

97434

RAINIER BANK**SECURITY AGREEMENT****Pledge by Borrower**

BOOK K PAGE 570

The undersigned (hereinafter called "Borrower") hereby delivers and grants to RAINIER NATIONAL BANK (hereinafter called "Bank") a security interest in the following property (hereinafter called "Collateral"):

Assignment of wages from John Thomas Day of his District Court salary from Skamania County.



STATE OF WASHINGTON } ss
COUNTY OF SKAMANIA }

I HEREBY CERTIFY THAT THE WITHIN

INSTRUMENT OF WRITING FILED BY _____

RAINIER NATIONAL BANK
WHITE SALMON OFFICE
OF PO BOX 67 WHITE SALMON WA

AT 2:15 PM APRIL 13, 1984

WAS RECORDED IN BOOK K

MISC 570

RECORDS OF SKAMANIA COUNTY WITH

M. M. Olson

COUNTY AUDITOR

A. Davis DEPUTY

and all property of every kind and description, in which the Borrower has or may acquire any interest now or hereafter at any time in the possession or control of the Bank for any reason including, without limitation, property delivered to the Bank as collateral, for safekeeping, or for collection or exchange for other property, and all dividends and distributions on or other rights in connection with such property,

to secure payment to the Bank of all notes of Borrower concurrently herewith, heretofore or hereafter delivered to or purchased or otherwise acquired by the Bank, and all other liabilities and indebtedness of Borrower to Bank, due or to become due, direct or indirect, absolute or contingent, joint or several, howsoever and wheresoever created, arising or evidenced, now existing or hereafter at any time created, arising or incurred (hereinafter called "Secured Obligations"). Nothing herein contained shall be construed as obligating the Bank to make any future loans or advances.

BORROWER WARRANTS, REPRESENTS AND AGREES THAT:

TITLE

1. Borrower has title to the Collateral, free of all liens and encumbrances, except the Security Interest created hereby, and has full power and authority to execute this Security Agreement, to perform Borrower's obligations hereunder and to subject the Collateral to the Security Interest created hereby. No financing statement covering all or any part of the Collateral is on file in any public office.

ADDITIONAL COLLATERAL

2. If the Collateral declines in value in the judgment of the Bank or becomes unsatisfactory to the Bank, the Borrower agrees to deliver to the Bank upon its request additional Collateral satisfactory to the Bank. Such request shall not be deemed a condition precedent to the exercise by Bank of any right or remedy herein or elsewhere granted.

DAY, JOHN THOMAS

97434

BOOK K

PAGE 571

CARE, CUSTODY AND CONTROL

3. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as the Borrower shall request in writing, but failure of the Bank to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Bank to protect or preserve any rights with respect to the Collateral against other parties, or to do any act with respect to the protection or preservation of the Collateral not so requested by the Borrower shall be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral.

4. The Bank, in the name of the Borrower or otherwise, shall have the authority but shall not be obligated to demand, collect, receive and receipt for, compromise, compound, settle and give acquittance for and prosecute and discontinue any suits or proceedings in respect of any or all of the Collateral; and take any action which the Bank may deem necessary or desirable in order to realize on the Collateral, including, without limitation, the power to perform any contract, to indorse in the name of the Borrower any checks, drafts, notes, or other documents which are Collateral or are received in payment or on account of the Collateral. The Bank may, at its option, transfer to or register in the name of itself or its nominee(s) any and all of the Collateral.

PERFECTION

5. Borrower will at any time or times hereafter execute such financing statements and other instruments and perform such acts as the Bank may request to establish and maintain a valid Security Interest in the Collateral, at Borrower's expense, including costs of record searches, filing and recording.

