

OPTION TO ACQUIRE PROPERTY INTERESTS AND UTILITIZE INFRASTRUCTURE

This OPTION TO ACQUIRE PROPERTY INTERESTS AND UTILIZE INFRASTRUCTURE (the "Agreement"), is made and entered into as of May __, 2015 (the "Effective Date"), by and between WASHINGTON ENERGY STORAGE AND TRANSFER ("WEST"), a Delaware limited liability company (together with any Permitted Assignee (as defined below), the Optionee"), and the PORT OF LONGVIEW, a municipal corporation located in the City of Longview, County of Cowlitz, State of Washington ("Optionor").

RECITALS:

A. Optionee desires to have the option to negotiate with Optionor for a ground lease of a tract of land within the Port of Longview (the "Port"), and/or appurtenant railroad access rights, docking rights, and wharfage and mooring rights at Berth 4 of the Port, or such other Berth(s) as the Parties may agree, for the purpose of developing, constructing, using and operating a facility ("Facility") for the receiving, storage, processing, marketing and shipping of liquid petroleum gases ("LPG") and crude oil ("the Terminal"). Optionee desires for such terminal to receive up to two unit trains per day carrying LPGs or crude oil.

B. Optionor is willing to grant Optionee such an option during the Option Period (hereinafter defined), and in conjunction with such option, Optionor is willing to grant Optionee the exclusive right, during the Option Period, to negotiate with Optionor to locate a Terminal within the Port or to use the Ports rail, docks and wharfage in support of a Facility located near the Port. The Optionor is also willing, during such Option Period, to facilitate Optionee's investigation and analysis of the suitability, economics and feasibility of developing, constructing, using and operating such a Terminal within the Port and utilizing Port infrastructure.

C. The Parties desire to formalize these arrangements, on and subject to the terms and conditions stated herein.

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

ARTICLE I OPTION

1.1 Available Land; Option Property.

(a) The parties acknowledge that neither Optionor nor Optionee have definitively identified or agreed to the dimensions, boundaries or area of any tract(s) of land within the Port which Optionor may be willing to lease to Optionee, or which Optionee may be willing to lease from the Port or tenants or customers of the Port and/or subject to Port access roads, above or below-ground utility corridors or other uses or improvements required by Optionor for its own Port operations and to which any leasehold estate of a new ground lessee would necessarily be subject (collectively, "Encumbrances").

(b) The parties further acknowledge and agree that Exhibit A of this Agreement is

a tentative premises drawing which illustrates the location of tracts of Available Land within the Port (together with any mutually-agreed upon revisions thereto, and collectively with appurtenant rights of access to, and docking, wharfage and mooring rights at, the Port's Berth 4, or such other Berth as the parties may agree, as well as appurtenant rail rights within the Port as further provided below, the "Option Property"). During the Option Period, Optionee will be considering the suitability of the Option Property as the potential leasehold site for developing, constructing, using and operating of rail off-loading equipment and tracks for LPG and crude oil unit trains, LPG chilling processers, storage tanks for LPG and crude oil, ship-loading equipment for LPG and crude oil, and all related improvements and components of a Terminal.

(c) The parties further acknowledge and agree that Exhibit B of this Agreement is a tentative site plan which illustrates Optionee's planned improvements within the area of Available Land show on Exhibit A. Tentative locations of elevated and below ground pipe racks and related ship loading equipment that would transport refined products from Optionee's storage facilities to ships berthed at a Port Berth, are also depicted on Exhibit B. The precise location of the ship loading equipment and pipe racks, and the terms and conditions under which such elevated or below ground improvements would pass through other Port property, would be described more particularly in easements appurtenant to any ground lease or other agreement as may be negotiated between Optionor and Optionee during the Option Period.

(d) Exhibit B also depicts, the tentative locations of rail lines, rail switches and/or rail storage tracks which would allow Optionee to bring LPG and crude oil into the Port by rail, to break up and park portions of LPG and crude oil unit trains on existing or planned storage tracks within the Port, to move LPG and crude oil rail cars into Optionee's Facility for unloading and to move unloaded rail cars out of the Port. The precise locations of such rail-related rights and improvements, and the terms and conditions under which such rail-related rights and improvements could be utilized by Optionee, would be described more particularly in easements appurtenant to such ground lease, or in a separate rail use agreement, as may be negotiated between Optionor and Optionee during the Option Period, but in all events would prohibit Optionee from parking or storage of LPG or crude oil trains or train cars on any rail crossing points of any roads within the Port, would prohibit Optionee from utilizing tracks, switches or other equipment belonging or reserved to any other Port tenants, including without limitation the Port's grain terminal tenant, would require Optionee's coordination of its use of Port rail lines (on a non-preferential basis) with the rail uses of other Port tenants and would also require Optionee to comply with the scheduling system, priorities and rules of the BNSF railroad and Longview Switching Company and their respective successors and assigns.

