

WHEN RECORDED RETURN TO:

Raymond E Hancock/Joene F. Hancock

30019 NE Stauffer Rd

Camas WA

98607

DOCUMENT TITLE(S)

Deed of Trust (see ex.)

REFERENCE NUMBER(S) of Documents assigned or released:

NA

☐

Additional numbers on page

of document.

GRANTOR(S):

Archie M. Rodgers

Anita C. Rodgers

☐

Additional names on page

of document.

GRANTEE(S):

Raymond E Hancock

Joene F. Hancock

☐

Additional names on page

of document.

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

Lot 1 Archie Rodgers SP BK 3/76201

☒

Complete legal on page

34

of document.

TAX PARCEL NUMBER(S):

01050610020000

☐

Additional parcel numbers on page

of document.

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

COPY

When Recorded Return to:

ALICIA L. LOWE
SCHWABE, WILLIAMSON & WYATT
700 Washington Street, Suite 701
Vancouver, WA 98660

Document Title(s)

Deed of Trust and Security Agreement

Grantor(s) 1. ARCHIE M. RODGERS, a married man 2. ANITA C. RODGERS, a married woman
Grantee(s) 1. RAYMOND E. HANCOCK and JOENE F. HANCOCK, husband and wife 2. RAYMOND E. HANCOCK and JOENE F. HANCOCK, husband and wife
Legal Description LOT 1 ARCHIE RODGERS SP BK 3/PG 201 The full legal description is included on <u>Schedule 3.4</u> of the document.
Assessor's Property Tax Parcel or Account Number 01050610020000
Reference Numbers of Documents Assigned or Released N/A

**DEED OF TRUST
AND SECURITY AGREEMENT**

This Deed of Trust and Security Agreement ("**Deed of Trust**") is made by ARCHIE M. RODGERS, a married man, and ANITA C. RODGERS, a married woman (collectively, "**Grantors**") in favor of COLUMBIA GORGE TITLE ("**Trustees**") for the benefit of RAYMOND E. HANCOCK and JOENE F. HANCOCK, husband and wife ("**Beneficiaries**").

SECTION 1. DEFINITIONS

- 1.1 Capitalized Terms.** Unless defined elsewhere in this Deed of Trust, capitalized terms used in this Deed of Trust will have the meanings ascribed to them in the attached Appendix A.
- 1.2 Chapter 61.24 RCW.** Unless the context clearly indicates otherwise, terms used in this Deed of Trust that are defined in Chapter 61.24 RCW will have the meanings ascribed to them in Chapter 61.24 RCW.
- 1.3 UCC Terms.** Unless the context clearly indicates otherwise, terms used in this Deed of Trust that are defined in the Uniform Commercial Code will have the meanings ascribed to them in the Uniform Commercial Code.

SECTION 2. DEED OF TRUST

- 2.1 Transfer.** As security for the full and prompt payment and performance of the Obligations, each Grantor conveys to Trustees in trust for the benefit of Beneficiaries, with power of sale, all of the Grantors' right, title, and interest in and to the Real Property, subject to the provisions of this Deed of Trust.
- 2.2 Recording and Perfection.**
 - (a) Beneficiaries may record this Deed of Trust in the office of the recording officer of Skamania County, Washington.
 - (b) Upon Trustees' or Beneficiaries' request, Grantors will take any actions that Trustees or Beneficiaries deems reasonably necessary to perfect and continue Trustees' and Beneficiaries' rights under this Deed of Trust.
 - (c) Grantors will pay all of the fees, costs, and expenses of recording this Deed of Trust and any other document that Trustees or Beneficiaries deem reasonably necessary to perfect and continue Trustees' and Beneficiaries' rights under this Deed of Trust.

