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KATHY HILL
SKAGIT COUNTY CLERK

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AFTER RECORDING MAIL TO:

RECORDED _____ FILED _____
REQUEST OF _____

JACOB COHEN
Post Office Box 889
Oak Harbor, WA 98277

9712190002

Document Title:

1. Revocable Living Trust Agreement of Charles Alexander Rogers and Ida Jean Rogers

Reference No. of Documents assigned or released:

N/A

Grantor(s): (Last name first, then first and initial)

1. ROGERS, Charles Alexander
2. ROGERS, Ida Jean

Grantee(s): (Last name first, then first and initial)

1. ROGERS, Charles Alexander
2. ROGERS, Ida Jean

Abbreviated Legal Description as follows:

Unit 7, Building 4, The Ridge Condominium Phase II

[X] Complete legal page 17, Schedule A, of document.

Assessor's Property Tax Parcel/Account Number(s):

4678-000-007-0000

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Is. Co. Legal: Apartment No. D, Condominium Plat of Oak Harbor House, Div. 1
Tax Parcel No. S7590-00-0000D 0
Sk. Co. Legal: Unit 7, Building 4, The Ridge Condominium, Phase II
Tax Parcel No. 4678-000-007-0000

**REVOCABLE
LIVING TRUST AGREEMENT**
(With Unified Credit Exemption Equivalent,
Marital and Survivor's Trusts)

THIS AGREEMENT dated the 24th day of November, 1997, is between CHARLES ALEXANDER ROGERS and IDA JEAN ROGERS, husband and wife, as Trustors, and CHARLES ALEXANDER ROGERS and IDA JEAN ROGERS, husband and wife, as Trustee.

ARTICLE I

TRUST PROPERTY

Trustors have conveyed, transferred and delivered to Trustee certain property which they declare to be community property itemized on Schedule A attached hereto.

ARTICLE II

IDENTIFICATION OF FAMILY

Trustors' immediate family consists of their child SCOTT LAWRENCE ROGERS, Ida Jean Rogers' two children MARSHA JEAN ZOTT and LORI ANN KESTERSON, and Charles Alexander Rogers' two children JANE HELEN ROGERS NAPPER and EDWARD ROGERS. The Trustors are aware that Alexander Mitchell Rogers, the son of Charles Alexander Rogers, has predeceased both of them and that the said Alexander Mitchell Rogers died without heirs. It is the specific intent of both Trustors that none of the principal and income of this Trust shall pass to or be distributed to Jane Helen Rogers Napper and Edward Rogers.

ARTICLE III

SUCCESSOR CO-TRUSTEE

If for any reason either Trustee is unable or unwilling to serve or to continue to serve as Trustee, the remaining shall act as sole Trustee. If both are unable or unwilling to act or continue to act, SCOTT LAWRENCE ROGERS and MARSHA JEAN ZOTT are

appointed the successor Co-Trustee with all rights and authority of the original Trustee hereunder.

**ARTICLE IV
RIGHTS RESERVED BY TRUSTOR**

Subject to the provision of Article VI, Trustors or the surviving Trustor reserve the right to:

- A. Add other property acceptable to Trustee to the Trust Estate;
- B. Amend this Agreement in any respect, provided that any amendment shall not affect the duties and responsibilities of Trustee without its written consent;
- C. Revoke this Trust or withdraw at any time any part of the Trust Estate upon reasonable notice to Trustee, subject, however, to any obligations that the Trust may have incurred prior to revocation.

**ARTICLE V
LIFETIME DISTRIBUTIONS**

While both Trustors are living and not mentally disabled (hereinafter "disabled"), the Trustee shall pay to or for the benefit of Trustors so much of the net income and principal at such times or intervals as either Trustor, in writing, shall direct. If one of the Trustors becomes disabled, while both are surviving, Trustee shall pay to or for the benefit of the nondisabled Trustor so much of the net income and principal as the nondisabled Trustor shall direct in writing and in addition shall pay to or for the benefit of the disabled Trustor so much of the remaining net income and principal as the Trustee deems advisable for the maintenance, education, support and health of the disabled Trustor.