(e) The parties further acknowledge and agree that Optionee is still in the early stages of developing its alternative designs and requirements for its potential Facility and that the location of the Option Property in which Optionee has expressed interest may be revised by mutual agreement of Optionor and Optionee during the parties' negotiations in the Option Period. Optionee acknowledges that Section 4.1 below will restrict Optionor during the Option Period from entering into discussions, negotiations or agreements during the Option Period with anyone other than Optionee for a Terminal within the Port, but that to the extent provided in Section 4.3 and except as otherwise provided in Section 4.2, Optionor may enter into discussions, negotiations or agreements during the Option Period with one or more other potential ground lessees of Available Land within the Port, including the Option Property or any part thereof, for uses other than a Terminal.

1.2 Grant of Option. Subject to the terms, conditions and qualifications herein set forth in this Agreement, Optionor hereby irrevocably grants to Optionee the exclusive right, during the Option Period (defined below), to negotiate with Optionor to locate a Terminal on the Option Property within the Port, subject to all Encumbrances now in existence or agreed to by Optionee pursuant to Section 4.2 below.

1.3 Term of Option. The Option shall remain in full force and effect commencing on the Effective Date and, unless extended in writing by mutual consent of the Optionor and Optionee, terminating on the date which is four months (4) months from the Effective Date, which will be the ___th day of September, 2015 (the "Option Period").

1.4 Exercise of Option. The Option may be exercised at any time during the Option Period if (and only in the event that) Optionor and Optionee shall, each exercising their own respective discretion, mutually commit to and execute one or more definitive agreements, specifically identifying, by legal description and survey, the Option Property (as may have been modified pursuant to Section 1.1(e) above or Section 4.4 below), providing for the lease, acquisition of interests in and other use of the Option Property (as may have been modified pursuant to Section 1.1(e) above or Section 4.4 below) by Optionee (subject to all Encumbrances in existence as of the Effective Date and any others agreed to by Optionee pursuant to Section 4.2 below), providing for the delineation of the portions of and interests in the Option Property to be so leased, acquired and otherwise used by Optionee, and providing for the specific terms and conditions of such lease, acquisition and other use, including without limitation the financial terms and durations thereof, as outlined on the attached Exhibit C to this Agreement. Notwithstanding anything herein to the contrary, (a) unless and until Optionor and Optionee shall, in their own respective discretion, negotiate, agree upon, execute and deliver definitive written agreements, including the ground lease, dockage agreement, wharfage agreement, easements and other essential transactional documents which will include the financial terms outlined in Exhibit C hereto (collectively, the "Definitive Agreements"), this Agreement shall not (i) obligate Optionee in any manner to lease, acquire interests in or otherwise use the Option Property, any part of the Option Property or any other Available Land within the Port, or (ii) obligate Optionor in any manner to lease or transfer to Optionee any rights or interests in the Option Property or any part thereof, and (b) Optionee shall have absolutely no liability to Optionor under or in connection with this Agreement, except for the indemnities in Section 3.4 below. If by the end of the Option Period, the Option is not exercised by the Parties' execution of mutually satisfactory Definitive Agreements as provided in this Section 1.4, then unless Optionor shall be in breach of or default under Articles 2 through 5 of this Agreement, the Option shall lapse. Optionee acknowledges that Optionor's execution and delivery of such Definitive Agreements evidencing the exercise of the option granted under this Agreement, including, without limitation, any ground lease for Optionee's Facility with a term greater than one (1) year, would require Port Commission action, i.e., the majority vote of Port Commissioners (elected public officials) meeting in public session.

1.5 Optionor Use of Available Land. Subject to the terms of Articles 4 and 5 below, nothing in this Agreement is to be construed to limit Optionor's use of its Available Land during the Option Period (including any extensions by the mutual agreement of the Parties). Without limiting the foregoing, nothing in this Agreement is to be construed as limiting Optionor from using, or permitting other Port customers to use, the land, buildings and rail lines on any Available Land during the Option Period prior to any exercise of the Option in accordance with Section 1.4 above.

