NOTE AND AGREEMENT

$13,500.00 July 1, 1981

For value received, the undersigned, FRED L. CLOE, of P.O. Box [illegible], City of Stevenson, County of Skamania, State of Washington, promises to pay to the order of [illegible] SMITH and VIRGINIA SMITH, herein, together with any other holder hereof, referred to as secured party, at P.O. Box 477, City of Stevenson, County of Skamania, State of Washington, the sum of Thirteen Thousand Five Hundred Dollars ($13,500.00), with interest thereon at the rate of fifteen percent (15%) per annum. Payment shall be made in successive equal monthly installments of [illegible] Dollars ($[illegible]), except the final installment, which shall be the balance due on this note. Each such installment is payable on the first day of each month, commencing on August 1, 1981.

SECURITY

To secure the payment of this note debtor hereby grants to secured party a security interest in the following property and all accessories, parts, and equipment now or hereafter affixed thereto:

(See Exhibit "A" attached hereto.)

WARRANTIES

1. [illegible] other than may [illegible] that [illegible] the [illegible] giving secured party [illegible] equipment normally used in more than one [illegible] the address of debtor shown above and [illegible] prior written consent of secured party.

2. [illegible] immediately will acquire, full title to collateral, and shall at all times keep collateral free of all [illegible] whatsoever, other than the security interest hereunder.

3. [illegible] financing statement covering any of collateral is on file in any public office, and debtor shall from time to time, at the request of secured party, execute or join in executing such financing statement and other documents, pay the cost of filing or recording such statements and documents in all public offices deemed necessary by secured party, and do such other acts as secured party may request to perfect, establish, and maintain a valid security interest in collateral, including, without limiting any of the foregoing, deposit with secured party of any certificate of title issuable with respect to any of collateral and notation thereon of the security interest hereunder.

4. Debtor shall not sell, transfer, lease, or otherwise [illegible] any interest therein except with the prior written consent of secured party.

5. Debtor shall at all times keep collateral in good order and repair, excepting any loss, damage, or destruction that is fully covered by proceeds of insurance or that results from ordinary use.

6. Debtor shall at all times keep collateral insured against loss, damage, theft, and other risks, in such amounts, with such companies, and under such policies and in such form as shall be satisfactory to secured party. Such policies shall provide that loss thereunder shall be payable to secured party as their interest may appear, and secured party may apply any proceeds of such insurance that may be received by secured party to payment of any of the liabilities of debtor to secured party regardless of whether due. Such application of proceeds may be made in such order as secured party determines proper. Such policies of insurance shall, if secured parties so requests, be deposited with secured party.

7. Secured party may examine and inspect collateral or any part thereof, wherever located, at any reasonable time.

III.

USE OF COLLATERAL

Until default hereunder, debtor may have possession of collateral and use the same in any lawful manner not inconsistent with this note and agreement or with any policy of insurance on any of collateral.

IV.

EXPENSES INCURRED BY SECURED PARTY

Secured party is not required to, but may at their option, pay any tax, assessment, insurance premium, expense, repair or other charge payable by debtor, and any filing or recording fees, and any amount so paid, with interest thereon at the maximum rate permitted by law from date of payment until repaid shall be secured hereby and shall be repayable by debtor on demand. The rights granted by this paragraph are not a waiver of any other rights of secured party arising from breach of any of the covenants agreed by debtor.

V.

DEFAULT

[illegible] the [illegible] of this agreement, and in any of the following events, hereinafter called "Events of Default," to-wit:

(a) Any failure to pay when due the full amount of any payment of principal, interest, taxes, insurance premiums or other charges which are or may be secured hereby; or

(b) Any failure to perform as required by any covenant or agreement herein; or

(c) The falsity of any representation by debtor herein or in any credit application or financial statement given by debtor to secured party as a basis for any extension of credit secured hereby; or

(d) If the property should be seized or levied upon under any legal or governmental process against debtor or against the property; or

(e) If debtor becomes insolvent or is the subject of a petition in bankruptcy, either voluntary or involuntary, or in any other proceeding under the federal bankruptcy laws; or makes an assignment for the benefit of creditors or if debtor is named is or the property is subjected to a suit for the appointment of a receiver; or

(f) Loss, substantial damage to, or destruction of any portion of the property; or

(g) Entry of any judgment against debtor; or

(h) Dissolution or liquidation of debtor; or

(i) The secured party deems themselves insecure.