**ARTICLE VI
DISTRIBUTIONS AFTER DEATH OF THE FIRST TRUSTOR**

- A. Upon the death of the first Trustor to die (hereinafter

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"Deceased Trustor"), the Trustee shall divide the Trust Estate into two equal shares, the share of the Deceased Trustor and the share of the surviving Trustor.

1. The share of the surviving Trustor shall be held, administered and distributed pursuant to Article VI, Paragraph B below, hereinafter referred to as "the Survivor's Trust".

2. From the share of the first Trustor to die, there shall be segregated an "Exemption Equivalent Amount". The Exemption Equivalent Amount, in order to eliminate or minimize the federal estate taxes payable at my death and the death of my surviving Trustor spouse, shall be equal to the maximum amount of the trust estate which will, after taking into account all allowable credits and deductions, result in no increase in the federal estate tax on my trust estate. In computing the foregoing amount, the credit for state death taxes shall be taken into account only to the extent that it does not result in an increase in state death taxes payable. It is the intent of the Trustor that the Exemption Equivalent Amount shall be equal to that portion of such Trustor's estate, the tax on which (determined pursuant to Section 2001(c) of the Internal Revenue Code of 1986, as amended) is equal to the amount of the Unified Credit (determined pursuant to Section 2010(a)-(c) of the Internal Revenue Code of 1986, as amended) available to such Trustor immediately prior to his or her death, after taking into account other dispositions made by such Trustor (whether under this instrument or otherwise) which do not qualify for the marital or charitable deduction for federal estate tax purposes and after taking into account expenses, debts, taxes and costs of administration paid, and other charges to principal that are not allowed as deductions in computing such Trustor's federal estate tax. The segregated assets comprising the Exemption Equivalent Amount shall be held, administered and distributed as a separate

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trust pursuant to the provisions of this Article VI, Paragraph C below, hereinafter referred to as "the Exemption Trust". For purposes of establishing the Exemption Equivalent Amount, the asset values as finally determined for federal estate tax purposes shall be used.

3. The remainder of the share of the Deceased Trustor shall be held, administered and distributed as a separate trust pursuant to the provisions of this Article VI, Paragraph D below, hereinafter referred to as "the Marital Trust".

Notwithstanding anything herein to the contrary (including the reservations of rights in Article IV), the provision of the Exemption and Marital Trusts may not be amended, modified or revoked after the death of the Deceased Trustor.

B. Survivor's Trust. With respect to the Survivor's Trust:

1. The Trustee shall pay to the surviving Trustor, or his or her order, so much of the net income and principal thereof as the surviving Trustor shall direct in writing. The surviving Trustor (or the duly appointed guardian of the estate thereof), at his or her election, may direct the Trustee to add other assets to the Survivor's Trust for purposes of unified management of the Trust Estate.

2. Upon the death of the surviving Trustor, the entire trust estate shall be disposed of pursuant to Article VII (Distribution After Death of Both Trustors).

C. Exemption Trust. With respect to the Exemption Trust:

1. The Trustee shall pay to the surviving Trustor, or apply for his or her benefit during his or her lifetime, so much of the net income of the Exemption Trust, as the Trustee deems advisable at any time for the surviving Trustor's maintenance, education, support and health.

2. The Trustee also may distribute to the surviving

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Trustor such portions of principal from the Exemption Trust for the maintenance, health, support and education of the surviving Trustor and for any of the descendants of the Trustors dependent upon the surviving Trustor.

3. If the Deceased Trustor and the surviving Trustor own a residence (personal, vacation, or otherwise) at the time of the Deceased Trustor's death, an interest in which passes to the Trustee as a part of his Exemption Trust, the Trustee is authorized and directed to permit the surviving Trustor to continue to reside therein so long as the surviving Trustor may desire, the cost of upkeep, taxes and other charges relative to the residence to be paid by the surviving Trustor. If the surviving Trustor shall direct the sale of such residence, the Trustee is authorized and directed to sell the same, provided that if the surviving Trustor shall request that any part or all of the proceeds be used to purchase or build another residence, such proceeds shall be so used and the surviving Trustor shall have the right to reside in the new residence as in the case of the old residence. It shall not be necessary for the old residence to be actually sold at the time of the purchase or erection of another residence.