ARTICLE 2
PROPERTY OWNERSHIP AND ACCESS

2.1 Property Ownership; Permits. Optionor represents and warrants that Optionor will hold title to such Option Property as is specifically described as the leasehold premises or its appurtenances in any Definitive Agreements which may be entered into by the parties in accordance with Section 1.4 hereof, subject to such Encumbrances as are identified in such Definitive Agreements, and that Optionor will have the right and authority to lease the Option Property to Optionee, subject to approval of such Definitive Agreements by a majority vote of Port Commissioners meeting in public session. Notwithstanding the foregoing, Optionee shall bear the sole risk, cost and responsibility for obtaining (or attempting to obtain) such other federal, state, county and municipal permits and approvals as may be required under applicable law for the development, construction, use and operation of a Facility for the receiving, storage, processing, and shipping of LPG and crude oil as well as all required approvals of railroads and/or public utilities.

2.2 Railroad and River Access. Optionor understands that railroad and river or water access are essential parts of Optionee's planned development and operation of the Facility. To that end, it is contemplated that any Definitive Agreements would include (subject to the Encumbrances) (a) reasonable rights to use rail within the Port that may be reasonably required by Optionee in connection with the development and operation of the Facility, and (b) docking, mooring and other rights in the Columbia River, as then held by Optionor, that may be reasonably required by Optionee in connection with the development and operation of the Facility.

ARTICLE 3
EXCHANGES OF INFORMATION

3.1 Initial Disclosures.

(a) After the Effective Date and within 15 days thereafter, to the extent known to Optionor and in Optionor's possession or within Optionor's control, Optionor agrees to provide to Optionee, at Optionor's expense, without warranty and without charge, true, accurate and complete copies of any existing surveys, title reports, title exceptions, physical condition studies, environmental reports, geotechnical, hydrological, ecological, geological or soils analyses, current property tax bills and governmental, municipal or other permits or approvals, if any, affecting the Option Property or any part thereof.

(b) Within the same 15 day period, Optionor agrees to provide to Optionee, at Optionor's expense, without warranty and without charge, such maps, drawings or written narrative summaries as may reasonably identify (without survey) the approximate locations of such Port-owned roads, utility corridors and other Port facilities which presently exist as Encumbrances on the Option Property.

(c) Within the same 15 day period, Optionor agrees to provide to Optionee, at Optionor's expense, without warranty and without charge, such maps, drawings or written narrative summaries as may reasonably identify (without survey) the approximate locations of

such Port-owned rail lines, switches and sidings (excluding those which are tenant-owned or within the premises of Port tenants) as presently exist in the Port.

(d) To the extent that Optionor's deliveries of copies of documents under subparagraphs (a), (b) and/or (c) above would be voluminous, the Port may elect to make some or all of such documents available for copying by Optionee or its consultants, at Optionee's expense, at the Longview, Washington offices of Optionor.

(e) Within the same 15 day period, Optionee shall continue to refine and shall provide Optionor, without charge, with updated and/or expanded versions of the improvements site plan set forth as Exhibit B showing the proposed locations of the rail lines, switches, sidings or storage tracks which Optionee would propose to utilize in connection with its Facility, as well as the storage tanks, flares, fences, pipe racks, shiploaders, buildings, roads and other improvements planned by Optionee for the Option Property (the "Updated Site Plan").

(f) Within 15 days of Optionor's receipt of the Updated Site Plan, Optionor shall provide Optionee, for negotiation purposes only, with Optionor's initial drafts of a ground lease, dockage agreement and wharfage agreement for the Option Property, together with initial drafts of any related easements or other draft Definitive Agreements, in such form and content as Optionor may propose in its sole and absolute discretion. The parties acknowledge and agree that such drafts will not include legal descriptions or surveyed drawings of the location of any part of the proposed premises or its improvements and that, before legal descriptions or surveyed drawings could be added to any such drafts, all such legal descriptions and survey drawings would have to be prepared by Optionee's surveyors at Optionee's expense and presented to Optionor, without charge, for review and comment by Port staff, as well as to any title insurance company from whom Optionee may decide, at its own expense, to obtain any preliminary commitment for or policy of leasehold title insurance.

