skamania County, Washington
(the “Steadman Deed of Trust”);

WHEREAS, Waters has on even date herewith given the EDC a Secured Promissory
Note in the principal amount of \$120,000 (as amended, modified, renewed and replaced from
time to time, the “Note”); to evidence a loan (the “Loan”) from the EDC to Waters; and

WHEREAS, as a condition of making the Loan, the EDC requires Waters to assign to the
EDC, for security purposes, all of Waters’ right, title, and interest in and to the Steadman Note
and Steadman Deed of Trust, on terms and conditions more particularly set forth herein.

AGREEMENT:

NOW, THEREFORE, for other good and valuable consideration, the receipt and
sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Assignment.** Waters hereby assigns, transfers, and conveys to the EDC, for security purposes, all of Waters right, title, and interest in and to the Steadman Note and Steadman Deed of Trust, and hereby grants the EDC a security interest in all such right, title and interest of Waters in and to the Steadman Note and Steadman Deed of Trust, and all proceeds thereof.

2. **Representations and Warranties.** Waters represents and warrants to the EDC as follows:

(a) Waters is the current holder of all interests in the Steadman Note and is the current and sole beneficiary of the Steadman Deed of Trust, such interests of Waters are free from encumbrances (except for the assignment to the EDC provided for in this Assignment), and Waters has the right to convey, transfer and assign the same as set forth herein.

(b) The Steadman Note and Steadman Deed of Trust are in full force and effect as of the date hereof.

(c) To Waters' best knowledge, there has been no default of the Steadman Note or Steadman Deed of Trust by any party thereto, and no event has occurred that with the giving of notice, or the passage of time, or both, would constitute a default thereunder.

(d) The current principal balance of the Steadman Note as of February 15, 2012 is \$767,192.66.

3. **Covenants.** Waters covenants as follows:

(a) Waters will observe and perform all of its obligations under the Steadman Note and Steadman Deed of Trust, and will not do anything to impair the validity, effectiveness, or continuing force thereof.

(b) Waters will not modify, amend, cancel or terminate the Steadman Note or Steadman Deed of Trust, or cancel or forgive any of the indebtedness or obligations evidenced by the Steadman Note or Steadman Deed of Trust, without the prior written consent of the EDC.

(c) Upon the EDC's request, Waters will execute and deliver such further certificates, estoppels, or other assurances as the EDC may from time to time reasonably require to confirm the status of the Steadman Note and Steadman Deed of Trust and/or Waters' obligations under this Assignment.

4. **Pre-Default Rights of Waters.** This Assignment is for security purposes only. Until the occurrence of an event of default under the Note or other documents executed in connection with the Note (collectively, the "EDC Loan Documents"), Waters shall have all rights arising under the Steadman Note and Steadman Deed of Trust.

5. **Default.** Upon an event of default under any of the EDC Loan Documents, the EDC may, at its option, without notice and without regard to the adequacy of any other security for the Loans, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, exercise and enjoy all of Waters' rights under and pursuant to the Steadman Note and Steadman Deed of Trust, for such period of time as the EDC may deem proper, including, subject to the terms and provisions of the Steadman Note and Steadman Deed of Trust, making such modifications to the Steadman Note and Steadman Deed of Trust as the EDC deems necessary or advisable. In addition, the EDC shall have and possess all rights and remedies of a secured creditor under the Washington Uniform Commercial Code or otherwise provided by law. The rights and remedies of the EDC hereunder shall be in addition to all rights and remedies of the EDC under the other EDC Loan Documents with respect to the Steadman Note and Steadman Deed of Trust and otherwise. EDC's exercise of any remedies hereunder or under the other EDC Loan Documents shall not be considered a waiver of any event of default under any of the EDC Loan Documents, or preclude any other rights or remedies of the EDC. It is expressly understood and agreed that the EDC's rights and remedies under this Assignment and under the EDC Loan Documents and applicable law are cumulative and may be exercised in any order.

6. **No Liability of EDC.** The EDC shall not be obligated by reason of this Assignment to perform or discharge, and the EDC does not hereby undertake to perform or discharge, any obligation, duty, or liability under the Steadman Note or Steadman Deed of Trust.

7. **Duration of Assignment.** Upon payment in full of the Loan and full performance of all obligations, covenants, and agreements contained in the EDC Loan Documents, this Assignment shall terminate and be of no further force or effect, and the EDC shall execute and deliver such documents as are reasonably requested by Waters to evidence such termination, provided, however, that the EDC's written statement that any portion of the EDC Loan remains unpaid shall constitute conclusive evidence of the effectiveness and continuing force of this Assignment, and any person may and is hereby authorized to rely on such statement from the EDC.