4. Upon the death of the surviving Trustor, the then remainder of the Exemption Trust shall be disposed of pursuant to Article VII (Distributions After Death of Both Trustors).

D. Marital Trust. With respect to the Marital Trust:

1. Elections. The Trustee may make the election specified in section 2056(b)(7) of the Internal Revenue Code of 1986 (hereinafter I.R.C.) as amended, to have any part of all of the Marital Trust treated as "qualified terminable interest property". The Trustee may also elect to divide the Marital Trust into two separate portions to permit the Trustee to elect to apply any generation-skipping transfer tax exemption



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unallocated, after such exemption has been applied to Trustor's lifetime transfers and to the Exemption Trust created above, to a portion of the Marital Trust to permit full utilization of the Deceased Trustor's generation-skipping transfer tax exemption provided by I.R.C. section 2631.

2. Income. The Trustee shall pay to or apply for the benefit of the Surviving Trustor the entire net income of the Marital Trust in convenient installments, preferably monthly, but in no event less frequently than annually; such net income payable to the Surviving Trustor shall be computed from the date of the Deceased Trustor's death and shall continue so long as the Surviving Trustor shall live unless the Marital Trust is sooner paid out. If the Surviving Trustor dies during an income paying period, the proportionate part of the total net income for such final period computed to the date of the Surviving Trustor's death, as well as all other net income of the Marital Trust accrued and undistributed to said date shall nevertheless be the property of the Surviving Trustor free from this Trust. The Trustee may invest in or retain non-income producing property, but shall divest the Marital Trust of any such property if the Surviving Trustor so requests.

3. Principal. The Trustee, in its discretion, may pay to or apply for the benefit of the Surviving Trustor, or use for Surviving Trustor's benefit, so much of the principal of the Marital Estate as the Trustee determines to be required for Surviving Trustor's reasonable maintenance, education, support or health. It is the Deceased Trustor's intention that the Surviving Trustor be supported in the manner to which he or she has been accustomed.

4. Residence. The provision of subparagraph C (3) of this article is incorporated into this Paragraph D by this reference.

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5. Savings Clause. Any provision or provisions of this Marital Trust or elsewhere contained in this Trust Agreement which would operate to defeat any federal estate tax marital deduction as to Deceased Trustor's estate shall be without force and effect. The Trustee shall not exercise any discretionary power in any manner which would operate to defeat the marital deduction.

6. Taxes in Surviving Trustor's Estate. Upon the death of Surviving Trustor, if his or her estate is not subject to the generation-skipping transfer tax, the Trustee is authorized to distribute to Surviving Trustor's estate, or to pay directly to the respective taxing authority on behalf of Surviving Trustor's estate, the amounts which in the aggregate bear the same ratio to the total of all death taxes resulting from the death of Surviving Trustor as the federal estate tax value of the assets of this Marital Trust bears to the value of Surviving Trustor's taxable estate. Since the amount of such taxes may not be finally determined for some time after the time for distribution of the Marital Trust, the Trustee is also authorized to withhold distribution of an estimated amount of such taxes which is sufficient in its judgment to cover such taxes. Such taxes shall be paid first out of that portion of this Marital Trust, if any, as to which the Trustee did not elect to allocate a portion of the Deceased Trustor's generation-skipping transfer tax exemption and, second, out of any remaining portion of this Marital Trust.

7. Remainder Interest. Upon the death of Surviving Trustor, the then remainder of the Marital Trust shall be disposed of as set forth in Article VII (Distributions After Death of Both Trustors), after any distributions or payments provided for in subparagraph D (6) of this article.



ARTICLE VII

DISTRIBUTIONS AFTER DEATH OF BOTH TRUSTORS

The property directed to be disposed of under the provisions of Article VI, shall be held, administered and distributed as hereinafter directed:

A. Five percent (5%) to Concordia Lutheran Church of Oak Harbor, Washington.

B. The remainder of the Trust Estate shall be distributed to SCOTT LAWRENCE ROGERS, MARSHA JEAN ZOTT and LORI ANN KESTERSON, in equal shares, share and share alike among them, provided however, in the event any of the aforesaid individuals should die before the distribution of this Trust and not leave any living issue, then their share of this said Trust shall be distributed to the survivors of the aforesaid individuals, in equal shares, share and share alike among them, and provided further, in the event any of the aforesaid individuals should die before the distribution from this Trust and leave living issue, then the share of the said deceased individual shall be distributed to their living issue, in equal shares, share and share alike among them.