(g) Within 15 days of Optionee's receipt of such Optionor's first drafts of the Definitive Agreements Optionee shall provide Optionor, without charge, with such financial statements, constituent documents, ownership structure and other information as may be reasonably requested in writing by Optionor ("Proof of Responsibility"), showing the assets, liabilities, ownership and financial responsibility of Optionee, any parent company or owner of greater than 50% of Optionee, and, if applicable, any proposed Permitted Assignee. The Parties acknowledge and agree that such financial information would be relevant to Optionor's determination of whether and for what purposes Optionor may require a guaranty in connection with any Definitive Agreements and/or may require bonding of Optionee's obligations under any ground lease pursuant to RCW 53.08.035. Optionor acknowledges and agrees that any such information may be delivered subject to a confidentiality agreement in form and content reasonably satisfactory to Optionee, limiting public disclosure thereof except as otherwise required by law.

3.2 Further Disclosures. In the event that the configuration or location of the Option Property under discussion by the parties is revised by mutual agreement of Optionor and Optionee during the Option Period, then within 15 days after each reasonable written request of Optionee during the Option Period, and to the extent known to Optionor and in Optionor's possession or within Optionor's control, Optionor agrees to update accordingly, at Optionor's expense, without warranty and without charge, the information provided to Optionee under Section 3.1(a), (b) and /or (c) above and to provide such updated information to Optionee. In the event that Optionee wishes to propose changes,

during the Option Period, the configuration or proposed location of the rail, switches, crossings, storage tracks, storage tanks, ship loaders, buildings and other improvements depicted in the Updated Site Plan provided to Optionor under Section 3.1(e) above, Optionee shall revise it accordingly and provide such revised site plan to Optionor. In the event of any material change in the financial condition or ownership of Optionee, any 50% or greater owner of Optionee, or, if applicable, any proposed Permitted Assignee, Optionee shall update the Proof of Responsibility information provided to Optionor under Section 3.1(g) above and shall provide such updated information to Optionor.

From and after the Effective Date until the end of the Option Period, Optionor shall afford Optionee and its employees, agents, consultants, surveyors, engineers, contractors, investors, venturers and other representatives (collectively, "Representatives") with reasonable access during normal business hours to all records pertaining to the Option Property or any part thereof (subject to Optionee's compliance with U.S. Coast Guard security requirements and excluding privileged communications with Optionor's legal counsel), as may allow Optionee and its Representatives to conduct such due diligence as Optionee shall deem appropriate in its discretion; this access shall be subject to any existing confidentiality agreements binding on Optionor and any rights of tenants and other users of the Port, as well as subject to reasonable restrictions imposed on advice of counsel respecting the provision of any competitively sensitive information.

3.3 Inspections. From and after the Effective Date and until the end of the Option Period, Optionee, through its Representatives, may exercise continuing access to the Option Property or any part thereof (subject to Optionee's compliance with U.S. Coast Guard security requirements and subject further to any rights of tenants and other users of the Port) and conduct inspections and other studies as Optionee may determine appropriate in its discretion (but, with respect to any part of the Option Property or any part thereof not owned or subject to the possession and control of Optionor, only to the extent Optionor has the legal right to allow such access and such inspections and studies with respect to such part). Optionor will have the right to elect to have its own staff or other designee present at any physical inspections or testing which Optionee or any of its Representatives wish to conduct on the Property.

3.4 Risk and Indemnities. Any such access by Optionee or its Representatives shall, under Section 3.3, be exercised at the risk of Optionee, and any damage caused by any of them to any real or personal property of the Optionor, its tenants or customers or any third party shall be repaired and restored by Optionee to the condition immediately preceding such damage; and Optionee hereby agrees to indemnify, defend and hold Optionor harmless from and against any cost, expense, charge, lien, action or judgment, to the extent solely and directly arising from any act or omission of Optionee or its Representatives in connection with such access. Optionor will have the right to require Optionee or any of its Representatives provide Optionor, as a condition precedent to any such access, physical inspections or testing, with proof of liability insurance coverages and endorsements in form and content reasonably satisfactory to Optionor.

3.5 Sharing of Due Diligence Results. Following the written request of Optionor, Optionee shall, without warranty and without charge, share with Optionor the results Optionee obtains from the physical examination, testing and investigation of the Option Property or any part thereof, including, but not limited to, providing copies of all environmental investigations, soils reports, land surveys, tests, samplings, appraisals, title reports, zoning reports, governmental applications and similar documentation, but only to the extent related to the condition of the Option Property or any part thereof.