- 2.3 Reconveyance by Trustees.** Trustees must reconvey the Real Property to the person entitled to the Real Property on written request of Beneficiaries, or upon satisfaction of the Obligations and written request for reconveyance made by Beneficiaries or the person entitled to the Real Property.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF GRANTORS

Grantors jointly and severally represent and warrant to Beneficiaries as follows:

- 3.1 Authority.** Grantors have full power and authority to sign and deliver this Deed of Trust and to perform all of their obligations under this Deed of Trust.
- 3.2 Binding Obligation.** This Deed of Trust is the legal, valid, and binding obligation of Grantors, enforceable against Grantors in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.
- 3.3 No Conflicts.** The signing and delivery of this Deed of Trust by Grantors and the performance by Grantors of all of their obligations under this Deed of Trust will not:
- (a) breach any agreement to which any Grantor is a party, or give any person the right to accelerate any obligation of any Grantor;
 - (b) violate any law, judgment, or order to which any Grantor is subject; or
 - (c) require the consent, authorization, or approval of any person, including but not limited to any governmental body.
- 3.4 Real Property.** Schedule 3.4 contains a correct legal description of the Real Property and the tax parcel identification number of the Real Property.
- 3.5 Title to Real Property.** Grantors have good title to the Real Property, free from all Encumbrances except Permitted Encumbrances.
- 3.6 No Agricultural Purposes.** The Real Property is not used principally for agricultural purposes.
- 3.7 Nonforeign Person.** No Grantor is a "foreign person" for purposes of Section 1445 of the Internal Revenue Code.

SECTION 4. COVENANTS OF GRANTORS

Grantors jointly and severally covenant to Beneficiaries that Grantors will perform the following obligations and observe the following conditions until the Obligations are fully paid and performed:

- 4.1 Obligations.** Grantors will fully and promptly pay and perform the Obligations when due.

- 4.2 Ownership of Real Property.** Grantors will keep the Real Property free from all Encumbrances except Permitted Encumbrances. Grantors will defend Trustees' and Beneficiaries' rights under this Deed of Trust against the adverse claim of any person.
- 4.3 Restriction on Transfer.** No Grantor will Transfer the Real Property or any interest in the Real Property.
- 4.4 Condition of Real Property.** Grantors will keep the Real Property in good repair and condition, reasonable wear and tear excepted, and will not commit or permit any waste of the Real Property. No Grantor will remove, demolish, or materially alter any improvement on the Real Property, except in connection with the replacement of an improvement with an improvement of equal or greater value.
- 4.5 Use of Real Property.** No Grantor will initiate, support, or consent to any rezoning of the Real Property or any change in any public or private covenant, condition, or restriction relating to the use of the Real Property. Grantors will not use the Real Property principally for agricultural purposes.
- 4.6 Names of Grantors.** No Grantor will change the Grantor's legal name.
- 4.7 Notification.** Grantors will promptly notify Beneficiaries if any of the following occurs:
- (a) any material loss or damage with respect to the Real Property with a value over \$1,000.00, whether or not the loss or damage is covered by insurance;
 - (b) any material adverse change in the financial condition of any Grantor; or
 - (c) an Event of Default.
- 4.8 Inspection.** Upon Beneficiaries' request, Grantors will permit Beneficiaries to inspect the Real Property.
- 4.9 Compliance With Laws.** Each Grantor will comply with all applicable laws relating to the ownership or use of the Real Property.
- 4.10 Environmental.**
- (a) Each Grantor will comply with all applicable Environmental Laws relating to the Real Property.
 - (b) Each Grantor will comply with the terms and conditions of each judgment and order relating to any Environmental Law relating to the Real Property to which the Grantor is subject.
 - (c) No Grantor will cause or permit any Hazardous Substance to be present on or to be spilled, discharged, or otherwise released on or into the Real Property.

- (d) Each Grantor will fully and promptly pay and perform all of the Grantor's obligations arising out of any Environmental Law relating to the Real Property.
- (e) Each Grantor will comply with the terms and conditions of any contract, settlement agreement, or other similar arrangement that requires or may require the Grantor to have any liability or obligation of any kind arising out of any Environmental Law relating to the Real Property.

4.11 Insurance. Grantors will:

- (a) maintain insurance policies that provide coverage for the Real Property as of the date of this Deed of Trust; or
- (b) obtain and maintain replacement insurance policies that provide equivalent or greater coverage for the Real Property, in form and substance reasonably satisfactory to Beneficiaries.

SECTION 5. CONDEMNATION

Grantors will perform the following obligations and observe the following conditions until the Obligations are fully paid and performed:

5.1 Notice. Grantors will promptly notify Beneficiaries if all or any portion of the Real Property is condemned or threatened with condemnation. The notice will include a copy of all correspondence relating to the condemnation or the threat that any Grantor received from any third party.