ARTICLE VIII

DISTRIBUTIONS FOR CERTAIN EXPENSES

Upon the death of a Trustor, Trustee is specifically authorized and empowered, as it deems advisable, in its discretion, to pay all or part of any debts, expenses of last illness and funeral, probate administrative fees and expenses, and any or all of any estate, inheritance transfer or succession taxes which may be lawfully imposed as an incident to the death of Trustor whether or not such taxes are computed upon the value of the assets under or outside of this Trust. Trustee shall not be required to seek reimbursement from the holder, recipient, or beneficiary of any assets outside of this Trust for any such



taxes so paid by the Trustee.

**ARTICLE IX
GENERAL POWERS**

The following general provisions shall apply to each trust established by this Trust Agreement and to each Trust Estate and share or portion thereof. In addition to the authority otherwise given by law and subject to the rights and reserved by Trustors, the Trustee shall have the power and the discretion in the following areas.

A. Determination of Principal and Income. The Trustee shall determine in accordance with the Washington Principal and Income Act what is principal or income, which authority shall specifically include the right to make any adjustments between principal and income for premiums, discounts, depreciation or depletion.

B. Accounting. The Trustee shall be required to render annual statements of account to each Trustor, but shall otherwise be relieved from compliance with the Uniform Trustees Accounting Act of the State of Washington, any amendments thereof, and any similar laws of any other jurisdiction wherein the Trust, or any share or portion thereof is being administered. While either Trustor is living and not disabled, the Trustee shall not be required to account to remainder beneficiaries. The Trustor specifically directs that R.C.W. 11.98.200 through R.C.W. 11.98.240 shall not be applicable to this Trust.

C. Retention of Original Trust Assets. The Trustee may retain, without liability in so doing, any property, real or personal, productive or unproductive, of whatever kind and character and wheresoever situated, and specifically including any business or recreational property in which Trustors may have any right, title or interest, which Trustee may receive in trust herein from any source, regardless of whether the particular

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property so retained be of a kind and quality which Trustee would ordinarily purchase for trust accounts, regardless of whether such property so retained should constitute a larger portion of the Trust Estate than Trustee would ordinarily deem advisable or prudent. The Trustee is authorized to operate and maintain any business or recreational property at the exclusive risk of the Trust Estate; to exercise with respect to management and disposition thereof all the rights and powers, including authority to broaden, limit or change the scope of nature of the activities of any business, and all other powers herein conferred or as may be necessary to enable Trustee to administer this Trust in accordance with the provisions of his instrument; and to determine what, if any, portion or profits shall be retained as reserves for such operation.

D. Purchases and Sales of Securities. The Trustee may buy, sell and trade in securities of any nature, including short sales, on margin, and for such purposes may maintain and operate margin accounts with brokers, and may pledge any securities held or purchased by them with such brokers as security for loans and advances made to Trustee.

E. Retention of Stock in Corporate Trustee. The Trustee may retain during the period of the Trust any stock of a Successor Trustee corporation (if the Successor Trustee be a corporation) or a related, subsidiary or successor corporation, and such retention shall not be deemed a violation of Trustee's duty of undivided loyalty; provided, however, Trustee is empowered at its discretion to exercise or sell stock subscription or conversion rights that may arise concerning said stock, and to issue proxies to any of the adult beneficiaries for voting stock of Trustee corporation.

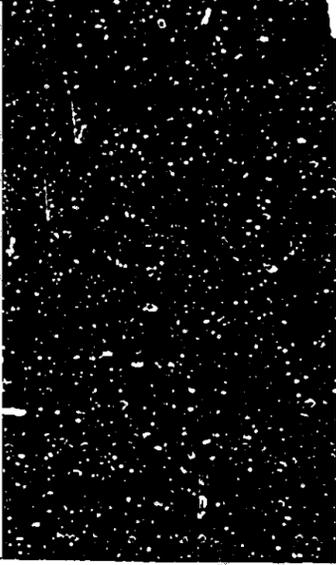
F. Reliance on Counsel. The Trustee may rely on advice of counsel on questions of law.