DEFAULT

6. Time is of the essence of this agreement and the occurrence of any of the following events shall constitute a Default: (a) failure of Borrower, or of any co-maker, indorser, surety or guarantor to pay when due any amount payable under any of the Secured Obligations; (b) failure to perform any agreement of Borrower contained herein; (c) any statement, representation, or warranty of Borrower made herein or at any time furnished to the Bank is untrue in any respect as of the date made; (d) failure to pay any premium on the due date without benefit of grace period of any policy of insurance which is all or any part of the Collateral; (e) entry of any judgment against Borrower; (f) appointment of a receiver for, loss, substantial damage to, destruction, theft, sale, or encumbrance to or of any portion of the Collateral, or the making of any levy seizure, or attachment thereof; (g) Borrower becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of its creditors or any proceeding is commenced by or against Borrower alleging that it is insolvent or unable to pay its debts as they mature; (h) death of any Borrower who is a natural person or of any partner of any Borrower which is a partnership; (i) dissolution, consolidation, merger or transfer of a substantial part of the property of any Borrower which is a corporation or a partnership; (j) such a change in the condition or affairs (financial or otherwise) of Borrower or any co-maker, indorser, surety or guarantor of any of the Secured Obligations as in the opinion of the Bank impairs the Bank's security or increases its risk; or (k) the Bank deems itself insecure for any reason whatsoever.

7. Whenever a Default shall exist, the Bank may, at its option and

without demand or notice, declare all or any part of the Secured Obligations immediately due and payable, and the Bank may exercise, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or any other applicable law.

8. Borrower agrees, in the event of Default, to pay all costs of the Bank, including reasonable attorneys' fees and legal expenses in the collection of any of the Secured Obligations and the enforcement of any of the Bank's rights. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least five (5) days before such disposition, postage prepaid, addressed to the Borrower at the address shown below. If any suit is commenced to recover any Secured Obligation(s) the venue of such suit, at the Bank's option may be laid in King County, Washington.

GENERAL

9. No delay or failure by the Bank in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. Bank shall not be deemed to have waived any of Bank's rights hereunder or under any other writing signed by Borrower unless such waiver be in writing and signed by Bank. All Bank's rights and remedies, whether evidenced hereby or by any other writing shall be cumulative and may be exercised singularly or concurrently. The Bank may allocate or re-allocate any of the Collateral to any of the Secured Obligations. Any demand upon or notice to Borrower that Bank may elect to give shall be effective when deposited in the mails or delivered to a telegraph, wireless or radio company addressed to Borrower at the address shown at the end of this agreement. Demands or notices addressed to Borrower's address at which Bank customarily communicates with Borrower shall also be effective. If at any time or times by assignment or otherwise Bank transfers any obligations and Collateral therefor, such transfer shall carry with it Bank's powers and rights under this agreement with respect to the obligations and Collateral transferred and the transferee shall become vested with said powers and rights, whether or not they are specifically referred to in the transfer. This agreement shall be governed by the law of the State of Washington and is intended to take effect when signed by Borrower and delivered to Bank.

10. This agreement inures to the benefit of the Bank, its successors and assigns, and shall bind (as may be applicable) the respective heirs, personal representatives, successors and assigns of Borrower and if more than one party shall sign this agreement, the term "Borrower" shall mean all such parties, and each of them, and all such parties shall be jointly and severally obligated hereunder. Words used herein shall take the singular or plural number, and such gender, as the number and gender of parties Borrower herein shall require.

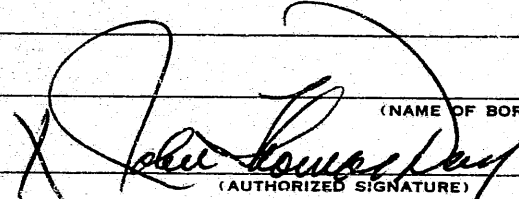
11. This security agreement and security interest(s) hereunder shall continue in effect notwithstanding that from time to time no Secured Obligations may exist, and shall survive as security for all new or additional Secured Obligations from time to time arising.

12. Borrower waives demand, notice of non-payment and protest of all negotiable instruments and any other obligations at any time held by Bank and agrees that Bank may at any time obtain additional signatures to this or any other instrument evidencing, guaranteeing or securing any of the Secured Obligations, and that the procuring of such additional signatures shall not be deemed an alteration of this or any other instrument(s).

Executed and delivered at White Salmon, Washington, this 9th day of March, 19 83.

BORROWER

By:



(NAME OF BORROWER)

(AUTHORIZED SIGNATURE)

(TITLE)

Borrower's Address: POB 401, Stevenson WA

(STREET NUMBER)

Skamania

(CITY)

(COUNTY)

Washington