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Page 1 of 8  
Date: 05/16/2006 02:14P  
Filed by: HALINA SMOLAK  
Filed & Recorded in Official Records  
of SKAMANIA COUNTY  
J. MICHAEL GARVISON  
AUDITOR  
Fee: \$39.00

Return Address:

Halina Smolak  
P.O Box 1295  
Stevenson, WA 98648

Document Title(s) or transactions contained herein:

The Halina Smolak Living Trust  
Dated June 10, 2002

GRANTOR(S) (Last name, first name, middle initial)

Smolak Halina M

☐ Additional names on page \_\_\_\_\_ of document.

GRANTEE(S) (Last name, first name, middle initial)

Smolak Halina M trustee  
Halina Smolak Living Trust

☐ Additional names on page \_\_\_\_\_ of document.

LEGAL DESCRIPTION (Abbreviated: i.e., Lot, Block, Plat or Section, Township, Range, Quarter/Quarter)

1) Lot 4 Ruedhe tracts BKA/PG 141 1994 MH 44x26x26x13  
#126837 03082730040500  
2) 030736 34170000 L.M.  
4-13-06 VC

☐ Complete legal on page \_\_\_\_\_ of document.

REFERENCE NUMBER(S) of Documents assigned or released:

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

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER

☐ Property Tax Parcel ID is not yet assigned

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

The Auditor/Recorder will rely on the information provided on the form. The Staff will not read the document to verify the accuracy or completeness of the indexing information.

**THE HALINA SMOLAK  
LIVING TRUST  
Dated June 10, 2002**

This Living Trust Agreement (this "Agreement"), dated June 10, 2002, between Halina Smolak (the "Grantor" or "Beneficiary") of Stevenson, Washington and Halina Smolak (the "Trustee") of Stevenson, Washington.

In consideration of the mutual covenants and promises set forth in this Agreement, the Grantor and the Trustee agree as follows:

**I. PURPOSE.** The purpose of this Agreement is to establish a Trust to receive and manage assets for the benefit of the Grantor during the Grantor's lifetime, and to further manage and distribute the assets of the Trust upon the death of the Grantor.

**II. FUNDING OF TRUST.** This Trust shall be funded with assets transferred to this Trust by the Grantor at the time of creating this Trust, or at any later time. During the lifetime of the Grantor, any interest in community property transferred into or out of this Trust shall retain its original character and such property shall not be commingled. This Trust may also receive property from any person or entity who is acting under the authority granted to that person or entity by the Grantor. It is also expected that this Trust may receive assets pursuant to the terms of the Grantor's Last Will and Testament.

**III. MANAGEMENT OF TRUST ASSETS.** The Trustee shall manage and distribute the Trust assets for the benefit of the Grantor and the Grantor's successor(s) in interest in accordance with the terms of this Agreement.

**IV. PAYMENTS DURING THE GRANTOR'S LIFETIME.** During the Grantor's lifetime, the Trustee shall pay all of the net income of this Trust, and also such sums from principal as the Grantor may request at any time in writing, to or for the benefit of the Grantor, or as the Grantor may designate. Such payments shall be made at least semi-annually. The Grantor may change the amount of the payments at any time by providing written notice to the Trustee. Any excess income shall be added to principal at the discretion of the Trustee.

*A. Payments During a "Disability" of the Grantor.* During any period that the Grantor has a "disability", the Trustee may pay to or for the benefit of the Grantor such amounts of income and principal as the Trustee believes in the Trustee's sole discretion to be required for (i) the Grantor's support, comfort and welfare, (ii) the Grantor's accustomed manner of living, or (iii) any purpose that the Trustee believes to be in the best interest of the Grantor.

*B. Disability Defined.* For the purposes of this Trust, "disability" shall mean a legal disability or the inability to provide prompt and intelligent consideration to financial

matters by reason of illness or mental or physical disability. The determination of whether the Grantor has a disability shall be made by the Grantor's most recent attending physician. The Trustee shall be entitled to rely on written notice of that determination.

**V. DEATH OF THE GRANTOR.** Upon the death of the Grantor, and after the payment of the Grantor's just debts, funeral expenses, and expenses of last illness, the following distributions shall be made:

*Residuary Assets.* The residuary assets of this Trust shall be distributed to the Grantor's children in equal shares. If a child does not survive the Grantor, such deceased child's share shall be distributed in equal shares to the children of such deceased child who survive the Grantor, by right of representation. If a child does not survive the Grantor and has no children who survive the Grantor, such deceased child's share shall be distributed in equal shares to the Grantor's other children, if any, or to their respective children by right of representation. If no child of the Grantor survives the Grantor, and if none of the Grantor's deceased children are survived by children, the residuary assets of this Trust shall be distributed to the heirs-at-law of the Grantor, their identities and respective shares to be determined under the laws of the State of Washington, then in effect, relating to the succession of separate property that is not attributable to a predeceased spouse, as if the Grantor had died intestate at the time fixed for distribution under this provision.