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G. Payments for Beneficiaries Under Disability. Any money or property payable hereunder to any beneficiary under disability may, in the Trustee's discretion and notwithstanding guardianships, (i) be paid direct to the respective beneficiary or a person living with such beneficiary or his legal guardian, without obligation upon the Trustee to see to the application of such money or property; (ii) be used by the Trustee for such beneficiary's benefit; or (iii) be stored in safekeeping until such time as such beneficiary may no longer be under disability. The receipt of such beneficiary, person, or legal guardian for such money or property, or the application or storage thereof by the Trustee for such beneficiary's benefit, shall be a full and sufficient discharge to the Trustee therefor.

H. Protection for Young Beneficiaries. If this Trust, or any shares or portions thereof, becomes distributable to any beneficiary described herein who is under twenty-five (25) years of age, the Trustee, in its discretion, but within the limits of the rule against perpetuities, may hold in trust the respective distributive share or portion allocated to such beneficiary under twenty-five (25) years of age. If so held, the Trustee shall add the net income from such beneficiary's distributive share or portion to the principal thereof and may pay to such beneficiary, or use for his/her benefit so much thereof as the Trustee deems advisable for such beneficiary's maintenance, education, support and health. The Trustee shall distribute such beneficiary's distributive share or portion to such beneficiary when he/she attains twenty-five (25) years of age, or to such beneficiary's estate upon his earlier death.

I. Trustee's Fees. The Trustee may pay reasonable compensation to itself as Trustee and may hire or engage the Trust Department of a bank or a Trust Company to provide investment advice or asset management and the fees or charges for

such services shall be paid from the Trust Estate.

J. Rule Against Perpetuities. If any provision or provisions hereof should violate the Rule against Perpetuities, then the share, part or portion of the Trust Estate so affected by such provision shall, in any and all events not later than at least one day before the expiration of the period of said Rule, be distributed outright to and vest absolutely and unconditionally in, the beneficiary or beneficiaries to or for whom, and in the proportions in which, the net income therefrom is then being either paid or accumulated; provided, however, that if such share, part or portion is sooner distributable upon the happening of some contingency specified in this instrument and if such contingency occurs, it is my intention and direction that such earlier distribution shall thereupon be made. Trustee shall not be liable to any person for any payments or distributions made by Trustee in reliance upon any provisions hereof prior to written notice of any court decision adjudging such provision to be in violation of the Rule.

K. Trustee's Powers. In addition to the powers elsewhere set forth herein or by law, Trustee shall have full power to:

1. Consolidation. Except as otherwise provided herein, consolidate one or more trusts which Trustee is administering for the same beneficiaries, if such consolidation would be practicable and would not be to the substantial disadvantage of a beneficiary (book entries shall be sufficient to indicate the interest of any trust so consolidated where property is held for more than one trust);

2. Employment of Agents and Attorneys. Employ such agents and attorneys as Trustee may deem necessary or desirable for the proper administration of the trusts, or in connection with any uncertainty, controversy or litigation which may arise in respect of the trusts, and pay reasonable compensation to such

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agents and attorneys for their services; and the Trustee shall not be liable for any neglect, omission or wrongdoing of such agents, provided reasonable care shall have been taken in selection of same;

3. Loans. Loan trust funds to third parties in a commercially reasonable manner and to beneficiaries on any terms and conditions.

4. Termination Where Value \$20,000 or Less. Terminate any Trust hereunder by payment of the Trust Estate to the adult persons then entitled to receive or have the benefit of the income, if such Trust has a market value (as determined by the Trustee) of Twenty Thousand Dollars (\$20,000) or less.

5. All-Inclusive Powers. In addition to the powers and authority granted by law, and the specific bequest of powers granted herein, the Trustee shall have the right and power to manage and deal with the trust estate and any particulars, and in the same manner, and to the same extent, that the Trustors could, if living.