5.2 Proceeding.

- (a) Beneficiaries may elect to control the condemnation matter described in Grantors' notice by notifying Grantors within 20 days after the delivery of Grantors' notice.
- (b) If Beneficiaries elects to control the condemnation matter within the 20-day period after the delivery of Grantors' notice:
 - (1) Beneficiaries may institute a condemnation proceeding, in which case:
 - (A) Beneficiaries must diligently prosecute the proceeding, with counsel reasonably satisfactory to Grantors; and
 - (B) Grantors may participate in the prosecution of the proceeding, at Grantors' own cost and expense; and
 - (2) Beneficiaries may settle the matter with the consent of Grantors, which Grantors may not withhold unreasonably.

- (c) If Beneficiaries does not elect to control the condemnation matter within the 20-day period after the delivery of Grantors' notice:
 - (1) Grantors may institute a condemnation proceeding, in which case:
 - (A) Grantors will diligently prosecute the proceeding, with counsel reasonably satisfactory to Beneficiaries; and
 - (B) Beneficiaries may participate in the prosecution of the proceeding, at Beneficiaries' own cost and expense; and
 - (2) Grantors may settle the matter with the consent of Beneficiaries, which Beneficiaries may not withhold unreasonably.
- (d) In any condemnation proceeding that is subject to the provisions in this Section 5.2, Grantors will and Beneficiaries must:
 - (1) keep each other fully informed of the status of the proceeding;
 - (2) cooperate with each other with respect to the prosecution of the proceeding; and
 - (3) attempt to preserve in full any attorney-client and work-product privileges and the confidentiality of any confidential information.

5.3 Assignment of Compensation. Each Grantor assigns and transfers to Beneficiaries all of the Grantor's rights to receive compensation as a result of any condemnation of all or any portion of the Real Property.

5.4 Application of Compensation. If all or any portion of the Real Property is condemned, and if Beneficiaries receives any compensation as a result of the condemnation:

- (a) Beneficiaries may hold the compensation as additional security for the full and prompt payment and performance of the Obligations, subject to the provisions of this Section 5.4; and
- (b) Beneficiaries may, in Beneficiaries' sole discretion, apply the compensation:
 - (1) to the Obligations, whether or not the Obligations are then due; or
 - (2) to the cost and expense of restoring or improving the remaining portion of the Real Property, if any, subject to any conditions that Beneficiaries deems reasonably necessary to ensure that the remaining portion of the Real Property is properly restored or improved, including but not limited to holding the proceeds until the restoration or improvement is complete.

SECTION 6. DEFAULTS AND REMEDIES

6.1 Events of Default. Each of the following events is an Event of Default:

- (a) Grantors fail to make any payment Obligation within 90 days after the due date of the payment;
- (b) Grantors fail to perform any non-payment Obligation within 20 days after Beneficiaries notifies Grantors of the failure to perform the Obligation when due;
- (c) any representation or warranty made by Grantors in this Deed of Trust is found to have been untrue or misleading in any material respect as of the date of this Deed of Trust;
- (d) an Encumbrance other than a Permitted Encumbrance attaches to the Real Property;
- (e) any Transfer of the Real Property or any interest in the Real Property to any person other than Trustees or Beneficiaries, unless the Transfer is expressly permitted by this Deed of Trust;
- (f) any material loss or damage with respect to the Real Property occurs that is not covered by insurance;
- (g) any material portion of the Real Property is condemned;
- (h) any Grantor fails to pay, becomes insolvent or unable to pay, or admits in writing an inability to pay the Grantor's debts as they become due, or makes a general assignment for the benefit of creditors;
- (i) a proceeding with respect to any Grantor is commenced under any applicable law for the benefit of creditors, including but not limited to any bankruptcy or insolvency law, or an order for the appointment of a receiver, liquidator, trustee, custodian, or other officer having similar powers over any Grantor or the Real Property is entered;
- (j) an event of default occurs under:
 - (1) any agreement evidencing, guaranteeing, or securing the payment or performance of any of the Obligations; or
 - (2) any agreement securing the payment or performance of any of the obligations of any guarantor of the Obligations;

6.2 Remedies. On and after an Event of Default, Beneficiaries may exercise the following remedies, which are cumulative and which may be exercised singularly or concurrently:

- (a) unless prohibited by law, upon notice to Grantors, the right to accelerate the due dates of the Obligations so that the Obligations are immediately due, payable, and performable in their entirety;
- (b) upon notice to Grantors, the right to take possession, control, and charge of the Real Property;
- (c) the right to commence an action to appoint a receiver to take charge of the Real Property;
- (d) the right to commence an action to obtain a temporary restraining order;
- (e) upon notice to Grantors, the right to pay and perform any of the Obligations;
- (f) any remedy available to Beneficiaries under any agreement evidencing, guaranteeing, or securing the payment or performance of any of the Obligations or any of the obligations of any guarantor of the Obligations;
- (g) any remedy available to Beneficiaries under Chapter 61.24 RCW, including but not limited to the foreclosure of this Deed of Trust by trustee's sale;
- (h) the right to foreclose this Deed of Trust in the same manner as a real property mortgage;
- (i) any remedy available to Beneficiaries under the Uniform Commercial Code; and
- (j) any other remedy available to Beneficiaries at law or in equity.

6.3 Additional Rights and Obligations. After an Event of Default, upon Beneficiaries' request, Grantors will otherwise assist Beneficiaries in exercising any remedy available to Beneficiaries under this Deed of Trust.

6.4 Possession and Protection of Real Property.

- (a) If Beneficiaries or a receiver takes possession, control, or charge of the Real Property after an Event of Default, Grantors will peacefully relinquish possession of the Real Property upon Beneficiaries' or the receiver's request.
- (b) After taking possession, control, or charge of the Real Property, Beneficiaries or the receiver may:
 - (1) manage the Real Property;
 - (2) grant leases of all or any portion of the Real Property;
 - (3) subdivide, develop, make or obtain the vacation of public plats, adjust boundaries, or partition the Real Property;

- (4) borrow money, secured or unsecured, for the protection of the Real Property, and for all expenses, losses, and liability sustained in the protection of the Real Property;
 - (5) make loans, either secured or unsecured, for the protection of the Real Property, and for all expenses, losses, and liability sustained in the protection of the Real Property;
 - (6) insure the Real Property against hazards;
 - (7) change the character of or abandon the Real Property or any interest in it;
 - (8) make ordinary or extraordinary repairs or alterations to the Real Property, demolish any improvements, raze existing structures, and make any improvements to the Real Property;
 - (9) employ persons to advise or assist Beneficiaries or the receiver in the protection of the Real Property, and act without independent investigation upon their recommendations;
 - (10) pay taxes, assessments, and other expenses incurred in the protection of the Real Property;
 - (11) prosecute, defend, pay, contest, or settle any action, claim, or proceeding relating to the Real Property; and
 - (12) take any other actions that Trustees or the receiver deem reasonably necessary to protect the Real Property.
- (c) Any payments made or indebtedness incurred by Beneficiaries or the receiver in connection with protecting the Real Property will be added to the Obligations, and will bear interest at the same rate as specified in the Promissory Note dated July 24, 2013 in the principal amount of \$12,000.00 made by Grantors in favor of Beneficiaries.
- (d) If Beneficiaries or the receiver receives any rent or other payments after taking possession, control, or charge of the Real Property:
- (1) Beneficiaries may hold the payments as additional security for the full and prompt payment and performance of the Obligations, subject to the provisions of this Section 6.4(d); and
 - (2) Beneficiaries may, in Beneficiaries' sole discretion, apply the payments:
 - (A) to the Obligations, whether or not the Obligations are then due; or
 - (B) to the cost and expense of protecting the Real Property.

6.5 Sale of Real Property. After an Event of Default, Trustees or Trustees' authorized agent may sell the Real Property at public auction to the highest bidder. Trustees may sell the Real Property in gross or in parcels. Trustees may not bid at the trustees' sale. Another person, including Beneficiaries, may bid at the trustee's sale.

6.6 Proceeds of Sale of Real Property. After an Event of Default and a sale of one or more parcels of the Real Property by Trustees, Trustees must apply the proceeds of the sale as follows:

- (a) to the expenses of the sale, including the compensation of Trustees, and a reasonable charge by the attorney for Trustees;
- (b) to the Obligations;
- (c) to all persons having recorded liens subsequent to the interest of Trustees in this Deed of Trust as their interests may appear in the order of their priority; and
- (d) the surplus, if any, to Grantors or to the successor in interest of any Grantor entitled to such surplus.