8. **Miscellaneous.**

(a) **Entire Agreement; Modification.** This Assignment sets forth the entire understanding of the parties with respect to the matters addressed herein, and supersedes any and all prior negotiations, discussions, agreements, and understandings between or among the parties, whether written or oral, pertaining to the matters addressed herein. This Assignment may not be modified or amended except by a written agreement executed by all parties.

(b) **Binding on Successors.** This Assignment is binding on and will inure to the benefit of the parties and their respective heirs, legal representatives, successors, and assigns.

(c) **Severability.** If any provision of this Assignment, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Assignment, or the application of such provision to other persons or circumstances, shall not be affected thereby.

(d) **Multiple Counterparts.** This Assignment may be executed in one or more counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatories to the original or the same counterpart. Any counterpart of this Assignment that has attached to it separate signature pages, which altogether contain the signatures of all parties, shall for all purposes be deemed a fully executed instrument.

(e) **Governing Law.** This Assignment shall be construed, applied, and enforced in accordance with the laws of the State of Washington.

(f) **Further Assurances.** The parties agree to execute and deliver such further documents, instruments, and other agreements as are reasonably necessary or convenient to carry out the terms and purposes of this Assignment. Without limiting the foregoing, Waters hereby authorizes, and agrees to execute and deliver, as necessary, such UCC financing statements and/or related documents as the EDC deems reasonably necessary or desirable hereunder and to take all actions reasonably necessary to perfect the Uniform Commercial Code lien provided for herein.

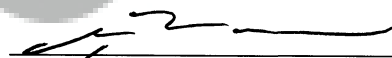
(g) **Attorney Fees.** In the event action is instituted to enforce, interpret, or rescind any term of this Assignment, the EDC shall recover its costs and attorney fees incurred in such action or on appeal.

(h) **Authority.** Each party hereby represents that all legal action necessary for the execution of this Assignment by such party has been duly taken and that the person(s) signing below on behalf of such party is duly authorized to execute this Assignment.

(i) **EDC Not Mortgagee in Possession.** Nothing contained in this Assignment and no action taken by the EDC pursuant to this Assignment shall be construed as constituting the EDC a "mortgagee in possession."

IN WITNESS WHEREOF, the parties have executed this Assignment, effective as of the first date written above.

Skamania Economic Development Council


Robert J. Waymire, Executive Director

James T. Waters
James T. Waters

Debra K. Waters
Debra K. Waters

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAMANIA)

I certify that I know or have satisfactory evidence that Robert J. Waymire is the individual who appeared before me, and said individual acknowledged that he signed this instrument, and on oath stated that he was authorized to execute this instrument.

NOTARY PUBLIC
STATE OF WASHINGTON
KARI R. FAGERNESS
MY COMMISSION EXPIRES
APRIL 18, 2015

Kari R. Fagerness
Print Kari R. Fagerness
NOTARY PUBLIC in and for the State of Washington
Dated this 10th day of April, 2012.
My commission expires 4/18/2015

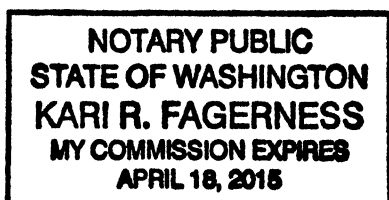
STATE OF WASHINGTON)
) ss.
COUNTY OF SKAMANIA)

I certify that I know or have satisfactory evidence that James T. Waters is the individual who appeared before me, and said individual acknowledged that he signed this instrument, and on oath stated that he was authorized to execute this instrument.

NOTARY PUBLIC
STATE OF WASHINGTON
KARI R. FAGERNESS
MY COMMISSION EXPIRES
APRIL 18, 2015

Kari R. Fagerness
Print Kari R. Fagerness
NOTARY PUBLIC in and for the State of Washington
Dated this 10th day of April, 2012.
My commission expires 4/18/2015

I certify that I know or have satisfactory evidence that Debra K. Waters is the individual who appeared before me, and said individual acknowledged that she signed this instrument, and on oath stated that she was authorized to execute this instrument.



Kari R. Fagerness
Print Kari R. Fagerness
NOTARY PUBLIC in and for the State of Washington
Dated this 10th day of April, 2012.
My commission expires 4/18/2015

Unofficial Copy