L. Resignation. The Trustee may resign at any time by giving sixty (60) days' written notice to that effect to the next named successor Trustee and to the then current adult income beneficiary or beneficiaries of any Trust created hereunder. If there is no named successor Trustee, such beneficiary or a majority of such beneficiaries shall have the right, within thirty (30) days after receipt of such notice, to appoint a successor Trustee and shall notify the then acting Trustee of such appointment. Other than as to any successor Trustee expressly provided in Article III, the successor Trustee may be a trust company or bank possessing trust powers. If the current income beneficiary or beneficiaries fail to designate a successor Trustee within the time specified, then the acting Trustee may apply to a court of competent jurisdiction for leave to resign,

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the appointment of a successor Trustee, and the judicial settlement of its accounts.

Upon receiving written notice of appointment of the successor Trustee, the then acting Trustee shall, within ninety (90) days thereof, deliver the trust assets to the successor Trustee and deliver a final accounting to the beneficiaries.

Any successor Trustee hereunder shall possess and exercise all power and authority herein conferred upon the original Trustee, unless the successor Trustee is appointed by a court and the court provides otherwise in the order of appointment. Such successor Trustee shall be responsible only for the assets delivered by the preceding Trustee and may accept as correct the statement of such predecessor that these constitute all of the assets of the Trust Estate, without any duty to inquire into the administration or accounting by the preceding Trustee. No successor Trustee shall be held responsible for or by reason of any act or omission of a predecessor in trust.

M. Division of Trust. The Trustee may at any time divide any Trust created hereunder into two, or more, separate trusts so as to create separate trusts in order that the federal generation-skipping transfer tax inclusion ratio for each such trust shall either be zero or one; provided, however, that separate trusts shall not be created if the applicable law, United States Treasury Regulations, or Internal Revenue service rulings provide that the creation of separate trusts will not result in an inclusion ratio of either zero or one for the trusts so created.

N. Protection of Beneficiaries' Interest. Notwithstanding any provisions herein as to the time or manner of payment to any beneficiaries, no share or interest or any portion thereof of any said beneficiary herein shall vest in the said beneficiary until actually paid to him/her by the Trustee, nor shall the same be

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liable for the debts of said beneficiary, nor subject to the process of seizure of any court, nor an asset in the bankruptcy or insolvency of any said beneficiary, and said beneficiary hereunder shall not have the power to anticipate, alienate, or encumber their interest in the trust estate or the income therefrom. If by reason of any bankruptcy, judgments, or other cause, any beneficiary cannot receive and enjoy the benefits hereunder, and the benefits accruing during the pendency of such judgment or proceeding that would ordinarily be distributable to such beneficiary may be temporarily withheld by the Trustee, or Trustee may apply the fund for said beneficiary directly by purchasing necessities, or in such manner as Trustee shall deem best for said beneficiary, as the Trustee may elect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first hereinabove written.

TRUSTOR:

Charles Alexander Rogers
CHARLES ALEXANDER ROGERS

Ida Jean Rogers
IDA JEAN ROGERS

TRUSTEE:

Charles Alexander Rogers
CHARLES ALEXANDER ROGERS

Ida Jean Rogers
IDA JEAN ROGERS

SCHEDULE A

1. Real property situated in Skagit County, Washington described as follows:

Unit 7, Building 4, The Ridge Condominium Phase II, a condominium, according to Declaration thereof recorded under Auditor's File No. 9607170029 and Survey Map and Plans thereof recorded in Volume 16 of Plats, pages 111 to 114, records of Skagit County, Washington.

2. Real property situated in Island County, Washington described as follows:

Apartment No. "D", Condominium Plat of Oak Harbor House, Div. No. 1, a Condominium intended for residential use according to the Condominium Plan and Survey Map, delineating said Apartment, recorded in Volume 12 of Plats, pages 45 and 46, records of Island County, under Auditor's File No. 319176, located at 8565 80th Street N.W., Oak Harbor, Washington 98277;

TOGETHER WITH an undivided 7.27% interest in the common areas and facilities appertaining to said apartment, and TOGETHER WITH those limited common areas and facilities so appertaining, according to the Condominium Declarations recorded under Island County Auditor's File No. 319177.

Situate in Island County, Washington.

3. All items of household furniture and furnishings, jewelry, motor vehicles, resort membership, membership in Oak Harbor Yacht Club, savings bonds and all monies in various checking and savings accounts under the control of the Trustors and any other personal property belonging to the Trustors.

SCHEDULE A

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