VI.
REMEDIES

In the event of a default hereunder, secured party shall have all remedies provided by law; and without limiting the generality of the foregoing, shall be entitled as follows:

(a) Debtor agrees to put secured party in possession of the property on demand; and

(b) Secured party is authorized to enter any premises where the property is situated and take possession of said property without notice or demand and without legal proceedings; and

(c) At the request of secured party, debtor will assemble the property and make it available to secured party at a place designated by secured party which is reasonably convenient to both parties; and

(d) Debtor agrees that a period of five (5) days from the time notice is sent, by first class mail or otherwise, shall be a reasonable period of notification of a sale or other disposition of the property; and

(e) Debtor agrees that any notice or other communication by secured party to debtor shall be sent to the mailing address of the debtor stated herein; and

(f) Debtor agrees to pay on demand the amount of all expenses reasonably incurred by secured party in protecting or realizing on the property. In the event that this agreement or any obligation secured by it is referred to an attorney for protecting or defending the priority of secured party's interest or for collection or realization procedures, debtor agrees to pay a reasonable attorney's fee, including fees incurred in both trial and appellate courts, or fees incurred without suit, and expenses of title search and all court costs and costs of public officials. The sums agreed to be paid in this subparagraph shall be secured hereby; and

(g) If secured party disposes of the property, debtor agrees to pay any deficiency remaining after application of the net proceeds to any indebtedness secured hereby.

VII.
WAIVER

No delay by secured party in the exercise of any right or remedy under this note and agreement shall operate as a waiver

NOTE AND AGREEMENT

$13,500.00 July 1, 1981

For value received, the undersigned, FRED L. CLOE, of P.O. Box [illegible], City of Stevenson, County of Skamania, State of Washington, promises to pay to the order of ESSON SMITH and VIRGINIA SMITH, herein, together with any other holder hereof, referred to as secured party, at P.O. Box 377, City of Stevenson, County of Skamania, State of Washington, the sum of Thirteen Thousand Five Hundred Dollars ($13,500.00), with interest thereon at the rate of fifteen percent (15%) per annum. Payment shall be made in successive equal monthly installments of Four Hundred Dollars ($403.00), except the final installment, which shall be the balance due on this note, each such installment is payable on the first day of each month, commencing on August 1, 1981.

SECURITY

To secure the payment of this note debtor hereby grants to secured party a security interest in the following property and all accessories, parts, and equipment now or hereafter affixed thereto:

(See Exhibit "A" attached hereto.)

WARRANTIES

1. Collateral, other than any thereof that prior to the execution of this agreement debtor advised secured party in writing consists of equipment normally used in more than one [illegible], shall be kept at the address of debtor shown above and shall not be removed without prior written consent of secured party.

2. Debtor owns, or immediately will acquire, full title to collateral, and shall at all times keep collateral free of all liens and charges whatsoever, other than the security interest hereunder.

3. No financing statement covering any of collateral is on file in any public office, and debtor shall from time to time, at the request of secured party, execute or join in executing such financing statement and other documents, pay the cost of filing or recording the statements and documents in all public offices deemed necessary by secured party, and do such other acts as secured party may request to perfect, establish, and maintain a valid security interest in collateral, including, without limiting any of the foregoing, deposit with secured party of any certificate of title issuable with respect to any of collateral and notation thereon of the security interest hereunder.

4. Debtor shall not sell, transfer, lease, or otherwise dispose of any of collateral or any interest therein except with the prior written consent of secured party.

5. Debtor shall at all times keep collateral in good order and repair, excepting any loss, damage, or destruction that is fully covered by proceeds of insurance or that results from ordinary use.

RECEIVED SKAMANIA COUNTY AUDITOR STEVENSON, WASH. SEP 1981

6. Debtor shall at all times keep collateral insured against loss, damage, theft, and other risks, in such amounts, with such companies, and under such policies and in such form as shall be satisfactory to secured party. Such policies shall provide that loss thereunder shall be payable to secured party as their interest may appear, and secured party may apply any proceeds of such insurance that may be received by secured party to payment of any of the liabilities of debtor to secured party regardless of whether due. Such application of proceeds may be made in such order as secured party determines proper. Such policies of insurance shall, if secured parties so request, be deposited with secured party.

7. Secured party may examine and inspect collateral or any part thereof, wherever located, at any reasonable time.

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Until default hereunder, debtor may have possession of collateral and use the same in any lawful manner not inconsistent with this note and agreement or with any policy of insurance on any of collateral.

IV.