6.7 No Obligation to Pay or Perform. Beneficiaries have no obligation to pay or perform any Obligation.

SECTION 7. RELEASE, INDEMNIFICATION, AND WAIVERS

7.1 Release and Indemnification. Grantors release and will jointly and severally defend and indemnify Trustees and Beneficiaries for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorney's fees, resulting from or arising out of:

- (a) any action that Trustees or Beneficiaries take to perfect or continue Trustees' and Beneficiaries' rights under this Deed of Trust;
- (b) any action that Beneficiaries take to perfect or continue Beneficiaries' security interest in the Personal Property; or
- (c) the exercise of any remedy available to Beneficiaries under this Deed of Trust, without regard to cause or the negligence of Trustees, Beneficiaries, or any other person.

7.2 Waiver by Grantors. Grantors waive demand, presentment for payment, notice of dishonor or nonpayment, protest, notice of protest, and lack of diligence in collection, and agrees that Beneficiaries may amend any agreement evidencing, guaranteeing, or securing any of the Obligations or extend or postpone the due dates of the Obligations without affecting Grantors' liability.

- 7.3 No Waiver by Beneficiaries.** No waiver will be binding on Beneficiaries unless it is in writing and signed by Beneficiaries. Beneficiaries' waiver of a breach of a provision of this Deed of Trust or any agreement evidencing, guaranteeing, or securing any of the Obligations will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision. Beneficiaries' failure to exercise any remedy under this Deed of Trust or any agreement evidencing, guaranteeing, or securing any of the Obligations will not be considered a waiver by Beneficiaries of Beneficiaries' right to exercise the remedy.

SECTION 8. SUCCESSOR TRUSTEES

Trustee may resign at Trustee's own election or be replaced by Beneficiaries. Trustee must give prompt written notice of Trustee's resignation to Beneficiaries. The resignation of Trustee will become effective upon the recording of the notice of resignation in Skamania County, Washington. Upon the resignation, incapacity, disability, absence, or death of Trustees, or the election of Beneficiaries to replace Trustees, Beneficiaries must appoint a successor Trustee. Upon recording the appointment of a successor Trustees in Skamania County, Washington, the successor Trustee will be vested with all the powers of the original Trustee.

SECTION 9. NONFOREIGN AFFIDAVIT

Contemporaneously with the signing and delivery of this Deed of Trust, each Grantor will deliver to Beneficiaries a nonforeign affidavit signed by the Grantor for purposes of Section 1445 of the Internal Revenue Code, in form and substance reasonably satisfactory to Beneficiaries.

SECTION 10. GENERAL

- 10.1 Time of Essence.** Time is of the essence with respect to all dates and time periods in this Deed of Trust.
- 10.2 No Assignment.** No Grantor may assign or delegate any of the Grantor's rights or obligations under this Deed of Trust to any person without the prior written consent of Beneficiaries, which Beneficiaries may withhold in Beneficiaries' sole discretion.
- 10.3 Binding Effect.** This Deed of Trust will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.
- 10.4 Amendment.** This Deed of Trust may be amended only by a written document signed by the party against whom enforcement is sought.
- 10.5 Notices.** All notices or other communications required or permitted by this Deed of Trust:
- (a) must be in writing;

- (b) must be delivered to the parties at the addresses set forth below, or any other address that a party may designate by notice to the other parties; and
- (c) are considered delivered:
 - (1) upon actual receipt if delivered personally, by fax, or by a nationally recognized overnight delivery service; or
 - (2) at the end of the third business day after the date of deposit in the United States mail, postage pre-paid, certified, return receipt requested.

