

WHEN RECORDED RETURN TO:
<u>JACK BACON</u>
<u>31420 SE 5TH ST</u>
<u>WASHOUGA WA 98671</u>

DOCUMENT TITLE(S)
<u>Promissory Note</u>
REFERENCE NUMBER(S) of Documents assigned or released:
<input type="checkbox"/> Additional numbers on page _____ of document.
GRANTOR(S):
<u>VICTORIA PFEIFFER</u>
<input type="checkbox"/> Additional names on page _____ of document.
GRANTEE(S):
<u>JACK BACON</u>
<input type="checkbox"/> Additional names on page _____ of document.
LEGAL DESCRIPTION (Abbreviated: i.e. Lot, Block, Plat or Section, Township, Range, Quarter):
<u>EAST HALF OF THE WEST HALF OF SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 1 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, COUNTY OF SKAMANIA, WA. STATE</u>
<input type="checkbox"/> Complete legal on page _____ of document.
TAX PARCEL NUMBER(S):
<u>01050900061500</u>
<input type="checkbox"/> 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.

PROMISSORY NOTE

\$ 116,491.00January 4, 2017
DateWashougal WA
City, StateFOR VALUE RECEIVED, Victoria Pfeiffer
142 Collins Road Washougal WA 98671
hereinafter "Maker" promises to pay to JACK BACONhereinafter "Holder" or order at 31420 SE 5TH Street Washougal WA
98671or other such place as may be designated by the Holder from time to time, the principal sum of ONE
Hundred Sixteen thousand, Four Hundred Ninety one.Dollars (\$ 116,491.00), with interest thereon from 7 day of JANUARY 2017on the unpaid principal at the rate of twopercent (2 %) per annum as follows:1. **INSTALLMENT PAYMENTS:** Maker shall pay, (check one)a. ☐ **NO INSTALLMENTS.** No installment payments are required.b. ☒ **PRINCIPAL and INTEREST INSTALLMENTS** of Nine - Hundred
Ninety - Five Dollars (\$ 995.00).c. ☐ **INTEREST ONLY PAYMENTS** on the outstanding principal balance.

(The following must be completed if "b" or "c" is checked)

The installment payments shall begin on the 7 day of JAN 2017,and shall continue on the 7 day of each succeeding: (check one)☒ calendar month ☐ third calendar month ☐ sixth calendar month ☐ twelfth calendar month☒ Other: Interest Rate of 2% may be increased 1% annually atLender's Discretion, based on Rate increases in
the Market place. Maximum of 5%.Monthly installments of 995. remain in effect as
long as H/O insurance remain at 480/yr.

2. **DUE DATE:** The entire balance of this Note together with any and all interest accrued thereon shall be due and payable in full on 7 day of 2031.
3. **DEFAULT INTEREST:** After maturity, or failure to make any payment, any unpaid principal shall accrue interest at the rate of Four percent (4 %) per annum (18% if not filled in) OR the maximum rate allowed by law, whichever is less, during such period of Maker's default under this Note.
4. **ALLOCATION OF PAYMENTS:** Each payment shall be credited first to any late charge due, second to interest, and the remainder to principal.
5. **PREPAYMENT:** Maker may prepay all or part of the balance owed under this Note at any time without penalty.
6. **CURRENCY:** All principal and interest payments shall be made in lawful money of the United States.
7. **LATE CHARGE:** If Holder receives any installment payment more than _____ days (15 days if not filled in) after its due date, then a late payment charge of \$ _____, or _____ percent (_____%) of the installment payment (5% of the installment payment if neither is filled in) shall be added to the scheduled payment.
8. **DUE ON SALE: (OPTIONAL-Not applicable unless initialed by Holder and Maker to this Note)** If this Note is secured by a Deed of Trust or any other instrument securing repayment of this Note, the property described in such security instruments may not be sold or transferred without the Holder's consent. Upon breach of this provision, Holder may declare all sums due under this Note immediately due and payable, unless prohibited by applicable law.

VP

Maker (Initials)

JB

Holder (Initials)

9. **ACCELERATION:** If Maker fails to make any payment owed under this Note, or if Maker defaults under any Deed of Trust or any other instruments securing repayment of this Note, and such default is not cured within _____ days (30 days if not filled in) after written notice of such default, then Holder may, at its option, declare all outstanding sums owed on this Note to be immediately due and payable, in addition to any other rights or remedies that Holder may have under the Deed of Trust or other instruments securing repayment of this Note.
10. **ATTORNEYS' FEES AND COSTS:** Maker shall pay all costs incurred by Holder in collecting sums due under this Note after a default, including reasonable attorneys' fees, whether or not suit is brought. If Maker or Holder sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.
11. **WAIVER OF PRESENTMENTS:** Maker waives presentment for payment, notice of dishonor, protest and notice of protest.
12. **NON-WAIVER:** No failure or delay by Holder in exercising Holder's rights under this Note shall be a waiver of such rights.

13. **SEVERABILITY:** If any clause or any other portion of this Note shall be determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other clause or portion of this Note, all of which shall remain in full force and effect.
14. **INTEGRATION:** There are no verbal or other agreements which modify or affect the terms of this Note. This Note may not be modified or amended except by written agreement signed by Maker and Holder.
15. **CONFLICTING TERMS:** In the event of any conflict between the terms of this Note and the terms of any Deed of Trust or other instruments securing payment of this Note, the terms of this Note shall prevail.
16. **EXECUTION:** Each Maker executes this Note as a principal and not as a surety. If there is more than one Maker, each such Maker shall be jointly and severally liable under this Note.
17. **COMMERCIAL PROPERTY:** (*OPTIONAL-Not applicable unless initialed by Holder and Maker to this Note*) Maker represents and warrants to Holder that the sums represented by this Note are being used for business, investment or commercial purposes, and not for personal, family or household purposes.

Maker (Initials)

Holder (Initials)

ORAL AGREEMENTS: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, OR TO FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

18. **DEFINITIONS:** The word Maker shall be construed interchangeably with the words Borrower or Payer and the word Holder shall be construed interchangeably with the words Lender or Payee. In this Note, singular and plural words shall be construed interchangeably as may be appropriate in the context and circumstances to which such words apply.

19. **ADDITIONAL TERMS AND CONDITIONS:** (check one)

a. ☐ NONE

OR

b. ☒ As set forth on the attached "Exhibit A" which is incorporated by this reference.

(Note: If neither a or b is checked, then option "a" applies)

20. **THIS NOTE IS SECURED BY** ☒ **DEED OF TRUST,** ☐ **MORTGAGE,** ☐ _____ **OF EVEN DATE.**

Maker (signatures)

Maker's address for all notices given by Holder under this Note: _____

EXHIBIT A

IF MAKER FAILS TO MAKE REQUIRED PAYMENTS
AND FALLS BEHIND SIX (6) MONTHS OF PAYMENTS,
HOLDER HAS RIGHT TO SELL PROPERTY AND
RECOVER ENDING BALANCE DUE ON LOAN. IN
ADDITION MAKER AND HOLDER MAY AGREE TO
SELL PROPERTY AT ANY POINT AND AGAIN HOLDER
WILL RECOVER ENDING BALANCE ON LOAN, PLUS
20% OF ANY PROFITS FROM SALE, AFTER
OTHER LEGAL OBLIGATIONS ARE MET.

VP
MAKER (INITIALS)

JB
HOLDER (INITIALS)