ARTICLE 4
NEGATIVE COVENANTS AND AGREEMENTS

Optionor covenants and agrees that, from and after the Effective Date and until the end of the Option Period:

4.1 Exclusivity as to LPG and Crude by Rail Negotiations. During the Option Period, Optionor will not (a) discuss or negotiate with any person or entity regarding the location of a LPG or crude by rail terminal within the Port, (b) entertain or consider inquiries, offers or proposals from any person or entity for the location of a LPG or crude by rail terminal within the Port, or (c) enter into any contracts, agreements or understandings with any person or entity relating to a possible agreement involving a sale, lease, license, permit, grant or other transfer of any rights or interests for the location of a LPG or crude by rail terminal within the Port with anyone other than Optionee, and during the Option Period, the parties will pursue due diligence and negotiations on an exclusive basis with respect to any such potential LPG or crude by rail terminal within the Port, but without any obligation on either party to enter into any such agreement or other contractual obligations.

4.2 Option Property. During the Option Period, (a) Optionor shall not engage in negotiations with any other potential ground lessees or other long-term users of the Option Property or any part thereof, except that Optionor reserves the right to continue to negotiate during the Option Period with one or more third parties with whom Optionor is already in active negotiations ("Existing Prospects") as potential ground lessees or long-term users of the Option Property or any part thereof for non-LPG or crude by rail purposes; and (b) Optionor shall not sell, lease or encumber in any manner the Option Property or any part thereof, or contract to sell, lease or encumber in any manner the Option Property or any part thereof; provided, however, that Optionee acknowledges that any ground lease of the Option Property that Optionor and Optionee enter into will be expressly subject to those Encumbrances which exist as of the Effective Date or are agreed to in writing by Optionee pursuant to this Section 4.2; and provided, further, that Optionee's written agreement to any new Encumbrances of the Option Property which may be proposed by Optionor during the Option Period (e.g., location or relocation of utility corridors) and which would not materially interfere with Optionee's proposed use of the Option Property, shall not unreasonably be withheld, conditioned or delayed.

4.3 Non-Exclusivity as to Other Potential Uses. Notwithstanding Section 4.1 or any other provisions of this Agreement to the contrary, but subject to Section 4.2, Optionor reserves its rights, (a) to continue during the Option Period to engage in negotiations with one or more of the Existing Prospects with whom Optionor is in negotiations as of the Effective Date for the lease or other long-term use of Available Land within the Port, including the Option Property or any part thereof, for uses other than a LPG or crude by rail terminal and, (b) during the Option Period, with respect to any other non-LPG or crude oil related potential tenants and customers with whom Optionor is not currently in negotiations, with respect to the Available Land (but not the Option Property), to commence negotiations and/or enter into any definitive agreements, including, without limitation, ground leases, with such other potential tenants and customers for non-LPG or crude oil purposes.

4.4 Discussions of Alternatives. During the Option Period, Optionor will have the right (but not the obligation) to present to Optionee, for discussion purposes only, one or more other parcels of Available Land which Optionor may now own or may hereafter acquire or obtain the right to

acquire, as possible alternative or reconfigured sites for Optionee's proposed Facility, but any such alternative Available Land or any portion thereof may be substituted for or added to the Option Property or any portion thereof only with the written agreement of both Optionor and Optionee.

ARTICLE 5 AFFIRMATIVE COVENANTS AND AGREEMENTS

5.1 "As Is" Condition. Optionor covenants and agrees that, from and after the Effective Date and until the end of the Option Period, Optionor will continue to operate and maintain the Option Property generally in its "AS IS" condition, it being the intention of the parties that the overall condition and use of the Option Property shall not be changed during the Option Period, subject, however, to (a) such changes, if any, as may be required by applicable law, (b) the sale of dredging materials by the Port, (c) such non-material changes as (i) shall not unreasonably interfere with or otherwise adversely affect Optionee's plans for the development, operation and use of the Facility, to Optionor's actual knowledge or (ii) shall be approved in advance in writing by Optionee (which approval will not be unreasonably withheld}, and (d) the rights of Optionor under Section 4.3 above (but subject to the terms of Section 4.2) to enter into leases or other definitive agreements during the Option Period with non- crude oil new tenants or other customers of the Port.

ARTICLE 6 REMEDIES

Optionee is expending considerable monies and devoting considerable resources to its rights under this Agreement, and Optionee is forgoing other material opportunities as a result of the Option; accordingly, in the event of any breach or default under this Agreement by Optionor, the parties acknowledge that Optionee would suffer irreparable harm and direct and indirect actual and consequential damages, and so in such event the parties agree that Optionee shall be entitled to specific performance, injunctive relief, monetary damages, and/or any other rights or remedies allowed by law or at equity, and the prevailing party shall be further entitled to recover fees and expenses (including legal fees and court costs) incurred in enforcing such rights and remedies.