To Grantors:

Archie M. Rodgers
62 Dolan Road
Washougal, WA 98671

Anita C. Rodgers
62 Dolan Road
Washougal, WA 98671

To Trustees:

Columbia Gorge Title
41 Russell Avenue
Stevenson, WA 98648

To Beneficiaries:

Raymond E. Hancock
30019 NE Stauffer Road
Camas, WA 98607

Joene F. Hancock
30019 NE Stauffer Road
Camas, WA 98607

- 10.6 Severability.** If a provision of this Deed of Trust is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Deed of Trust will not be impaired.
- 10.7 Further Assurances.** The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Deed of Trust.
- 10.8 Attachments.** Any exhibits, schedules, and other attachments referenced in this Deed of Trust are part of this Deed of Trust.
- 10.9 Remedies.** The parties will have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

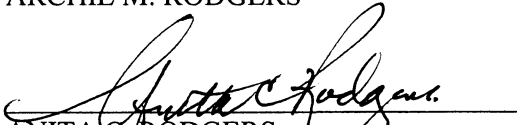
- 10.10 Governing Law.** This Deed of Trust is governed by the laws of the State of Washington, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Deed of Trust.
- 10.11 Venue.** Any action or proceeding arising out of this Deed of Trust will be litigated in courts located in Clark County, Washington. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Clark County, Washington.
- 10.12 Attorney's Fees.** If any arbitration or litigation is instituted to interpret, enforce, or rescind this Deed of Trust, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.
- 10.13 Entire Agreement.** This Deed of Trust contains the entire understanding of the parties regarding the subject matter of this Deed of Trust and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Deed of Trust.

[signature page to follow]

Dated effective: July 24, 2013.

Grantors:

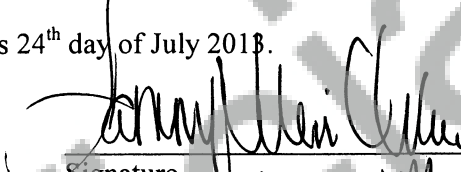

ARCHIE M. RODGERS


ANITA C. RODGERS

STATE OF WASHINGTON)
) ss.
County of Clark)

On this day personally appeared before me ARCHIE M. RODGERS, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he signed the same as his voluntary act and deed, for the uses and purposes therein mentioned.

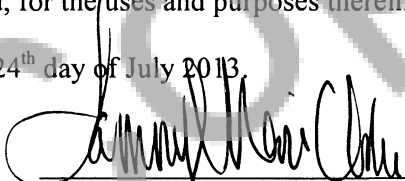
GIVEN under my hand and official seal this 24th day of July 2013.


Signature Tammy Marie Clarke
Printed Name: _____
NOTARY PUBLIC in and for the _____
State of Washington residing at Canas
My Commission Expires: 10/26/2015

STATE OF WASHINGTON)
) ss.
County of Clark)

On this day personally appeared before me ANITA C. RODGERS, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that she signed the same as her voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 24th day of July 2013.


Signature Tammy Marie Clarke
Printed Name: _____
NOTARY PUBLIC in and for the _____
State of Washington residing at Canas
My Commission Expires: 10/26/2015

APPENDIX A

Definitions

“Encumbrance” means any lien, mortgage, pledge, security interest, or other encumbrance.

“Environmental Law” means any law designed to minimize, prevent, punish, or remedy the consequences of actions that damage or threaten the environment or public health and safety.

“Event of Default” means any event specified in Section 6.1.

“Hazardous Substance” means any hazardous or toxic substance, material, or waste, including but not limited to:

- (a) any hazardous or toxic substance, material, or waste that is defined as such under any Environmental Law; and
- (b) petroleum, petroleum products, asbestos, presumed asbestos-contaminating materials, asbestos-contaminating materials, urea formaldehyde, and polychlorinated biphenyls.

“Knowledge” means, with respect to Grantors, the actual knowledge of any Grantor, and any knowledge that any Grantor would have obtained if each Grantor had conducted a reasonably comprehensive investigation of the relevant matter.

“Obligations” means all present and future obligations of any kind owed by Grantors to Beneficiaries, including but not limited to all of Grantors’ obligations arising out of:

- (a) the Promissory Note dated July 24, 2013 in the principal amount of \$12,000.00 made by Grantors in favor of Beneficiaries;
- (b) this Deed of Trust.

“Permitted Encumbrances” means:

- (a) Encumbrances in favor of Trustees or Beneficiaries;
- (b) Encumbrances arising by operation of law for taxes, assessments, or government charges not yet due; and
- (c) statutory Encumbrances for services or materials for which payment is not yet due.

“Real Property” means the real property located at 62 Dolan Road, Washougal, Washington 98671, Skamania County, Washington, as more particularly described on Schedule 3.4, together with all fixtures and improvements.