EXPENSES INCURRED BY SECURED PARTY

Secured party is not required to, but may at their option, pay any tax, assessment, insurance premium, expense, repair or other charges payable by debtor, and any filing or recording fees, and any amount so paid, with interest thereon at the maximum rate permitted by law from date of payment until repaid shall be secured hereby and shall be repayable by debtor on demand. The rights granted by this paragraph are not a waiver of any other rights of secured party arising from breach of any of the covenants hereof by debtor.

V.

DEFAULT

Time is of the essence of this agreement, and in any of the following events, hereinafter called "Events of Default," to-wit:

(a) Any failure to pay when due the full amount of any payment of principal, interest, taxes, insurance premiums or other charges which are or may be secured hereby; or

(b) Any failure to perform as required by any covenant or agreement herein; or

(c) The falsity of any representation by debtor herein or in any credit application or financial statement given by debtor to secured party as a basis for any extension of credit secured hereby; or

(d) If the property should be seized or levied upon under any legal or governmental process against debtor or against the property; or

(e) If debtor becomes insolvent or is the subject of a petition in bankruptcy, either voluntary or involuntary, or in any other proceeding under the federal bankruptcy laws; or makes an assignment for the benefit of creditors or if debtor is named in or the property is subjected to a suit for the appointment of a receiver; or

(f) Loss, substantial damage to, or destruction of any portion of the property; or

(g) Entry of any judgment against debtor, or

(h) Dissolution or liquidation of debtor, or

(i) The secured party deems themselves insecure.

VI.
REMEDIES

In the event of a default hereunder, secured party shall have all remedies provided by law; and without limiting the generality of the foregoing, shall be entitled as follows:

(a) Debtor agrees to put secured party in possession of the property on demand; and

(b) Secured party is authorized to enter any premises where the property is situated and take possession of said property without notice or demand and without legal proceedings; and

(c) At the request of secured party, debtor will assemble the property and make it available to secured party at a place designated by secured party which is reasonably convenient to both parties; and

(d) Debtor agrees that a period of five (5) days from the time notice is sent, by first class mail or otherwise, shall be a reasonable period of notification of a sale or other disposition of the property; and

(e) Debtor agrees that any notice or other communication by secured party to debtor shall be sent to the mailing address of the debtor stated herein; and

(f) Debtor agrees to pay on demand the amount of all expenses reasonably incurred by secured party in protecting or realizing on the property. In the event that this agreement or any obligation secured by it is referred to an attorney for protecting or defending the priority of secured party's interest or for collection or realization procedures, debtor agrees to pay a reasonable attorney's fee, including fees incurred in both trial and appellate courts, or fees incurred without suit, and expenses of title search and all court costs and costs of public officials. The sums agreed to be paid in this subparagraph shall be secured hereby; and

(g) If secured party disposes of the property, debtor agrees to pay any deficiency remaining after application of the net proceeds to any indebtedness secured hereby.

VII.
WAIVER

No delay by secured party in the exercise of any right or remedy under this note and agreement shall operate as a waiver thereof, and no single or partial exercise by secured party of any such right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

VIII.
CONSTRUCTION AND EFFECT

This combined note and security agreement has been delivered at Stevenson, County of Skamania, State of Washington, and shall be construed in accordance with R.C.W. 62A.9-101 *et seq.* and other applicable laws of the State of Washington. Whenever possible, each provision of this note and agreement shall be interpreted in such manner as to be effective and valid under applicable law; however, if any such provision shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this note and agreement.

The rights and privileges of secured party hereunder shall inure to the benefit of their successors and assigns.

IN WITNESS WHEREOF, this note and agreement has been executed at Stevenson, Washington, the day and year first above written.

FRED W. CLOE

95064

STATE OF WASHINGTON }
COUNTY OF SKAMANIA } SS
I HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT OF WRITING FILED BY
OF
AT
DEPUTY

Registered
Indexed, Dir.
Indirect
Recorded

EXHIBIT "A"

Qty.	Model No.	Description
[illegible]	35-249	Two Bay Self Service System Complete with Cats #623 Pumps and 3 H.P. 3-phase motors built on a 2 Bay Frame
1	35-254	Cold Water rinse 2-Bays
1	35-255	Automatic Freeze Control System 2 Bays
1	35-257	Economy White Side Wall/Degreasing System
1	[illegible]	Towel Dispenser
[illegible]	35-260	Trigger Wand Guns 2 Bay
1	35-259	Twin Motor Dual Vac
[illegible]	CH 1-6	Changer by Hamilton
2	[illegible]	Foaming Brushes w/Freeze control