ARTICLE 7 MISCELLANEOUS PROVISIONS

7.1 Binding Agreement. This Agreement shall be binding on and shall inure to the benefit of Optionor and Optionee, and their respective successors and assigns.

7.2 Grain Terminal's Most Favored Nations Status. Optionee acknowledges that it has been expressly informed that the ground lessee of the EGT grain terminal located at the Port has a most-favored nations clause in its own ground lease, dockage agreement and wharfage agreement and that, in any Definitive Agreements that may be negotiated between Optionor and Optionee, Optionor has no obligation or intention to violate or otherwise trigger such most- favored nations clause.

7.3 Assignment. Optionor shall not assign its rights and interests hereunder and shall not delegate its duties hereunder. Optionee shall not assign its rights and interests hereunder or delegate its duties hereunder, except that, with notice to Optionor, but without the consent of Optionor, Optionee

may make such an assignment to a corporation, partnership or joint venture of which Optionee, or its members, or any corporation, partnership or joint venture affiliated with Optionee or its members, is a shareholder, director, partner, manager, member or joint venturer, or otherwise affiliated by common management or ownership ("Permitted Assignee"), and only with written notice to Optionor and only as long as the Permitted Assignee shall assume such rights, interests and duties in writing and is reputable and financially responsible.

7.4 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be delivered by means of overnight delivery or by facsimile or telecopy, and shall be considered given or delivered (a) the day delivered by a nationally recognized overnight courier, with a record of receipt, or (b) the day of transmission, with confirmation of receipt, if delivered by email during regular business hours (which regular business hours shall be 9:00 am - 5:00 pm, Monday through Friday excluding office holidays, at the office where received), or the day after such transmission, with confirmation of receipt, if delivered by email after regular business hours, to the parties at the following addresses or email address:

If to Optionee:

Washington Energy Storage & Transfer
11767 Katy Freeway, Suite 830
Houston, Texas 77079
Attn: Lou Soumas
email: Lou@watersideenergy.com

With a copy to:

If to Optionor:

Port of Longview, WA
10 Port Way
Longview, Washington 98632-7739
Attn: Geir-Eilif Kalhagen, Chief Executive Officer
Fax: (360) 577-8122

- and -

Port of Longview, WA
10 Port Way
Longview, Washington 98632-7739
Attn: Norm Krehbiel, Chief Operating Officer
Fax: (360) 636-5188

With a copy to:

Any party may change the address, email and/or telecopy number to which notices are to be addressed and/or transmitted by giving the other party notice in the manner herein set forth.

7.5 Nature of Representations, Warranties, Covenants and Agreements. Each and every representation, warranty, covenant and agreement made by the parties and contained in this Agreement or in any instrument, certificate or other document delivered pursuant to this Agreement, shall be deemed to be material, shall survive the execution and delivery of this Agreement, and shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, successors and assigns.

7.6 Governing Law; Severability. This Agreement shall be construed and interpreted according to the laws of the State of Washington. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof.

7.7 Entire Agreement. This Agreement, together with the Exhibits attached hereto and incorporated herein by reference, constitutes the entire undertaking between the parties hereto with respect to the subject matter of this Agreement, and supersedes any and all prior agreements, arrangements and understandings between the parties with respect to the subject matter of this Agreement; and the Recitals set forth herein are hereby incorporated as a part of this Agreement and the same shall be binding upon the parties hereto.

7.8 Recordation. The parties, at Optionee's election and cost, shall place a short form memorandum of this Agreement in form reasonably satisfactory to both parties on record in the appropriate office for real estate records in Cowlitz County, Washington.

7.9 Counterparts; Facsimile Copies. This Agreement may be executed in counterparts, each of which shall constitute an original. The parties may sign this Agreement by telefaxed copies, and any such telefaxed copy shall be deemed to be an original and no objection shall be made to the introduction into evidence of any telefaxed copy on grounds related to the telefaxed copy not being an original; provided, however, in such event the parties agree that executed originals shall be forwarded to the other party at the request of either party.

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above mentioned .

OPTIONEE:

WASHINGTON ENERGY STORAGE & TRANSFER, LLC

Louis J. Soumas
Managing Member

OPTIONOR:

PORT OF LONGVIEW

Geir-Eilif Kalhagen
Chief Executive Officer and Managing Director

CONFIDENTIAL