“Transfer” means:

- (a) any transfer other than a Permitted Encumbrance, including but not limited to any sale, exchange, gift, other encumbrance, foreclosure of an encumbrance, or attachment, regardless of whether the transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence;
- (b) any exercise of a right to partition the Real Property; and
- (c) any contract involving the ownership or use of the Real Property.

SCHEDULE 3.4

Real Property - Legal Description

Beginning at a point marked by an iron pipe which was formerly the centerline of a 30 foot road, said pipe being 198.4 feet South and 159 feet West of the section corner common to Sections 31 and 32, Township 2 North, Range 5 East of the Willamette Meridian, and Sections 5 and 6, Township 1 North, Range 5 East of the Willamette Meridian; thence South 2°00' East 351.9 feet to an iron pipe on the riverbank; thence following the meanderings of the Washougal River downstream North 31°22'00" West 344.0 feet; thence North 42°00'05" West 192.0 feet to a point; thence North 51°25'00" West 33.91 feet; thence North 36°45'00" East 299.79 feet; thence South 5°17'00" East 173.56 feet to an iron pipe; thence South 34°39'40" East 216.28 feet to the point of beginning.

COPY

PROMISSORY NOTE

\$12,000.00

July 24, 2013
Vancouver, Washington

ARCHIE M. RODGERS and ANITA C. RODGERS, husband and wife, (the "Makers") promise to pay to the Order of RAYMOND E. HANCOCK and JOENE F. HANCOCK, husband and wife, (the "Holder") the principal sum of TWELVE THOUSAND AND NO/100 DOLLARS (\$12,000.00), together with interest on that amount, upon the agreements, terms, and conditions provided in this Promissory Note (the "Note"):

1. Definitions.

(a) Cure Period. The term "Cure Period" means a period of ten (10) days from the time the Maker receives notice of a Default.

(b) Default. The term "Default" means any of the following events:

(i) the Maker at any time fails to pay, when due, any sum owing on this Note; or

(ii) the Maker breaches or fails to perform any obligation under this Note or any other agreement between the Maker and the Holder; or

(iii) the Maker files or is served with any petition for relief under the 11 U.S.C. § 1 *et seq.* or any similar federal or state statute, or a proceeding is instituted against the Maker seeking a readjustment of the Maker's indebtedness; or

(iv) the Maker assigns any of its assets for the benefit of its creditors; or

(v) an action is commenced to appoint, or the Maker consents to the appointment of a receiver or trustee for all or any part of the Maker's property; or

(vi) the Maker admits, in writing, its inability to pay its debts as they become due; or

(vii) the Maker becomes insolvent; or

(viii) a court of competent jurisdiction enters an order approving a petition seeking a reorganization of the Maker or appointing a receiver, trustee, or other similar official of substantially all of Maker's assets.

(c) Default Rate. The term "Default Rate" means the rate of interest otherwise payable on this Note plus two percent (2%).

2. Interest. All sums owing on this Note shall bear interest from the date of this Note until paid, at a fixed rate of ten percent (10%) per annum. Should the Maker default on any of the obligations specified in this Note, all sums owing on the Note shall bear interest at the Default Rate.

3. Payment. On or before the death of the survivor of ARCHIE M. RODGERS and ANITA C. RODGERS, the Maker shall pay all unpaid principal and interest remaining due on the Note, and shall pay any and all costs, expenses, and other charges due and payable on this Note. All payments shall be made in the lawful currency of the United State of America. All payments shall be made to the

Holder at 30019 NE Stauffer Road, Camas, WA 98607, or at such other place as the Holder may specify in writing.

4. **Prepayment.** The Maker may prepay any amount owing on this Note without incurring any additional charge, provided that the Maker gives the Holder written notice of the amount to be prepaid at least three (3) days before the date of prepayment. Notwithstanding any prepayment, the Maker shall continue to make all succeeding installments or other payments as they become due, until this Note is completely paid.

5. **Late Payment Charge.** If any installment of principal or interest shall not be paid within five (5) days after the date it become due, the Maker shall pay a late charge equal to twelve percent (12 %) of the delinquent installment. The late charge shall be in addition to, and not in lieu of, any other rights or remedies the Holder may have by virtue of any breach or default.