**VI. TRUSTEE POWERS.** The Trustee, in addition to other powers and authority granted by law or necessary or appropriate for proper administration of the Trust, shall have the following rights, powers, and authority without order of court and without notice to anyone:

*A. Receive Assets.* To receive, hold, maintain, administer, collect, invest and re-invest the trust assets, and collect and apply the income, profits, and principal of the Trust in accordance with the terms of this instrument.

*B. Receive Additional Assets.* To receive additional assets from other sources, including assets received under the Will of the Grantor or any other person.

*C. Standard of Care.* To acquire, invest, reinvest, exchange, retain, sell, and manage estate and trust assets, exercising the judgment and care, under the circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of that standard, the Trustee is authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment, specifically including, but not by way of limitation, bonds, debentures and other corporate obligations, and stocks, preferred or common, that persons of prudence, discretion and intelligence acquire or retain for their own account, even though not otherwise a legal investment for trust funds

under the laws and statutes of the United States or the state under which this instrument is administered.

*D. Retain Assets.* To retain any asset, including uninvested cash or original investments, regardless of whether it is of the kind authorized by this instrument for investment and whether it leaves a disproportionately large part of the estate or trust invested in one type of property, for as long as the Trustee deems advisable.

*E. Dispose of or Encumber Assets.* To sell, option, mortgage, pledge, lease or convey real or personal property, publicly or privately, upon such terms and conditions as may appear to be proper, and to execute all instruments necessary to effect such authority.

*F. Settle Claims.* To compromise, settle, or abandon claims in favor of or against the Trust.

*G. Manage Property.* To manage real estate and personal property, borrow money, exercise options, buy insurance, and register securities as may appear to be proper.

*H. Allocate Between Principal and Income.* To make allocations of charges and credits as between principal and income as in the sole discretion of the Trustee may appear to be proper.

*I. Employ Professional Assistance.* To employ and compensate counsel and other persons deemed necessary for proper administration and to delegate authority when such delegation is advantageous to the trust.

*J. Distribute Property.* To make division or distribution in money or kind, or partly in either including disproportionate in-kind distributions, at values to be determined by the Trustee, and the Trustee's judgment shall be binding upon all interested parties.

*K. Enter Contracts.* To bind the Trust by contracts or agreements without assuming individual liability for such contracts.

*L. Exercise Stock Ownership Rights.* To vote, execute proxies to vote, join in or oppose any plans for reorganization, and exercise any other rights incident to the ownership of any stocks, bonds or other properties of the Trust.

*M. Duration of Powers.* To continue to exercise the powers provided in this Agreement after the termination of the Trust until all the assets of the Trust have been distributed.

*N. Hold Trust Assets as a Single Fund.* To hold the assets of the Trust, shares, or portions of the Trust created by this instrument as a single fund for joint investment and management, without the need for physical segregation, dividing the income

proportionately among them. Segregation of the various trust shares need only be made on the books of the Trustee for accounting purposes.

*O. Loans to Beneficiaries.* To make loans to any trust beneficiary for the purpose of providing the beneficiary with the funds necessary to take advantage of exceptional business opportunities or to provide for the needs of the beneficiaries and their families.

*P. Methods of Distribution.* To make payments to or for the benefit of any beneficiary (specifically including any beneficiary under any legal disability) in any of the following ways: (a) directly to the beneficiary, (b) directly for the maintenance, welfare and education of the beneficiary, (c) to the legal or natural guardian of the beneficiary, or, (d) to anyone who at the time shall have custody and care of the person of the beneficiary. The Trustee shall not be obliged to see to the application of the funds so paid, but the receipt of the person to whom the funds were paid shall be full acquittance of the Trustee.

**VII. ADDITIONAL TRUSTEE PROVISIONS.** These additional provisions shall apply regarding the Trustee.

*A. Grantor as Trustee.* If at any time the Grantor is the Trustee, the Grantor may appoint a successor Trustee, to become effective immediately or upon any stated contingency, by making such designation in writing. Such designee shall become the successor Trustee upon acceptance of the terms and conditions of this Agreement.

*B. Successor Trustee.* If at any time a Trustee cannot serve because of the Trustee's disability (as previously defined), death, or other reason, Alex John Smolak, of Seattle, Washington, is designated as the successor Trustee. If such designee is unable to serve for any reason, Katrina Joanne Smolak, of Stevenson, Washington, is designated as the alternate successor Trustee. Such designee shall become the successor Trustee upon acceptance of the terms and conditions of this Agreement.