6. **Notice of Default; Cure.** Upon a Default, the Holder shall deliver written notice of the Default to the Maker. The Maker shall have the right to cure, within the Cure Period, any Default described in Section 1(b)(i) or (ii) of this Note. The Maker may not cure a Default described in Section 1(b)(iii) through (viii) of this Note. If the Maker cures the Default within the Cure Period, the Maker shall nonetheless remain liable for any late charge properly assessed pursuant to Section 5 of this Note. If the Maker fails to cure a Default within the Cure Period, or is prohibited from curing the Default, the Holder may accelerate all amounts owing on the Note. Such accelerated amounts shall become immediately due and payable. If the Holder accelerates the amounts due under this Note, the Holder shall have the right to pursue any or all of the remedies provided in this Note, including, but not limited to, the right to bring suit on the Note.

7. **Remedies.** Upon a Default and expiration of any applicable Cure Period, the Holder shall have all rights available to it at law or in equity, including all rights available under the Washington Uniform Commercial Code. Any unpaid balance outstanding at the time of a Default, and any costs or other expenses incurred by the Holder in realizing on this Note, shall bear interest at the Default Rate. All rights and remedies granted under this Note shall be deemed cumulative and not exclusive of any other right or remedy available to the Holder.

8. **Attorneys' Fees, Costs, and Other Expenses.** Maker agrees to pay all costs and expenses which the Holder may incur by reason of any Default, including, but not limited to, reasonable attorneys' fees, expenses, and costs incurred in any action undertaken with respect to this Note, or any appeal of such an action. Any judgment recovered by the Holder shall bear interest at the Default Rate.

9. **Transfer; Obligations Binding on Successors.** The Maker may not transfer any of its rights, duties, or obligations under this Note without the prior written consent of the Holder. This Note, and the duties set forth in the Note, shall bind the Maker and its successors and assigns. All rights and powers established in this Note shall benefit the Holder and its successors and assigns.

10. **Notices.** Any notice, consent, or other communication required or permitted under this Note shall be in writing and shall be deemed to have been duly given or made either (1) when delivered personally to the party to whom it is directed (or any officer or agent of such party), or (2) three days after being deposited in the United States' certified or registered mail, postage prepaid, return receipt requested, and properly addressed to the party. A communication will be deemed to be properly addressed if sent to the Maker at 62 Dolan Road, Washougal, WA 98671, or if sent to the Holder at 30019 NE Stauffer Road, Camas, WA 98607. The Maker or the Holder may at any time during the term of this Note change the address to which notices and other communications must be sent by providing written notice of a new address within the United States to the other party. Any change of address will be effective ten (10) days after notice is given.

11. Governing Law. This Note will be construed and the rights, duties, and obligations of the parties will be determined in accordance with the laws of the state of Washington.

12. Headings. Headings used in this Note have been included for convenience and ease of reference only, and will not in any manner influence the construction or interpretation of any provision of this Note.

13. Entire Agreement. This Note represents the entire understanding of the parties with respect to the subject matter of the Note. There are no other prior or contemporaneous agreements, either written or oral between the parties with respect to this subject.

14. Waiver. No right or obligation under this Note will be deemed to have been waived unless evidenced by a writing signed by the party against whom the waiver is asserted, or by its duly authorized representative. Any waiver will be effective only with respect to the specific instance involved, and will not impair or limit the right of the waiving party to insist upon strict performance of the right or obligation in any other instance, in any other respect, or at any other time.

15. Severability. The parties intend that this Note be enforced to the greatest extent permitted by applicable law. Therefore, if any provision of this Note, on its face or as applied to any person or circumstance, is or becomes unenforceable to any extent, the remainder of this Note and the application of that provision to other persons, circumstances, or extent, will not be impaired.

16. References. Except as otherwise specifically indicated, all references in this Note to numbered or lettered sections or subsections refer to sections or subsections of this Note. All references to this Note include any subsequent amendments to the Note.

17. Venue. The Maker agrees that any action on this Note must be brought in a court of appropriate jurisdiction in Clark County, Washington.

18. Maximum Interest. Notwithstanding any other provisions of this Note, any interest, fees, or charges payable by reason of the indebtedness evidenced by this Note shall not exceed the maximum permitted by law.

MAKER:


ARCHIE M. RODGERS

Date: July 24, 2013

MAKER:


ANITA C. RODGERS

Date: July 24, 2013