*C. Resignation of Trustee.* Any Trustee may resign by giving written notice to the beneficiaries to whom income could then be distributed. Such resignation shall take effect on such date specified in the notice, but not earlier than thirty (30) days after the date of delivery of such written resignation unless an earlier effective date shall be agreed to by the income beneficiaries.

*D. Adult Beneficiary Rights.* If the Trustee resigns or for any reason ceases to serve as Trustee, and if the successor Trustee(s) designated by the Grantor, if any, fail or cease to serve as Trustee, then the adult beneficiaries to whom income could then be distributed, together with the adult beneficiaries to whom principal would be distributed if the Trust were then to terminate, may by majority action in writing appoint a successor Trustee. If agreement of a majority of the beneficiaries cannot be obtained within sixty (60) days, a successor Trustee shall be appointed by the



court having general jurisdiction of the Trust. Any successor Trustee appointed shall have all the rights conferred upon the original Trustee and shall be bound by the provisions of this Trust.

*E. Accounting.* The Trustee shall provide an accounting to the Beneficiary (or beneficiaries) on at least a(n) annual basis. If a beneficiary has a "disability", the Trustee shall provide the accounting to a guardian or conservator, if any.

*F. Bond.* No bond shall be required of any Trustee.

**VIII. RIGHT TO DIRECT INVESTMENTS.** At any time that the Trust has investments, and provided that the Grantor does not have a "disability", the Grantor may direct any Trustee to purchase, sell, or retain any trust investment.

**IX. REVOCATION OR AMENDMENT.** During the Grantor's lifetime, the Grantor may revoke at any time, and/or the Grantor may amend, this Agreement by delivering to the Trustee an appropriate written revocation or amendment, signed by the Grantor. If the Trustee consents, the powers of revocation, but not the power of amendment, may be exercised by a duly appointed and acting attorney-in-fact for the Grantor for the purpose of withdrawing assets from the Trust.

**X. GOVERNING LAW.** This Agreement shall be construed in accordance with the laws of the State of Washington.

**XI. PERPETUITIES SAVINGS CLAUSE.** Despite any other provision of this Agreement to the contrary, the trust created by this Agreement shall terminate no later than 21 years after the death of the last surviving beneficiary of this Agreement who is living at the time of the death of the Grantor.

**XII. SEVERABILITY.** If any portion of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**XIII. MISCELLANEOUS PROVISIONS.**

*A. Paragraph Titles and Gender.* The titles given to the paragraphs of this Trust are inserted for reference purposes only and are not to be considered as forming a part of this Trust in interpreting its provisions. All words used in this Trust in any gender shall extend to and include all genders, and any singular words shall include the plural expression, and vice versa, specifically including "child" and "children", when the context or facts so require, and any pronouns shall be taken to refer to the person or persons intended regardless of gender or number.

*B. Liability of Fiduciary.* No fiduciary who is a natural person shall, in the absence

of fraudulent conduct or bad faith, be liable individually to any beneficiary of the Grantor's estate or any trust estate, and the Grantor's estate or the trust estate shall indemnify such natural person from any and all claims or expenses in connection with or arising out of that fiduciary's good faith actions or nonactions of the fiduciary, except for such actions or nonactions which constitute fraudulent conduct or bad faith.

C. *Spouse.* The Grantor is not currently married to anyone.

D. *Children.* The names of the Grantor's children are:

Alex John Smolak  
Katrina Joanne Smolak

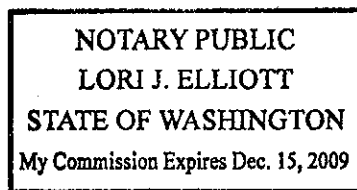
All references in this Trust to "the Grantor's child" or "the Grantor's children" include the above child or children.

  
Signature: Halina Smolak, Grantor

  
Signature: Halina Smolak, Trustee

STATE OF WASHINGTON  
COUNTY OF Skamania

On this 11 day of April, 192006, before me personally appeared Halina Smolak, to me known to be the person described in and who executed the foregoing instrument as Grantor, and acknowledged that he/she executed the same as his/her free act and deed.



Lori J. Elliott  
Notary Public

Customer Service Rep. (Notary)  
Title (and Rank)  
My commission expires December 15, 2009

Notary Address: 228 SW 2nd St.  
Stevenson WA 98648  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF WASHINGTON  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared Halina Smolak, to me known to be the person described in and who executed the foregoing instrument as Trustee, and acknowledged that he/she executed the same as his/her free act and deed.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Title (and Rank)  
My commission expires \_\_\_\_\_

Notary Address: \_\_\_\_\_  
\_\_\_\_\_